

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Triad Manufacturing Inc. ESOP Litigation

***Smith v. GreatBanc Tr. Co.*, No. 1:20-cv-02350-FUV (N.D. Ill.)**

Please read this notice carefully and completely.

**If you are a member of the Class, the Settlement will affect your legal rights.
A federal court has authorized this notice. This is not a solicitation from a lawyer.
You have not been sued. You do not need to submit a claim form.**

The parties to this class action lawsuit have reached a proposed Settlement which, if approved, would resolve a lawsuit concerning the Triad Manufacturing, Inc. (“Triad”) Employee Stock Ownership Plan (“ESOP”). You received this notice because you are believed to be a Class Member because you held vested Triad stock in the Triad ESOP between December 17, 2015 and December 31, 2022 or are a beneficiary of someone who did.

This notice summarizes the settlement terms and provides information concerning your rights as a Class Member. The complete Settlement Agreement (“Settlement”) and other information about this lawsuit, are available at www.TriadESOPsettlement.com or by contacting the settlement administrator at info@TriadESOPsettlement.com or 844-583-8850.

SUMMARY OF YOUR LEGAL RIGHTS & OPTIONS

OPTION #1: DO NOTHING. You can do nothing and still receive the benefits of the Settlement, if it is approved. If you have any Triad stock still in your ESOP account, you will automatically receive Settlement proceeds through an increase in value of the Triad stock in your account.

If you have sold some or all of your stock, you will receive Settlement proceeds through a payment mailed directly to you, if the Settlement is approved.

OPTION #2: OBJECT. If you are not satisfied with the terms of the proposed Settlement, then you or your attorney may inform the Court by sending a letter or written statement by **August 1, 2023**. You or your attorney may also attend the Fairness Hearing on August 22, 2023 to explain your concerns to the Court.

BASIC INFORMATION

1. What is a Class Action?

In a class action, one or more individuals file a lawsuit on behalf of a class of many other individuals who have similar claims. Here, the Court appointed as Class Representatives James Smith and Jerry Honse, who are two former employees of Triad who held Triad stock in their ESOP accounts.

2. Who is a Member of the Class?

The Class is defined as: "All participants in the Triad ESOP from December 17, 2015 through December 31, 2022 who vested under the terms of the Plan, and those participants' beneficiaries, excluding the individual Triad Defendants and the legal representatives, successors, and assigns of any such excluded persons."

Because this Lawsuit was certified as a mandatory ("non-opt-out") class action, you cannot exclude yourself from the Class or the benefits of the Settlement.

THE LAWSUIT AND THE SETTLEMENT

3. What Is This Lawsuit About?

This Lawsuit was filed on behalf of participants in the Triad ESOP and their beneficiaries (the "Lawsuit"). The Lawsuit asserts claims against GreatBanc Trust Company, the Board of Directors of Triad Manufacturing, Inc., David Caito, Robert Hardie, Michael McCormick, Elizabeth J. McCormick, Elizabeth J. McCormick Second Amended and Restated Revocable Living Trust, Michael K. McCormick Second Amended and Restated Revocable Living Trust, David M. Caito Revocable Trust, and First Amended and Restated Robert Hardie Revocable Trust (collectively the "Defendants") and has been litigated in the U.S. District Court for the Eastern Division of the Northern District of Illinois and the Court of Appeals for the Seventh Circuit since April of 2020.

The Lawsuit asserts that Defendants violated a federal statute, the Employee Retirement Income Security Act of 1974 ("ERISA"), in connection with the ESOP's purchase of Triad stock in 2015 for approximately \$106 million (the "ESOP Transaction"). Plaintiffs allege that the ESOP paid more than fair market value for Triad stock. Specifically, the Lawsuit alleges that some of the Defendants were ESOP fiduciaries who violated their duties under ERISA § 404, 29 U.S.C. § 1104, ERISA § 405, 29 U.S.C. § 1105 ERISA § 406, 29 U.S.C. § 1106, and ERISA § 410, 29 U.S.C. § 1110 in connection with the ESOP purchase of Triad stock. The Lawsuit also asserts claims against various Selling Shareholders for participating in the ERISA violations when they sold their Triad stock to the ESOP.

The Defendants deny all the allegations in the Lawsuit, deny any wrongdoing regarding the ESOP Transaction, and have vigorously defended the Lawsuit.

4. Why is there a Settlement?

The Court did not decide in favor of any party. Instead, both sides agreed to a settlement. That way, both sides avoided the cost and risk of a trial, and Class Members will get the value of the Settlement now, rather than continuing with the litigation where there is a chance the Class would receive nothing (i.e., if Plaintiffs ultimately lose the case). The Class Representatives and Class Counsel think the Settlement is in the best interest of all Class Members.

5. Why Did I Get This Notice?

You received this Notice because, according to the ESOP's records, you are believed to be a Member of the Class. The Court has ordered that this Notice be sent to all Class Members to provide you with information about the Settlement and to inform you of your right to object to the Settlement and/or the motion for attorneys' fees, expenses, and service awards to the Class Representatives, which are described further below.

Questions? Call 1-844-583-8850 or visit www.TriadESOPsettlement.com, or email info@TriadESOPsettlement.com

THE SETTLEMENT RECOVERY

6. What does the Settlement provide?

If the Settlement is approved, the Class will receive the following benefits:

- (1) The Selling Shareholders will forgive \$15 million of debt that Triad owes them for the ESOP transaction. This will increase the value of the Triad stock owned by the ESOP by an estimated \$9,735,600.
- (2) The strike price of the Warrants held by the Selling Shareholders will be increased from \$2 to \$9.45. This offsets the value the Selling Shareholders would otherwise get from the increased value of Triad stock created from the Settlement.
- (3) The Selling Shareholders will give up 150,000 Warrants they currently own. This will increase the value of Triad's stock—in addition to the benefit from (1) above—by an estimated \$2,340,000.
- (4) Defendants will pay Class Members who have sold Triad stock on or before December 31, 2022 an additional \$8.20 for each share sold.
- (5) Defendants will pay a total of \$2,500,000 (“Cash Payment”) into an escrow account established for the payment of court-awarded attorneys’ fees, expenses, settlement administration costs, and service awards.

The total value the Settlement consideration listed above is conservatively estimated to be \$14.8 million. These and other terms of the Settlement are set forth in the Class Action Settlement Agreement dated **April 19, 2023** (“Settlement Agreement”) and are summarized in this notice. The complete Settlement Agreement is available at www.TriadESOPsettlement.com or from Class Counsel.

7. How will I get my Settlement benefits?

Under the proposed Settlement, if you have an active ESOP account, the value of the Triad shares held in your account will increase, thereby increasing the value of the retirement savings in your account. If you have sold Triad stock once held in your ESOP account, you will receive a direct payment of \$8.20 for each share you sold. If the Settlement is approved, all Class Member will automatically receive these benefits. You do not need to complete a claims form.

THE LAWYERS REPRESENTING YOU

8. Who represents the Class?

The Court has appointed lawyers from the law firms Cohen Milstein Sellers & Toll PLLC and Feinberg Jackson Worthman & Wasow LLP to represent you and other Class Members. These lawyers are called Class Counsel.

You will not be charged for these lawyers’ services. If you want to be represented by your own lawyer, you may hire one at your own expense. Information about Class Counsel and the work they did in prosecuting this case and negotiating the proposed Settlement is available at www.TriadESOPsettlement.com.

9. How will the lawyers be paid?

From the beginning of the case, which was filed in April 2020, to the present, Class Counsel have not received any payment for their services in prosecuting the case or obtaining the Settlement. Nor have they been reimbursed for any litigation expenses spent prosecuting the case. Class Counsel will therefore apply to the Court for an award of attorneys’ fees and the reimbursement of the litigation expenses. The total amount of attorneys’ fees requested will not exceed \$2,290,000, and the total requested litigation expense reimbursement will not exceed \$185,000. The Class Representatives will seek service awards of \$12,500 each in recognition of the time and effort they expended on behalf of the Class, such as sitting for deposition and producing documents to Defendants.

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You may object to the requested attorneys' fees, expenses, and service awards through the objection procedures described below in Question 12. All requested attorneys' fees, expense reimbursements, and service awards must be reviewed and approved by the Court, and the Court may decide to award less than the requested amount. The Court will consider any objections before deciding the amount of any awards for attorneys' fees and expenses or service awards, all of which will be paid from a \$2.5 million fund from Defendants as described in paragraph 5 of Question 6 above. In all events, Class Members will not have to pay for any potential awards of attorneys' fees, expense reimbursements, or service awards, which will come from the \$2.5 million fund created by Defendants. However, any amount left in that fund after the distribution of court awarded amounts and settlement administration expenses will be deposited into the ESOP and distributed to ESOP participants with active accounts on a *pro rata* basis (based on the proportional number of shares they have compared to all allocated shares)

All court documents related to the motion for attorneys' fees and reimbursement of expenses will be posted to www.TriadESOPsettlement.com by July 17, 2023.

INDEPENDENT FIDUCIARY

9. Will the Settlement be reviewed by anyone other than the Court?

Yes. The Settlement Agreement requires an experienced Independent Fiduciary to review the Settlement on behalf of the ESOP and Class Members. An Independent Fiduciary is an impartial third party that specializes in ERISA issues and will review the proposed Settlement, including the terms of the Settlement, the value of the Settlement benefits described in Question 6 above, and whether the requested attorneys' fees, expense reimbursements, and service awards are fair and reasonable in the opinion of the Independent Fiduciary. However, the ultimate determination of whether the Settlement terms and attorneys' fees, expense reimbursements, and service awards are fair and reasonable is solely in the discretion of Judge Valderrama. The Independent Fiduciary will submit a written report with its findings and its conclusion concerning whether the Settlement is fair and reasonable. If the Independent Fiduciary does not agree with any aspect of the Settlement, it will object in writing and explain the basis of that objection. The parties may attempt to resolve the concerns of the Independent Fiduciary if it objects. The Independent Fiduciary's written report will be filed with the Court on or before the deadline to object so that the written report may be considered by Class Members and Judge Valderrama. That report will be posted here: www.TriadESOPsettlement.com.

YOUR RIGHTS AND OPTIONS

10. What happens if you do nothing at all?

If you do nothing, and the Judge approves the Settlement, you will receive the benefits of the Settlement as described in Question 6 above. The particular benefits you receive depends on whether you have sold any Triad stock that was allocated to your ESOP account. If you have an active ESOP account that holds Triad stock, then the value of the Triad stock in your ESOP account will increase. If you sold any or all of the Triad stock in your ESOP account before 12/31/2022, then you will receive a settlement payment of \$8.20 per share based on the number of Triad shares sold.

11. May I opt out of the Settlement?

No. If the Court approves the Settlement, you will be bound by it and will receive whatever Settlement recovery you are entitled to under its terms. You cannot exclude yourself from the Settlement, but you may tell Judge Valderrama what you don't like about the Settlement by filing an objection on or before August 1, 2023. (See Question 12 below.)

12. How do I object to the Settlement?

You can submit written comments or an objection that explains what you do not like Settlement. You may also object to the requested attorneys' fees, expenses, and service awards, but it must be submitted on or before August 1, 2023. Your objection must be in writing, and you must provide the following information to ensure that Judge Valderrama receives your objection and can properly consider it:

1. Include the case name and number for this Action: *Smith v. GreatBanc Trust Company*, No. 1:20-cv-02350;
2. Your full name, current address, current telephone number, and email address. If you are represented by a lawyer, you need to also provide your lawyer's name, current address, current telephone number, and email address;
3. Explanation of what you do not like about the Settlement or the requested attorneys' fees, expenses, and service awards and why; and
4. Copies of any documents that you believe support your objection.

Again, it is very important that you file your objection on or before August 1, 2023. Failure to submit your objection to the Court and Counsel for the Parties (identified below) by this deadline shall constitute a waiver of your right to object. In other words, you cannot object to the Settlement or the requested attorneys' fees, expenses, and service awards after the deadline, August 1, 2023.

On or before August 1, 2023, you must file or mail your objection to the Court at the Courthouse (address below). In addition, you must email and/or mail copies of your objection to all Counsel (emails and addresses below):

<p>To Clerk of Court: United States District Court for the Northern District of Illinois 219 S. Dearborn Street Chicago, IL 60604</p>	<p>To Class Counsel: Michelle C. Yau Cohen Milstein Sellers & Toll, PLLC 1100 New York Ave. NW Suite 500 West Washington, DC 20005 myau@cohenmilstein.com</p> <p>Daniel M. Feinberg Feinberg, Jackson, Worthman & Wasow LLP 2030 Addison Street, Suite 500 Berkeley, CA 94704 dan@feinbergjackson.com</p>	<p>To GreatBanc's Counsel: Mark A. Nebrig Moore & Van Allen PLLC 100 N. Tryon St. Suite 4700 Charlotte, NC 28202-4003 marknebrig@mvalaw.com</p> <p>To the Triad Defendants and Selling Shareholders' Counsel: Benjamin Paul Fryer Ford & Harrison LLP 6000 Fairview Road, Suite 1415 Charlotte, NC 28210 BFryer@fordharrison.com</p>
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13. When and where will the Court hold a hearing on the fairness of the Settlement?

The Court will hold a Fairness Hearing on August 22, 2023 at 9:30 a.m., before Judge Franklin U. Valderrama in the United States District Court for the Northern District of Illinois. The Fairness Hearing will occur at the Everett McKinley Dirksen U.S. Courthouse, 219 Dearborn Street, Courtroom 1941, Chicago, IL 60604. At the Fairness Hearing, the Court will listen to any objections, comments, and arguments concerning the fairness of the proposed Settlement and the requested attorneys' fees and expenses, and service awards.

You do not need to attend the Fairness Hearing. But you are welcome to attend the Hearing to observe or to voice your views about the Settlement or the requested attorneys' fees, expenses, and service awards. If you plan to speak at the hearing, you must file or send a Notice of Intention to Appear at the August 22, 2023 Fairness Hearing on or

before August 1, 2023, and include copies of any papers, exhibits, or other evidence you will present to the Court. You must include the name of this Action (*Smith v. GreatBanc Trust Company*, No. 1:20-cv-02350), your full name, current address, current telephone number, and email address. If you will have a lawyer with you at the hearing, please also provide your lawyer's name, current address, current telephone number, and email address. You must send your Notice of Intention to Appear at the Fairness Hearing (with the information described in this paragraph) to the Court and all Counsel at the addresses provided in Question 12 above.

Note: The date and time of the Fairness Hearing may change, but any changes will be posted at www.TriadESOPsettlement.com.

14. May I speak at the hearing?

Yes, by sending a Notice of Intention to Appear at the Fairness Hearing you are telling the Court that you would like to speak at the hearing. To do so, you must send a "Notice of Intention to Appear at the August 22, 2023 Fairness Hearing." Again, your Notice of Intention to Appear at the Fairness Hearing must be postmarked no later than August 1, 2023, and be sent to the Clerk of the Court, Class Counsel, and Defense Counsel at the addresses provided in Question 12 above.

15. When will I get my Settlement benefits?

If the Judge approves the Settlement after the Fairness Hearing, it is still possible that someone appeals the approval of the Settlement. If that happens, an appeals court will review whether it agrees that the Settlement is fair and reasonable. Appeals take several months and sometimes more than a year to be resolved. Please be patient. If no one appeals the Judge's approval of the Settlement, Class Members will receive the benefits described in Question 6 approximately 45 days after approval is granted. This means that payments to Class Members who sold Triad stock from their ESOP accounts, the increase in the reduction of \$15 million of Triad debt, and the elimination of 150,000 Warrant terms (which will increase the value/price of Triad stock held in active ESOP accounts) will occur approximately 45 days after the Final Approval Order is entered. The value of the increased share price in Triad stock will be reflected on the annual ESOP statements for the 2023 plan year sent to Class Members with active accounts.

16. What is the effect of Final Approval of the Settlement?

If the Court finds that the Settlement is fair and reasonable, a final order and judgment dismissing the case will be entered in the Action. Shortly after the Settlement becomes final, the loan reduction and warrant revisions will be effectuated and the payments to Class Members who sold Triad stock on or before 12/31/2022 will be made. All of the Court's orders will apply to you and legally bind you, including the release of claims outlined in the Settlement Agreement, which can be found at www.TriadESOPsettlement.com.

If the Settlement is approved, no Settlement Class Member will be permitted to continue to assert the Released Claims in any other litigation against the Released Parties. If you do not like any aspects of the Settlement Agreement or the requested attorneys' fees and costs, you may file/send an objection the Court and Counsel as described in Question 12 above.

If the Settlement is not approved, the case will proceed as if no settlement had been attempted or reached. In other words, the increase in Triad stock price and the payments for Triad stock sold by Class Members will not occur. If the Settlement is not approved and the case resumes, there is no assurance that Settlement Class members will recover more than what is provided under the Settlement, or anything at all.

17. Where can I get additional information?

This notice provides only a summary of information about the Settlement. For more detailed information, you may can review the Settlement Agreement and all other court documents filed in connection with the proposed Settlement

Questions? Call 1-844-583-8850 or visit www.TriadESOPsettlement.com, or email info@TriadESOPsettlement.com

at www.TriadESOPsettlement.com. You can also get more information by calling the Settlement Administrator toll free at 844-583-8850. The Settlement Agreement and all other pleadings and papers filed in the case are also available for inspection and copying during regular business hours at the office of the Clerk of Court, located at 219 S. Dearborn Street Chicago, IL 60604.

Please do not contact the Court or Triad Manufacturing with questions about the Settlement. If you have questions, you can call 844-583-8850, send an email with your questions to info@TriadESOPsettlement.com or visit www.TriadESOPsettlement.com for more information.

18. What if my address or other information has changed or changes?

It is your responsibility to inform the Settlement Administrator of your updated address or other information. You may do so by email to: info@TriadESOPsettlement.com or by U.S. Mail to the following mailing address: Triad ESOP Settlement, P.O. Box 2003, Chanhassen, MN 55317-2003.