THE McCLATCHY COMPANY 401(k) Plan

Summary of Material Modifications
(Effective January 1, 2020)

The provisions of The McClatchy Company 401(k) Plan (the "Plan") have been amended beginning this year. The Summary Plan Description, which was previously provided to you, is being revised by issuing this "Summary of Material Modification." The following description supplements the portions of your Summary Plan Description that discuss the topics below and should be attached to your copy of the Summary Plan Description.

The Plan has been amended to:

- Permit you to make Roth Salary Deferral Contributions
- Allow for partial lump sum distributions
- Limit Matching Contributions
- Change the Manner in which Loans are Funded

Contributions To Your Account

Roth Salary Deferral Contributions are a new type of contribution that you can choose to make to the Plan. Roth Salary Deferral Contributions are salary deferral contributions that you irrevocably designate as Roth contributions. This means that they are included in your gross income at the time contributed. If you make such contributions to the Plan, a Roth Salary Deferral Account will be created to hold your Roth Salary Deferral Contributions. Subject to certain qualification rules, contributions and any earnings in your Roth Salary Deferral Account will be tax-free when distributed.

Please refer to Appendix A of this Summary Material Modifications for additional information concerning the taxation of Roth Salary Deferral Accounts.

Your Roth Salary Deferral Contributions will be eligible for Matching Contributions to the same extent as if they were Pre-Tax Salary Deferral Contributions.

Finally, Rollover Contributions that you make to the Plan now may include designated Roth contributions and attributable earnings.

Plan Payouts or Distributions

The Plan now allows you to take partial lump sum distributions after leaving the company. This will allow many participants to leave their funds in the Plan and take periodic distributions from their Account. In so doing, a participant would maintain access to our high-quality, low-cost mutual funds. However, full distributions will need to be completed by the required beginning date (i.e., for many, following attainment of age 72) under the Plan.

Company Matching Contributions

There is an annual limit to the company Matching Contribution. Previously, McClatchy provided an employer Matching Contribution equal to ⅓ of your Pre-Tax Salary Deferral Contributions, up to the first 6% of your eligible compensation (such percentage determined by taking into account your eligible compensation up to the statutory limit of $280,000 of compensation). Beginning with 2020, the Matching Contribution limit determined under the preceding sentence will apply to the aggregate Pre-Tax Salary Deferral Contributions and/or Roth Salary Deferral Contributions made to a participant ***and*** the maximum Matching Contribution for the Plan year for a participant will be capped at $2,000. The new $2,000 cap will not reduce Matching Contributions on Pre-Tax Salary Deferral Contributions and/or Roth Salary Deferral Contributions made by any participant whose compensation is $100,000 or less for the applicable Plan year.

Funding of Plan Loans

If you elect to take a loan against the value of your before-tax rollover account and your before-tax contribution account, your loan will be funded pro-rata from each of these accounts.

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This Summary of Material Modifications and the Summary Plan Description previously distributed to you under the Plan are intended only as a summary of provisions of the Plan. In the event of any conflict between the provisions of the Plan as amended and this Summary of Material Modifications, the provisions of the Plan as amended will control.

If you have any questions regarding the changes that have been made to the Plan, please contact the Plan Administrator at 866-334-2337 to leave a message. We will return your call, generally within three (3) business days.

Appendix A

Additional Information on Roth Salary Deferral Contributions

Roth Salary Deferral Contributions

You may choose to make two types of contributions that are eligible for Matching Contributions under the Plan: Pre-Tax Salary Deferral Contributions or Roth Salary Deferral Contributions. The Matching Contribution will be applied even if you choose to make a combination of both types of contributions.

- **Pre-Tax Salary Deferral Contributions** reduce your income for federal and state income tax purposes at the time you make the contribution. Your Pre-Tax Salary Deferral Contributions grow on a tax-deferred basis until you take a distribution. The entire amount of this distribution is taxable as ordinary income when it is distributed to you.

- **Roth Salary Deferral Contributions** do not reduce your income for federal and state income tax purposes at the time you make the contribution. Roth Salary Deferral Contributions are fully taxable to you at the time of contribution. However, if you meet certain requirements, so-called "Qualified" distributions of Roth Salary Deferral Contributions and the earnings thereon are completely tax free when distributed to you.

Apart from the tax differences, Roth Salary Deferral Contributions are treated the same as Pre-Tax Salary Deferral Contributions for all plan purposes. Roth Salary Deferral Contributions are subject to the same withdrawal restrictions as Pre-Tax Salary Deferral Contributions, and can only be withdrawn from the Plan on account of death, retirement, financial hardship, etc.

To elect to make Roth Salary Deferral Contributions, or to change your election, you should follow the same procedures as for Pre-Tax Salary Deferral Contributions, as outlined in the Summary Plan Description.

"Qualified" Roth Distributions

Distributions from your Roth Salary Deferral Contribution Account are tax free if they meet the rules for "Qualified" Roth distributions. Qualified Roth distributions are distributions made on or after the later of the date on which you:

- Attain age 59½, die or become disabled, and

- Fulfill the "Roth holding period". You will fulfill the "Roth holding period" at the end of the 5-taxable-year-period beginning on the first day of the first taxable year in which you first make a Roth Salary Deferral Contribution to the Plan. For example, if you first make a Roth Salary Deferral Contribution sometime in 2020 (i.e., the first year such contributions can be made under the Plan), you will satisfy the Roth holding period on and after December 31, 2024.

Consequences of Non-qualified Roth Distributions

Since you pay taxes on Roth Salary Deferral Contributions when you contribute them to the Plan, you will not pay taxes on your Roth Salary Deferral Contributions when they are paid to you, even if the payment is not a "Qualified Distribution." However, any investment earnings will be included in your taxable income for federal and state income tax purposes if the payment to you is not a Qualified Distribution.

To determine the amount of the Non-Qualified Roth distribution that consists of taxable investment earnings, the IRS applies a ratio to the amount of the distribution. The numerator is the total amount of Roth Salary Deferral Contributions contributed in your Account, and the denominator is the total Roth Salary Deferral Contributions Account balance. The result of this calculation is the amount of the distribution that is considered the return of your Roth Salary Deferral Contributions is not taxed when paid to you. The remainder of the Non-Qualified Roth distribution is considered investment earnings that are considered taxable income.

Hardship Withdrawals Roth Salary Deferral Contributions

Earnings on Roth Salary Deferral Contributions are not available for hardship distributions. Nevertheless, the IRS will deem a portion of any hardship withdrawal from your Roth Salary Deferral Contribution Account as taxable because the hardship withdrawal does not meet the Qualified Roth distribution rules.

This requires two sets of calculations for hardship distributions from the Plan, as follows:

Example

Selma became a participant under the Plan in 2020 and makes only designated Roth Salary Deferral Contribution under the Plan. In 2025 she decides to request a hardship withdrawal from the Plan. Selma has a Roth Salary Deferral Account balance consisting of $8,000 in contributions plus $2,000 in investment earnings for a total of $10,000. She has $8,000 available for hardship from this account when she requests a $2,000 hardship withdrawal.

The taxable portion of Selma's hardship withdrawal is determined as followed:

Non-taxable portion = ($8,000 ÷ $10,000) x $2,000 = $1,600

Taxable portion = $2,000 – $1,600 = $400

Future amount available for hardship withdrawal from Roth Salary Deferral Account = $8, 000 – $1,600 = $6,400

More Information

Please contact your tax advisor for more information, as McClatchy cannot and will not give tax advice to participants.