SAGRADO

Universidad del Sagrado Corazón

SUMMARY PLAN DESCRIPTION

This document is a summary of the provision of the Universidad del Sagrado Corazon Pension Plan. In the event of a conflict between this Summary and the Plan Document, the Plan Document shall prevail.

Restated and Amended as of July 1, 2020
Restated and Amended as of July 1, 2021

UNIVERSIDAD DEL SAGRADO CORAZON
PENSION PLAN

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UNIVERSIDAD DEL SAGRADO CORAZÓN PENSION PLAN
SUMMARY PLAN DESCRIPTION

I. INTRODUCTION

The Universidad del Sagrado Corazón Pension Plan (the "Plan") was amended and restated in its entirety effective July 1, 2020, to confirm that the Plan has been and continues to be a "church plan" within the meaning of Section 3(33) of the Employee Retirement Income Security Act of 1974, as amended. Accordingly, the Plan is not subject to ERISA. In addition, the Plan is not subject to the Internal Revenue Code of 1986, as amended, but is subject to the Puerto Rico Internal Revenue Code of 2011, as amended, and to the rules and regulations of the Puerto Rico Department of Treasury. The Plan was amended and restated effective July 1, 2021 to aggregate the amendments made to the Plan since the previous restatement and introduce certain temporary retirement windows.

II. PLAN PARTICIPATION

Am I eligible to participate in the Plan?

Employees who were a Participant in the Plan on July 1, 2021, shall continue as a Participant in the Plan. The Plan was frozen on October 31, 2006. This means that no new participants employed on or after that date were admitted to participate in the Plan.

Your participation on the Plan ends when your employment with Sagrado terminates and you have received a refund of your Mandatory Contributions or when the distribution of any Normal, Late, Early, Disability, or Deferred Vested Retirement Benefit to which you may be entitled has been completed.

III. CONTRIBUTIONS TO THE PLAN

Do I have to contribute to the Plan to participate?

The Plan was frozen as of October 31, 2006. This means that you are not required or permitted to make contributions to the Plan as of that date.

Does Sagrado make contributions to the Plan?

Because the Plan is a "church plan" and is not subject to the funding requirements of Title IV of ERISA, Sagrado is not required to make contributions to the Plan but may, in its discretion, make contributions from time to time, to fund the cost of the retirement and death benefits provided by the Plan and to pay certain expenses of the Plan.

Sagrado may make contributions to the Plan at such times and in such amounts as it shall determine based upon the recommendations of the Plan's actuaries.

An actuary is an independent expert who estimates how much money Sagrado must put into the Plan's Trust Fund each year to pay for benefits provided by the Plan. The actuary uses personnel data, information about the Plan's assets and the Plan itself to determine the amount of the contribution. Your contributions are credited. You are always 100% vested in the portion of your benefit attributable to these contributions and the related earnings.

IV. SERVICE

In general, "Service" means the length of time you work for Sagrado, but under the Plan Service is counted in a special way. It is used to determine the amount of your benefit and the portion of that benefit that is "vested."

Note that the Plan has been frozen as of October 31, 2006. This means that no additional Service will be credited after this date.

How is Service used for vesting purposes?

To receive vesting credit, Service is counted from your first day of work to your severance date.

Generally, your severance date will be the date you resign, are discharged, retire or die. If you are absent from work for 12 consecutive months for other reasons, such as sickness, disability, leave of absence or layoff, your severance date will be the first anniversary of the first date you were absent. A special rule applies if you are absent on military leave - in that case, you will not have a severance date unless you fail to return to employment within the time provided by law for the protection of veteran reemployment rights.

If you return to employment within 12 months of your resignation, discharge or retirement, your Service will include the period of time you were gone (your "severance period"). If you were initially absent from work for another reason but resigned, were discharged or retired within 12 months of the time you were first absent, your Service will include the entire time you were gone if you return to work on or before the first anniversary of the date you were first absent.

If you are absent from work while on an authorized paid leave of absence, you will not be treated as having severed employment as long as you return to active employment immediately following your leave.

If you are absent from work because of pregnancy or to care for a newborn or newly adopted child, your severance date will be the second anniversary of the first date of such absence. However, your Service will include only the first 12 months of your absence.

Generally, if you were a participant in the Plan when you left Sagrado and return to work after 12 consecutive months, any Service you earned before your absence will not be counted unless you repay the amount of any previous single sum distribution of your accumulated contributions, plus interest within five years of the date you are reemployed and you meet one of the following requirements:

- you had a vested interest in the Plan when you left employment; or
- your employment ended because you are totally and permanently disabled; or
- you return to work within five years of your severance date.

What is "Vesting"?

"Vesting" refers to your right to receive benefits from the Plan when you retire or leave Sagrado. You are 100% vested in your Plan benefit if you are an employee when you reach age 65 (your Normal Retirement Age for the Plan). In addition, you are 100% vested after you have completed 5 years of vesting Service.

If your Service before your severance date is disregarded in the section called *How is service used for vesting purposes,* only years of vesting Service after you are rehired will be counted in determining your vesting percentage.

How is Service used to determine Plan benefits?

Your years of Service are also used to calculate the amount of your pension benefit. The more Service you have, the larger your benefit will be. Service for benefits is credited in years and months of Service. For determining Plan benefits, your Service includes the period from your first day of employment until your severance date. However, it does not include severance periods that might be credited under the rules regarding vesting service.

Benefit Service will not include any period of employment in a position not eligible for Plan participation, periods in which you did not receive Compensation and periods in which you did not contribute to the Plan. Your benefit Service will also not include any period of employment that would be disregarded under the rules concerning the crediting of vesting Service described in the section called *How is service used for vesting purposes*. In addition, if you receive a single-sum distribution of your vested benefit or the portion of your benefit attributable to your contributions from the Plan and are rehired before you have five consecutive one-year severance periods (determined after the date of the distribution), your later benefits will take into account your prior benefit Service only if you repay the amount of your distribution, plus interest, within five years of the date you are reemployed. If you are reemployed after this time period has elapsed, your prior benefit Service will not be taken into account.

V. Factors that Affect Your Benefit

Your benefit Service and Compensation affect the amount of your Plan benefit.

How is my compensation used to determine my benefit?

Your retirement benefit is based on an average of your Compensation during a period of time. Your Compensation includes your basic salary or wages, excluding overtime pay, bonuses, severance pay, payments for life insurance or employee benefit plans, and any other forms of additional compensation during a calendar year.

Your Compensation is used to calculate a final average compensation amount for use in the Plan's benefit formula. Your final average compensation is the monthly average of your Compensation over the 5 consecutive calendar years during your final 10 years of employment (as an Active Participant) that produces the highest average. If you have less than 5 years of benefit Service included in calculating your benefit, your final average compensation will be based on your Compensation during that period of benefit Service. Calendar years in which you are not employed for the entire year will be excluded if the result is to increase your final average compensation.

VI. HOW YOUR BENEFIT IS DETERMINED

What is the procedure for determining my benefit amount?

This pension plan is a "defined benefit" plan. This means your monthly retirement benefit is calculated using a formula. The dollar amount computed using the Plan's formula is always payable at your Normal Retirement Date (or later), even if the calculation is made at an earlier time (such as upon termination of employment before retirement).

How is my normal retirement benefit calculated?

When you retire from Sagrado, your monthly benefit will be calculated according to the following formula:

1.95% of your final average compensation
times
your years of benefit Service (up to 20 years)

However, your benefit will not be less than the actuarial equivalent of your accumulated contributions.

Here is an example that shows how a benefit is calculated:

<u>Example</u>

Date of Birth:		January 1, 1938
Hire Date:		January 1, 1983
Normal Retirement Date (age 65):		January 1, 2003
Benefit Service:		20 years
Final Average Compensation		
Calendar Year	1998	$20,000.00
	1999	22,000.00

2000	24,000.00
2001	26,000.00
2002	28,000.00
	$120,000.00
	÷ 60 / months
	$2,000.00 / month

Total Monthly Benefit
0.0195 x $2,000.00 x 20 = $780.00/ month

The calculated benefit represents the 100% full monthly benefit for the Participant's lifetime only. This amount would be reduced if survivor options were elected and could also be reduced in the case of early retirement.

Are benefits available if I leave employment before retirement?

Generally, if you leave Sagrado before you are vested, you will not receive any benefits from the Plan other than your accumulated contributions. See the section called *What is vesting* for a description of when you become vested.

If you leave for any reason after you become vested, but before you qualify for retirement, you will receive a deferred pension benefit starting at your Normal Retirement Date. The amount of your benefit will be calculated in the same way as Normal Retirement Benefits but will be based on years of Service up until your employment with Sagrado ends. You will receive your vested percentage of that benefit.

If you completed the number of years of service required for early retirement before you left Sagrado, as described in the section called *Can I retire before my normal retirement date,* you can begin receiving benefits when you reach early retirement age. However, benefits paid before your Normal Retirement Date will be reduced to reflect the longer payment period expected.

Any time after you terminate employment, you may elect to receive your accumulated contributions, if any. Your accumulated contributions include the contributions you are required to make to the Plan in order to participate, together with interest on those contributions. These will be paid to you in a single sum and will reduce the amount of your retirement benefit. If you are not vested when your employment ends, your accumulated contributions will be paid to you in lieu of any other benefit under the Plan. If you are vested, your Normal Retirement Benefit will be reduced by the portion of the benefit attributable to the accumulated contributions distributed to you.

VII. SELECTING YOUR RETIREMENT DATE

When can I retire?

There are five types of retirement under the Plan. The differences depend on your age and the circumstances of your retirement.

What is normal retirement?

You can retire with a Normal Retirement Benefit on your Normal Retirement Date which is the later of age 65 ("Normal Retirement Age") or having completed at least 5 years of Service. If you retire on your Normal Retirement Date, your Normal Retirement Benefit will be paid to you beginning on the first day of the next month.

If you retire upon reaching your Normal Retirement Date, your benefits will be calculated using the formula described in the section called *How is my benefit calculated*.

What happens if I work beyond my normal retirement date?

You can also retire with full benefits any time after your Normal Retirement Date. If you work past your Normal Retirement Date, your benefits will begin on the first day of the month after you leave employment, your Deferred Retirement Date.

Benefits payable on your Late Retirement Date will take into account your Service and Compensation earned after Normal Retirement Age.

The Plan provides a late retirement benefit for participants who continue working for Sagrado after their Normal Retirement Date (the later of 65 years of age or completion of 5 years of service) and voluntarily decide to defer the date to begin receiving their retirement payment.

When participants who are eligible to receive a late retirement benefit communicate to the office of Organizational Development and Human Resources their decision to retire, the Plan's actuaries calculate the participant's benefit and monthly payment using commonly accepted best practices in actuarial premises and methodologies.

Some actuaries apply an administrative process known as the "late retirement benefit adjustment" where the monthly benefits increase for these participants under the assumption that they will be receiving their benefit for a shorter period of time. Other actuaries assume that the employee has made a conscious and voluntary decision to continue working past his/her Normal Retirement Date and do not include the late retirement benefit adjustment in the payment calculation.

Although the Plan does not establish an adjustment process for employees who decide to continue working past their Normal Retirement Date, this has been the administrative practice for retirees who are currently receiving their retirement payment. However, the current actuaries have advised us that the best actuarial practice is to discontinue such administrative process.

For this reason, the late retirement benefit adjustment administrative process will not be used in calculating the benefits for participants who are terminated vested effective as of

July 1, 2021, and for participants who are still working for Sagrado effective as of January 1, 2022. You will retain any late retirement adjustment to which you will be entitled on July 1, 2021, for terminated vested participants, and as of January 1, 2022, for employees who continue to work for Sagrado after such date.

Retirees who are already receiving their pension benefit will continue receiving their monthly payment without any changes.

Can I retire before my normal retirement date?

Yes. You can choose Early Retirement at any time as long as you have reached age 55 and have completed at least 5 years of Service.

If you have completed the requirements for Early Retirement before you leave Sagrado, you can begin receiving your retirement benefit on the first day of any month you choose after you leave Sagrado.

Early Retirement benefits are calculated in the same way as termination benefits, except that they are based on your Compensation and benefit Service as of the date you terminate employment and are actuarially reduced to reflect the longer expected payment period. The amount of the reduction will be 5/12% for each of the first 60 full calendar months that your benefit commencement date precedes your Normal Retirement Date and 5/24% for each of the next 60 months preceding your Normal Retirement Date.

If your benefits commence after you have reached age 55 and you have earned 25 years of vesting service, your benefits will not be reduced due to early commencement.

What happens if I become disabled?

If you become totally and permanently disabled while employed by Sagrado, you may receive a disability retirement benefit from the Plan. You will be considered disabled if, in the opinion of the Administrative Committee, you are unable to engage in any substantial gainful activity, taking into account your training and past work experience, due to a medically determinable physical or mental impairment expected to be of long, continued and indefinite duration to result in death. In order to qualify for the Disability Retirement Benefit, you must have completed 5 years of Service and your disability must have lasted at least 6 months. The Administrative Committee will rely on the advice of a licensed Doctor of Medicine selected by the Committee. The Committee may require continued evidence of disability annually or more frequently.

The amount of your disability benefit will be equal to your vested Normal Retirement Benefit based on your final average compensation and years of benefit Service as of the date you become disabled.

Payments will begin on your Normal Retirement Date.

However, you may begin receiving your benefits early. Any benefits that commence early will be reduced as specified using the section called *Can I retire before my normal retirement date*. If you elect to begin receiving your benefit before you would have been eligible for early retirement, your benefit will be the actuarial equivalent of the amount that would have been payable at age 55.

Disability Benefits will cease if you are no longer disabled.

What happens if I cease to work for Sagrado but are not entitled to Normal, Late, Early or Disability Retirement Benefit?

If you are not entitled to a Normal, Late, Early, or Disability Retirement Benefit but your employment is terminated after you have completed at least 5 Years of Service, you will have a nonforfeitable right to receive a Deferred Vested Retirement Benefit.

VIII. RECEIVING YOUR PLAN PAYMENTS

How will my benefit be payable after I retire?

So far, you have seen how pension benefits are calculated and how much your benefits could total under certain circumstances. You will see now that the way benefits are paid can be as important to you as the amount you receive.

Because people's needs differ, the Plan allows you to choose how your benefits will be paid. There are several payment options available to you. Unless the value of your benefit as a single sum is less than $5,000, benefits will be paid to you over your lifetime. You may also receive benefits in a form that provides continuing payments to your surviving beneficiary after your death.

While your retirement benefit is calculated based on the life-only annuity option (see below), your standard form of payment depends on whether you are married at the time benefits first become payable.

- If you are married when benefits become payable, your standard payment form is the 50% Contingent Annuity with your spouse as your beneficiary. However, if you have not been married for at least 1 year and you do not remain married for at least 1 year your benefit will be converted to a single life annuity and your spouse will lose any surviving spouse coverage.
- If you are single, your standard payment form is the life-only annuity.

You will automatically receive payment using the standard form unless you reject it in writing within 90 days before payments start and select another form of payment. If you are married, you may not reject the surviving spouse annuity unless your spouse consents. These requirements are mandated by federal law.

Here are a few more details on the standard and optional payment forms:

Life-only annuity – This form of payment provides a monthly benefit during your lifetime with payments stopping at your death. It will pay you the largest monthly amount because the income is not continued to someone else after you die. The other payment forms will result in a reduced benefit in order to reflect the possibility that payments will be made after your death. If you die before you are paid an amount at least equal to your accumulated contributions, the unpaid portion of your accumulated contributions will be paid to your beneficiary in a lump sum after your death.

If you are single when you retire, and you want to name a beneficiary to receive payments after your death, you can reject this form in writing and choose another option.

Contingent annuity – This form of payment provides a monthly benefit for life. Upon your death, it provides your beneficiary with a monthly benefit equal to 50%, 75%, or 100% of the amount you were receiving for the remainder of his or her life. Because under this form payments are expected to be made using two lifetimes instead of one, you will receive a reduced benefit when compared to a life only annuity. The amount of the reduction is based on your age and your beneficiary's age when benefit payments commence. If your beneficiary dies after payments have begun, you will continue to receive the same reduced amount of monthly benefit for the remainder of your lifetime.

If you and your beneficiary die before you and your beneficiary receive benefits totaling at least the amount of your accumulated contributions at your death, the excess of your accumulated contributions over the payments received will be paid to the beneficiary of the last to die of you or your beneficiary.

How do I select a payment option?

When you are ready to retire, your personnel representative will provide you with the forms necessary to choose the payment option you want. The option you elect becomes effective on the date your benefits start. You may choose or change payment options at any time before your benefits start; however, if you are rejecting your standard payment form you must make your election within ninety (90) days of the date your payments are to start. If you make no election at all, your benefit will be paid in accordance with the standard payment form based on your marital status.

Are there any restrictions on the payment options I can choose?

If you are married and wish to choose a payment option other than the standard payment form, your spouse must consent in writing to your election. This consent must be witnessed by a notary public or a plan representative. If your spouse does not consent, you will not be permitted to reject the standard payment form. The requirements are mandated by federal law.

If the single sum value of your benefit is $5,000 or less (and you have not taken an earlier distribution at a time when the value of your vested benefit was more than $5,000), the

Plan will pay the benefit to you or your survivor (if a death benefit is payable) in a single sum. You will not be entitled to choose any other payment form.

IX. BENEFITS PAYABLE IF YOU DIE BEFORE RETIREMENT

The Plan protects your spouse if you die before retirement and are vested at the time of your death. If you are not married or you are not vested at the time of your death, no preretirement death benefit is payable other than your accumulated contributions which will be paid to your beneficiary. The form of your distribution will be subject to the limitations described in the section called *Are there any restrictions on the payment options I can choose*.

How does my spouse qualify for a death benefit?

If you die prior to retirement, but after you are vested, your spouse at the time of your death will qualify for a death benefit, provided you have been married at least 1 year.
The death benefit will be payable to your spouse even if you have left employment with Sagrado.

What is the amount of my death benefit?

The benefit amount payable to your surviving spouse is equal to the benefit he or she would receive after your death under a 50% surviving spouse annuity form of payment. The benefit will be calculated using your compensation and benefit Service as of the date of your death, or if earlier, the date you terminate employment as follows:

- If you die while eligible for early or normal retirement, payments will be calculated as if you commenced your benefit with a 50% survivor annuity on the day before your death.
- If you die before you are eligible to retire, benefits will be calculated as if your employment ended on the date of your death or, if earlier, the date you terminate employment. The Plan will assume you live to qualify for early retirement and choose plan benefits to begin on your early retirement date.

If your spouse's or beneficiary's benefit would be payable as an annuity or a series of payments and the actuarially equivalent lump sum value of the benefit is $5,000 or less, the benefit will be paid in a single lump sum. Your spouse or beneficiary will not be allowed to choose monthly payments.

If your spouse dies before receiving payments totaling at least the amount of your accumulated contributions at your death, the excess of your accumulated contributions over the amounts paid will be paid to your spouse's beneficiary.

When does the death benefit begin?

Your surviving spouse may elect when the death benefit will begin. The benefit will be paid beginning the first day of the month on or next following the date you die but no earlier than the date you would have reached age 55.

However, your spouse can choose to have payments begin as late as the date you would have reached your Normal Retirement Date. Benefits that start before your Normal Retirement Date will be reduced for early retirement to reflect the fact that the total benefit will be paid during a longer period of time. The amount of this reduction is described in the section called *"Can I retire before my normal retirement date"*.

X. PAYING TAXES ON YOUR BENEFITS

How are my retirement benefits taxed?

Benefits received from the Plan are taxable income to you to the extent they are derived from Sagrado contributions or earnings. The portion attributable to your own contributions is not taxable to you. You will be responsible for paying taxes attributable to those benefits when you file your tax return. If you receive a lump sum distribution you may be eligible to "rollover" your distribution to a Puerto Rico - approved IRA or another plan that is tax-qualified under Puerto Rico tax law (if that plan permits) allowing you to postpone taxes on the distribution. Your "rollover" distribution may be paid directly to the IRA or qualified plan.

We strongly encourage you to consult with a tax counselor to avoid unexpected and/or significant tax contributions.

XI. HOW TO APPLY FOR BENEFITS

When you are near retirement age, contact your personnel representative for information on how to apply for benefits. If you die before retirement, your personnel representative will help your spouse or beneficiary apply for any benefits due.

XII. SITUATIONS AFFECTING YOUR PLAN BENEFITS

Under what circumstances can my benefits be forfeited, lost or delayed?

The Plan is designed to provide you with a continuing income once your employment ends, but some situations could affect plan benefits. Those situations are summarized here:

1. If you leave Sagrado for any reason before you become vested, you will not receive benefits other than your accumulated contributions. If you are later reemployed by Sagrado, your prior Service may be forfeited depending on the length of your period of absence.

2. If you are not married and you do not live until retirement, no benefits will be payable on your behalf other than your accumulated contributions.

3. If you die and your surviving spouse dies before commencement of a death benefit no benefits will be payable other than your accumulated contributions.

4. If you do not notify us of your intention to retire or leave employment, payments will begin only after your application for benefits is received and approved.

5. If you do not keep Sagrado informed of your current address and we cannot locate you, benefit payments may be delayed.

6. If your beneficiary cannot be located, benefits may not be continued to the person of your choice after your death.

7. The benefits of certain participants may be limited to maximum amounts specified by law.

8. If the Plan is terminated or partially terminated, participants affected by the termination may have benefits earned to date reduced as a result of the Plan's funding status (see the section called *If the Plan ends*).

Can my benefit be assigned to someone else?

No. Your pension benefits belong to you and may not be sold, assigned, transferred, pledged or garnished under most circumstances.

If you become divorced or separated, certain court orders could require that part of your benefit be paid to someone else – your spouse or children, for example. This is known as a "qualified domestic relations order." A copy of the Plan's qualified domestic relations order procedures can be obtained without charge from the Plan Administrator.

If you are unable to care for your own affairs, your benefit payments may be made to someone who is authorized to conduct your affairs. This may be a relative or a court-appointed guardian.

Will I continue to receive my benefit if I return to work after retirement?

Yes. There are no limits to your return to work and it will not impact your benefit in any way.

XIII. IF THE PLAN ENDS

Can the Plan be amended or terminated?

Sagrado reserves the right to change or end this Plan at any time. If any material changes are made in the future, you will be told about them. Sagrado intends to continue the Plan indefinitely, however, if circumstances make it impossible or inadvisable to continue the Plan, benefits will be paid as described in the following section.

What happens to my benefit if the Plan is terminated?

If the Plan is terminated, or if there is a partial termination of the Plan that affects you, you will immediately become 100% vested in the benefits you have earned as of the termination date to the extent the benefits are funded. Trust fund assets will be used to provide benefits to retirees, beneficiaries and active participants <u>up to the total amount of assets in the fund</u>. Any money remaining in the fund can be returned to Sagrado after all required benefits have been provided for or paid.

Is the Plan insured?

No, the Plan is not insured.

What happens if Plan assets aren't sufficient to cover all Plan benefits?

If for any reason the funds are insufficient to pay full benefits to all participants, benefits may be distributed on a pro-rata basis or other equitable method of distribution.

What happens if the Plan is combined with another Plan?

If the Plan is merged or consolidated, or if the Plan assets are transferred to another plan, your current accrued benefit will be protected to the extent funds are available to cover it. Your benefit from the new plan, if that plan terminated immediately after the change, would at least equal the amount you would receive if this Plan terminated just before the merger, consolidation or transfer of assets.

XIV. OTHER INFORMATION

What if my claim for benefits is denied?

As soon as you are eligible for retirement and decide to retire or at termination of employment for any other reason, you (or your beneficiary in the event of your death) should contact the Plan Administrator in order to make a request for any Plan benefits to which you are entitled. The Plan Administrator will provide you with application forms for this purpose. Claims for benefits must be made within four (4) years of the date you become aware of your right to a benefit otherwise, your claim will be time-barred.

If the Plan Administrator denies your claim for benefits under the Plan in whole or in part, it must give you written notice of such denial within 90 days (45 days in the case of a claim for a disability retirement benefit) after the claim was filed with it or its representatives or up to 180 days if special circumstances require extra time (90 days) for processing (two additional 30-day periods in the case of a claim for a disability retirement benefit). If such a time extension is necessary, you will receive written notice before the end of the initial 90 days (45 days in the case of a claim for a disability retirement benefit).

This notice will tell you why additional time is needed and the date you can expect a final decision. In the case of a claim for a disability retirement benefit, the notice of an extension shall specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and you shall be afforded at least 45 days within which to provide the specified information. If the claim is denied in whole or in part, you shall be provided with a written opinion using nontechnical language calculated to be understood by you setting forth:

- The specific reason or reasons for the denial.
- The specific Plan provisions on which the denial is based.
- A description of any additional material or information necessary in order for you to substantiate your claim and an explanation of why such material or information is necessary.
- An explanation of the steps you must follow (including applicable time limits) if you want to appeal the denial of your claim, including:

    - your right to submit written comments and have them considered,
    - your right to receive (upon request and file of change) reasonable access to and copies of, all documents, records, and other information relevant to your claim, and
    - your right to bring a civil action under Puerto Rico law.

You may appeal the denial of your claim to the Plan Administrator. This appeal must be made in writing within 60 days (180 days in the case of a claim for a disability retirement benefit) after you receive the written notice from the Plan Administrator that your claim has been denied in whole or in part.

Your written appeal should set out the reasons you believe that the claim should not have been denied and should also include any additional supporting information, documents or comments that you consider appropriate. At your request, you will be provided, free of charge, with reasonable access to, and copies of, all documents, records, and other information relevant to the claim.

The Plan Administrator will review and decide your appeal within a reasonable period of time but no longer than 60 days (45 days in the case of a claim for a disability retirement benefit) after it is submitted. This time period may be extended for an additional 60 days (45 days in the case of a claim for a disability retirement benefit) if the Plan Administrator determines that there are special circumstances that require an extension. In the case of a claim for a disability retirement benefit, the notice of an extension shall specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and you shall be afforded at least 45 days within which to provide the specified information. In the case of a committee that meets at least on a regular quarterly basis, the committee shall make a benefit determination no later than the meeting date that immediately follows the Plan's receipt of the request for a review, unless the request for review is filed within 30 days before the meeting date. In such case, the benefit determination may be made no later than the date of the second meeting following the Plan's receipt of the request for review. After considering all materials presented by you, the Plan Administrator will render a written opinion, written in a manner calculated to be understood by you setting forth the specific reasons for the decision and containing specific references to the pertinent Plan provisions on which the decision is based. If the claim is denied in whole or in part, you shall be provided with a written opinion using nontechnical language setting forth:

- The specific reason or reasons for the denial.
- Reference to specific plan provisions on which the determination was based.
- A description of your right to receive (upon request and free of charge) reasonable access to, and copies of, all documents, records, and other information relevant to your claim.
- A statement of your right to bring a civil action under Puerto Rico law.

The decision of the Plan is final and binding on all individuals dealing with or claiming benefits under the Plan.

Assistance with Your Questions

If you have any questions about your plan, you should contact the plan administrator.

V. GENERAL PLAN INFORMATION

Is this all I need to know about the Plan?

No. These questions and answers have been presented to highlight the major aspects of the Plan. The following provides you with further information about the program.

Plan name

Universidad del Sagrado Corazón Pension Plan

Plan sponsor

Universidad del Sagrado Corazón
San Antonio & Rosales Streets, Parada 26-1/2
Santurce, Puerto Rico 00914

or

Universidad del Sagrado Corazón
P.O. Box 12383
San Juan, Puerto Rico 00914-0383
(787) 728-1515

Plan Administrator

Universidad del Sagrado Corazón Administrative Committee
Universidad del Sagrado Corazón
P.O. Box 12383
San Juan, Puerto Rico 00914-0383
(787) 728-1515

Employer identification number

66-0207156

Plan administration

The administration of the Universidad del Sagrado Corazón Pension Plan will be handled by Sagrado's Plan Administrator. Among other responsibilities, the Plan Administrator will establish certain procedural rules that may change from time to time.

Plan Trustee:

Banco Popular de Puerto Rico Trust Department
P.O. Box 362708
San Juan, Puerto Rico 00936-2708

or

Banco Popular Center
Hato Rey, Puerto Rico 00936

Type of Plan

The Plan is a defined benefit plan, which means that benefits are determined according to a specific formula stated in the Plan document.

Funding medium

Contributions to the Plan will be transmitted to the Plan Trustee. Sagrado reserves the right to change this investment vehicle at any time. The trust will also, upon written direction from the Plan Administrator, direct payments to participants upon separation from service.

Agent for service of legal process

Service of legal process may be made upon the Plan Administrator or Plan Trustee.

Normal retirement age

The Normal Retirement Age for this Plan is the later of the date the participant reaches the later of age 65 and have completed at least 5 years of Service. A participant who continues employment beyond his or her Normal Retirement Age continues to participate in the Plan.

Plan year

March 1 through the last day of February.

Employment rights

Participation in this Plan does not imply that an individual has any employment rights.

Plan document

The plan document is a legal document that controls the operation of the Plan. Its provisions cover all situations relating to benefits and will be the final authority. If there is any conflict between this summary plan description and the Plan document, the Plan document will control.

XVI. CONCLUSION

The Universidad del Sagrado Corazón Pension Plan is provided as a means for you to prepare for your retirement years, because your financial security during retirement is important to us. The Plan, together with Social Security and your personal savings, can provide significant retirement income for you and your family.

ADDENDUM TO THE SUMMARY PLAN DESCRIPTION

RECENT AMENDMENTS TO THE PLAN DOCUMENT EFFECTIVE JULY 1, 2021

The Plan restatement added two (2) Appendices that add temporary retirement windows to the Plan that offer Participants eligible to the window programs the opportunity to receive Plan benefits in a lump sum in a discounted amount. The first window is applicable solely to active employees who are participants in the Plan that have met the Plan requirements for retirement. The second window is applicable to terminated vested participants. The Appendices are transcribed hereinbelow.

APPENDIX A: WINDOW PROGRAM FOR ACTIVE EMPLOYEES

This Appendix A provides an opportunity ("Window Program") for certain Participants to receive, during a limited period of time, their entire vested Plan benefit in the form of an immediate lump sum. Standard Plan provisions (including the Early Retirement and Normal Retirement provisions, respectively set out in Sections 5.03 and 5.01 of the Plan) apply to this Window Program. If a standard Plan provision is inconsistent with this Appendix A, this Appendix A shall control.

(a) Eligibility for Window Program. In order to make an election under this Window Program, an individual must be an "Eligible Participant" as defined in this subsection (a). An Eligible Participant includes a Participant who satisfies both of the following conditions:

1. is an active Employee as of August 17, 2021; and

2. (A) has attained age sixty-five (65) and completed at least five (5) Years of Service (as defined in the Plan) by January 1, 2022; or

   (B) has attained age fifty-five (55) and completed at least twenty-five (25) Years of Service by January 1, 2022.

(b) Condition of Window Program. In order for an Eligible Participant to be entitled to receive a lump sum payment of his or her Plan Benefit as described herein, he or she must agree to resign all positions of employment with the Employer, with his or her last date of employment to be January 1, 2022; provided, however, if an Eligible Participant makes a timely election to participate in the Window Program but dies prior to January 1, 2022, such election shall be null and void, and the provisions of the Plan shall apply to such deceased Eligible Participant as if no election had been made. If an Eligible Participant makes a timely election to participate in the Window Program and becomes disabled, and his or her employment with the Employer terminates prior to January 1, 2022, such election shall continue to be effective, the lump sum benefit due such disabled Eligible Participant shall be paid, and Section 5.04 of the Plan shall be disregarded.

(c) Duration of Window Program. The Window Program will be available for elections made by Eligible Participants between September 10,, 2021 and October 25, 2021. The Administrative Committee (or its authorized delegate) shall have the discretion to extend the election period. Any such extension shall be granted on a nondiscriminatory basis. An Eligible Participant may revoke his or her Window Program election within the seven (7) day period following the date of such election.

(d) Forms of Payment Available. Subject to subsection (e) below, an Eligible Participant in this Window Program shall receive an immediate payment of his/her Plan benefit in the form of a single lump sum payment.

(e) Calculation of Benefit. Any benefit under this Window Program shall be calculated pursuant to standard Plan provisions unless provided otherwise, below.

1. Lump Sum Payment means, for purposes of this Appendix, an immediate, single-sum payment of the present value, as of January 1, 2022, of the vested Normal Retirement Benefit of an Eligible Participant, or the actuarially adjusted late retirement benefit for Eligible Participants who have reached Normal Retirement Age; provided, however, such present value shall not include any early retirement subsidy that may be payable to an Eligible Participant who is age fifty-five (55) and who has completed twenty-five (25) Years of Service. This Lump-Sum Payment will be calculated using "Program Factors" as defined in the immediately following subparagraph (2). In addition, only ninety percent (82.5%) of the present value of an Eligible Participant's vested Normal Retirement Benefit will be paid under the Window Program, or otherwise, such percentage to be equal to the Funding Level (as defined below) of the Plan on July 1, 2021, as determined by the Plan's actuaries.

2. The term "Program Factors," as used in this Appendix, means an interest rate of five percent (5%) and the Applicable Mortality Table (as defined in Section 1.06 of the Plan).

3. The term "Funding Level" is the percentage obtained by dividing the amount of the Plan's assets on July 1, 2021 by the amount of the Plan's liabilities on such date.

(f) Election Procedure. A Window Program election must be made on forms provided by the Administrative Committee (or its authorized delegate) and must be received by the Administrative Committee (or its authorized delegate) no later than September 10, 2021. An Eligible Participant who chooses not to complete or fails to properly complete a Window Program election on a timely basis will continue to be eligible to receive his or her benefit under the terms of the Plan without respect to this Appendix A.

APPENDIX B: LUMP SUM WINDOW PROGRAM FOR FOR TERMINATED VESTED PARTICIPANTS

Effective as of July 1, 2021

This Appendix B provides an opportunity ("Window Program") for certain Participants to receive, during a limited period of time, their entire vested Plan benefit in the form of an immediate lump sum. Standard Plan provisions (including the Normal Retirement provision set out in Section 5.01 of the Plan) apply to this Window Program. If a standard Plan provision is inconsistent with this Appendix B, this Appendix B shall control.

(a) Eligibility for Window Program. To make an election under this Window Program, an individual must be an "Eligible Participant" as defined in this subsection (a). An Eligible Participant is a Participant who is a former employee who has a vested benefit in the Plan and who has not elected to begin to receive his or her Plan benefits.

(b) Death of Electing Eligible Participant. If an Eligible Participant makes a timely election to participate in the Window Program but dies prior to January 1, 2022, such election shall be null and void, and the provisions of the Plan shall apply to such deceased Eligible Participant as if no election had been made.

(c) Duration of Window Program. The Window Program will be available for elections made by Eligible Participants between October 22, 2021 and November 12, 2021. The Administrative Committee (or its authorized delegate) shall have the discretion to extend the election period. Any such extension shall be granted on a nondiscriminatory basis. An Eligible Participant may revoke his or her Window Program election within the seven (7) day period following the date of such election.

(d) Forms of Payment Available. Subject to subsection (e) below, an Eligible Participant in this Window Program shall receive an immediate payment of his/her Plan benefit in the form of a single Lump Sum Payment (as defined in subsection (e) below).

(e) Calculation of Benefit. Any benefit under this Window Program shall be calculated pursuant to standard Plan provisions unless provided otherwise, below.

1. "Lump Sum Payment" means, for purposes of this Appendix, an immediate, single-sum payment of the present value, as of January 1, 2022, of the vested Normal Retirement Benefit of an Eligible Participant, or the actuarially adjusted Late Retirement Benefit for Eligible Participants who have reached Normal Retirement Age. This Lump-Sum Payment will be calculated using "Program Factors" as defined in the

immediately following subparagraph (2). In addition, only eighty-two and one-half percent (82.5%) of the present value of an Eligible Participant's vested Normal Retirement Benefit or Late Retirement Benefit will be paid under the Window Program, or otherwise, such percentage being equal to the Funding Level (as defined below) of the Plan on July 1, 2021, as determined by the Plan's actuaries.

2. The term "Program Factors," as used in this Appendix, means an interest rate of five percent (5%) and the Applicable Mortality Table (as defined in Section 1.06 of the Plan).

3. The term "Funding Level" is the percentage obtained by dividing the amount of the Plan's assets on July 1, 2021, by the amount of the Plan's liabilities on such date.

(f) Election Procedure. A Window Program election must be made on forms provided by the Administrative Committee (or its authorized delegate) and must be received by the Administrative Committee (or its authorized delegate) no later than November 12, 2021. An Eligible Participant who chooses not to complete or fails to properly complete a Window Program election on a timely basis will continue to be eligible to receive his or her benefit under the terms of the Plan without respect to this Appendix B.