401(k) Savings Plans

Summary Plan Description (SPD)

BaylorScott&White HEALTH

Updated as of December 2023

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Introduction

Baylor Scott & White Holdings ("Baylor") sponsors the Baylor Scott & White Health Retirement Savings Plan and the Baylor Affiliated Services Retirement Savings Plan (the "Plan" or "Plans") to give you a convenient, tax-deferred way to save for the future. Taking advantage of this valuable savings opportunity can have a significant impact on your overall financial security when you are ready to retire. To encourage you to participate, Baylor Scott & White provides a dollar-for-dollar matching contribution up to the first 5% of Eligible Pay you save through the Plan.

This Summary Plan Description explains the features of the Plans and the rights and responsibilities related to participation in the Plans. The Summary Plan Description is not meant to interpret, extend, or change the terms of the Plans in any way. In case of a conflict between this Summary Plan Description and the provisions of the Plans, the provisions of the Plans will govern your rights and benefits. In the case of any ambiguity, the Plan Administrator's interpretation is final.

WHO IS ELIGIBLE TO PARTICIPATE IN THE PLAN?

The Plan, commonly referred to as the 401(k) Plan, is open to all employees of participating Baylor Scott & White employers after working for one full scheduled work day. Employees classified as Full-Time, Part-Time, and PRN are eligible. The plan you are eligible to participate in is determined by the company you are employed by. For a list of participating employers by plan, please reference **Appendix B**.

Employees on an unpaid leave of absence or on unpaid military leave are ineligible to participate in the Plan. Additionally, non-resident aliens with no U.S. source income, independent contractors, leased employees, and union employees covered by a collective bargaining agreement which does not expressly provide for participation in the Plan are not eligible to participate in the Plan.

PLAN HIGHLIGHTS

Here's a summary of the features of the Plans. Key terms are defined in the Glossary in **Appendix A**.

Plan Feature	Description
Pre-Tax and Roth Contributions	You elect whether to make pre-tax or Roth after-tax contributions, or a combination of both. You also elect how much to contribute, 1% up to 50% of your Eligible Pay, subject to annual Internal Revenue Service (IRS) limits.
Automatic Payroll Deduction	Your contributions are automatically deducted from each paycheck, making it easy and convenient for you to save on a regular basis.
Employer Matching Contributions	Baylor Scott & White will match your contributions dollar-for-dollar, up to the first 5% of your Eligible Pay each pay period in which you make a contribution. If you make salary deferrals under the Baylor Scott & White Health 403(b) Plan, the matching contribution is made under the Baylor Scott & White Health Retirement Savings 401(k) Plan.
Investment Options	You may choose from over 20 investment funds with a range of objectives and potential for risk and return. You may also enroll in a self-directed brokerage Account to invest up to 50% of your Plan balance in investments other than the Plan's core investment funds.

Plan Feature	Description
Loans And Withdrawals	You may take one (1) general purpose loan and one (1) residential loan from your Account balance totaling up to a maximum of 50% of your vested Account (with a maximum of $50,000) minus the highest balance of any other outstanding loans during the previous 12 months. You may qualify for certain types of withdrawals from some of your Plan Accounts while still employed. Please see Section 5: Plan Withdrawals.
Access to Your Account Information	You can access your Plan Account information at any time by: • Single sign-on from PeoplePlace Portal > Retirement • Visit www.BSWHRetirement.com, • Call Empower at 1-844-722-BSWH(2794), Monday – Friday, 8:00 a.m. – 7:00 p.m. CST and Saturdays between 8:00 a.m. and 4:30 p.m. CST • Download the Empower app via the Apple App Store or Google Play Store

PLAN IDENTIFICATION INFORMATION

The two retirement plans described in this Summary Plan Description are listed below. Their features are the same, but the Plan you are eligible to participate in depends on the Baylor Scott & White organization you work for. See Appendix B for a complete list. The official names of the Plans are as follows:

- **Baylor Scott & White Health Retirement Savings Plan.** Plan No. 002. This Plan is for employees of Baylor Scott & White Health and related participating employers. See Appendix B for a complete list.
- **Baylor Affiliated Services Retirement Savings Plan.** Plan No. 003. This Plan is for employees of Baylor Affiliated Services LLC and certain other participating employers. See Appendix B for a complete list.

Plan Administrator

Baylor Scott & White Holdings is the Plan Sponsor and Plan Administrator of both the Baylor Scott & White Health Retirement Savings Plan and the Baylor Affiliated Services Retirement Savings Plan. The federal Employer Identification Number of Baylor Scott & White Holdings is 46-3130985.

The day-to-day administrative responsibilities of the Plan Administrator have been delegated to the Baylor Scott & White Benefits Operating Committee. The authority and duties of the Plan Administrator and the Benefits Operating Committee are outlined in their Rules of Operation. The Plan Administrator and the Committee have the discretionary authority to interpret the terms of the Plans, resolve all questions of fact and other uncertainties relating to the Plans and decide benefit claims.

The Finance and Investment Committee of Baylor Scott & White Holdings is responsible for determining how to invest Plan assets held in the Plans' trust Accounts, including choosing and monitoring the investment funds available under the Plan.

You may contact the Plan Administrator at the following address:

Baylor Scott & White Holdings
Attn: Retirement Department
301 N. Washington Avenue
Dallas, TX 75246

Sponsor

Baylor Scott & White Holdings is also the Sponsor of both the Baylor Scott & White Health Retirement Savings Plan and the Baylor Affiliated Services Retirement Savings Plan. You may contact the Sponsor at the following address:

Baylor Scott & White Holdings
Attn: Retirement Department
301 N. Washington Avenue
Dallas, TX 75246

Recordkeeper/Administrative Services Provider

Empower Annuity Insurance Company
8515 East Orchard Road
Greenwood Village, CO 80111
1-844-722-BSWH(2794)
www.BSWHRetirement.com

Funding Medium

Plan assets are held in a trust maintained by the Trustee. The assets of the trust are not commingled with Baylor assets and are held exclusively to pay benefits and expenses. The Trustee is responsible for assets held in trust Accounts by the Plan.

Trustee

Empower Trust Company, LLC
8515 East Orchard Road
Greenwood Village, CO 80111
800-838-5160
www.greatwesttrustco.com

Agent for Service of Legal Process

Legal process may be served on the Plan Administrator/ Sponsor at the address listed above.

Legal process may also be served on the Trustee at the address listed above.

PARTICIPATING IN THE PLANS

After you are hired, we encourage you to begin participating in the Plan as soon as possible after your first day of employment.

To access your account online for the first time, visit www.BSWHRetirement.com and select the REGISTER button. Select the 'I do not have a PIN' tab and follow the prompts. The information entered must match your personal information in the HR system. The website will guide you through the account registration process. Once registration is complete, the next time you access your account, choose 'Login'.

If you need assistance accessing your account, call an Empower Participant Service Representative at 1-844-722-BSWH (2794), Monday – Friday, between 8:00 a.m. and 7:00 p.m. and Saturday between 8:00 a.m. and 4:30 p.m. CST.

When you enroll, you choose the percentage of Eligible Pay you want to contribute – from 1% to 50% of your Eligible Pay. You will also choose investments for your Account.

If you have an email address on file, you will receive an email confirming that your enrollment request has been received. Your Plan contributions will be deducted from your paycheck as soon as administratively possible after you enroll. Depending on when you submit your enrollment, your deductions will typically be reflected on your next regular paycheck or the following paycheck. In some instances, a banking or nationally recognized holiday or unforeseeable event may delay the processing of your election.

NAMING A BENEFICIARY

When you enroll in the Plan, you must name a beneficiary to receive your Account balance if you die before receiving your entire vested Account. If you are married, federal law requires that your Spouse be your beneficiary unless your Spouse consents in writing to another beneficiary. Your Spouse's written consent must be witnessed by a notary public.

If you wish to make a change later, you may enter the change by visiting www.BSWHRetirement.com or calling Empower at 1-844-722-BSWH(2794).

If you do not properly name a beneficiary before your death, or if your designated beneficiary is not living at the time of your death, the distribution will be paid to your surviving Spouse if you were married, or to your estate if you were not married at the time of death.

SECTION 1: Contributions to Your Account

You may make both pre-tax and Roth (after-tax) contributions to the Plan. Pre-tax contributions and Roth contributions give the Plan a distinct advantage over a bank savings Account or other post-tax savings options because all earnings are tax-deferred. In addition, Baylor Scott & White's matching contribution increases your retirement Account and also provides tax-deferred earnings. Some employees who work primarily in the Central Texas division are eligible to make salary deferrals under the Baylor Scott & White Health 403(b) Plan, not this Plan; however, for these employees, Baylor Scott & White's matching contribution is made under the Baylor Scott & White Health Retirement Savings Plan.

What is Eligible Pay?

Your contributions (and employer matching contributions) are based on your Eligible Pay. Eligible Pay is generally your base pay. See Appendix A for a complete definition.

YOUR CONTRIBUTIONS

The Plan allows you to contribute up to 50% of your Eligible Pay (in whole percentages) through convenient payroll deductions. At your election, these may be either pre-tax or Roth after-tax contributions, or a combination of both. Roth contributions will be accounted for separately from pre-tax contributions due to differences in federal income tax characteristics.

Your pre-tax contributions to the Plan are deducted from each of your paychecks before federal (and, in most cases, state and local) income taxes are withheld. As a result, your taxable income is reduced by the amount you save, so you pay less in current taxes. You defer paying income taxes on your contributions and any earnings until you take the money from your Account.

Your pre-tax contributions are, however, considered part of your taxable income for purposes of calculating Social Security and Medicare (FICA) withholding taxes. This means your Plan pre-tax contributions will not reduce your Social Security taxes or benefits. Your pre-tax contributions will also not affect any pay increases or any pay-related benefits you are eligible for and elect, such as life insurance and disability insurance.

The following example shows how you benefit from saving with pre-tax dollars compared to contributing Roth (after-tax) dollars to a retirement savings Account. This example assumes your Eligible Pay is $50,000 a year, you file a single income tax return and you save 5% of your pay ($2,500) each year.

	Pre-tax savings	Roth savings
Annual pay	$50,000	$50,000
Minus pre-tax contribution	($2,500)	$0
Taxable income	$47,500	$50,000
Minus federal income taxes at 20%	($9,500)	($10,000)
Minus after-tax saving	$0	($2,500)
Estimated take-home pay	$38,000	$37,500
Increase in take-home pay by savings pre-tax	**$500**	**$0**

Note: This is only an example and considers only federal taxes at a 20% rate. Your actual tax savings may vary depending on your tax status, whether you file a joint return, and income. This example does not reflect any investments or returns in the Plan's fund options.

Your Roth contributions are deducted from each paycheck after federal income taxes are withheld.

Whether your contributions are pre-tax or Roth after-tax, you do not pay taxes on your investment earnings until you take a distribution from the Plan. This income tax deferral can help your savings grow faster.

CONTRIBUTION LIMITS

The IRS sets limits on the amount of pre-tax and Roth contributions you may make each year under all tax-qualified retirement plans. These limits may change each calendar year. Please visit the IRS website for the most current information regarding the annual retirement limits.

If you participated in another employer's 401(k) plan and this Plan during the same calendar year and the combination of pre-tax and Roth contributions to both plans exceeds the maximum IRS contribution dollar limit, you should request that the excess amount be returned to you from one of the plans. To request a refund from the Plan, you should submit your request no later than March

15th of the following year. Otherwise, the excess will be taxable income to you in the year of the contribution and in the year of any distribution. Keep in mind that you will also forfeit any matching contributions attributable to the excess contributions distributed to you.

If you wish to have excess contributions refunded to you from the Plan, please call Empower at 1-844-722-BSWH (2794).

ANNUAL CONTRIBUTIONS LIMITS FOR HIGHLY COMPENSATED EMPLOYEES

The Internal Revenue Code requires that the Plan comply with certain "non-discrimination" tests to ensure the Plan's tax advantages are evenly distributed. If you are a Highly-Compensated Employee, these tests may affect the amount you are permitted to defer and employer matching contributions that may be allocated to your Account.

In order to comply with these non-discrimination rules, a portion of your pre-tax or Roth after-tax contributions (and applicable earnings), and where necessary, vested matching contributions (and applicable earnings) may be distributed to you. In addition, non-vested matching contributions that relate to pre-tax or Roth after-tax contributions that must be refunded will be forfeited. The Plan Administrator will notify you if a distribution is required. Generally, any required distributions will occur on or before March 15th of the following Plan Year. Distributions that are made as a result of a failure of the non-discrimination tests are reported on IRS Form 1099-R and included in taxable income in the year in which they are received.

CHANGING YOUR CONTRIBUTIONS

If your financial situation changes during the year, you may want to increase or decrease your contribution election. You may change the amount you contribute to the Plan at any time using one of the following methods:

- PeoplePlace > Retirement
- Visit **www.BSWHRetirement.com**
- Calling Empower at 1-844-722-BSWH (2794)
- Empower App (Apple and Android)

Your election change will be processed as soon as administratively possible after you submit the change. Depending on when you submit the change, your new election will typically be reflected on your next regular paycheck or the following paycheck. In some instances, a banking or nationally recognized holiday or unforeseeable event may delay the updating of your contribution. If your Eligible Pay changes during the year, the dollar amount of your contribution amount automatically changes because the contribution is a percentage of your pay.

ROTH AFTER-TAX CONTRIBUTIONS

The Plan previously permitted non-Roth after-tax contributions, but no longer allows them as of August 1, 2016. If you previously made these contributions, you continue to have an After-Tax Contribution Account that holds your past after-tax contributions plus related earnings.

CATCH-UP CONTRIBUTIONS

Catch-up contributions are intended to help employees age 50 or older who want to increase their savings as they approach retirement age. If you are eligible, this provision allows you to make additional pre-tax or Roth after-tax contributions. These catch-up contributions can be made either after you have first met your combined pre-tax and Roth contribution limit or in conjunction with your standard pretax and Roth contributions. To be eligible for this higher contribution limit, you must:

- Be at least age 50 by the end of the calendar year. You may elect catch-up contributions at any time during the calendar year in which you turn age 50 or older.
- Defer the maximum amount allowed by the IRS for standard pre-tax and Roth contributions before the end of the calendar year. Failure to meet the standard IRS contribution limit will result in a portion or all Catch-up contributions being re-allocated as standard contributions.

Catch-up contributions are not eligible for the Baylor Scott & White matching contribution. Please visit the **IRS website** for the most current information regarding the annual retirement limits.

IN-PLAN ROTH CONVERSION

The Plan now permits you to make an in-Plan Roth conversion, if desired. This is a rollover to a Roth Account from any of the following Accounts you have in the Plan: Pre-Tax Contribution Account, vested Scott & White Retirement Plan Non-Elective Contribution Account, vested Matching Contribution Account, or Rollover Account. The amount you elect to rollover will be considered taxable income to you in the year in which the rollover occurs.

When you later receive a distribution from a Roth Rollover Account, the distribution may be eligible for favorable tax treatment. See the **Distributions Section** for more information.

ROLLOVER CONTRIBUTIONS TO THE PLAN

If you worked for another employer and participated in a qualified retirement plan, 401(k) plan, 401(a) plan, 403(b) plan or governmental 457(b) plan, you may be able to transfer your pre-tax Account balance or Roth 401(k)

Account balance from that plan into the Plan. You may also transfer the balance of an IRA into the Plan.

You may make a rollover contribution as soon as you are hired. Your rollover is always 100% vested and belongs to you. Loans may be eligible to be rolled into the Plan, only if approved by the Plan Administrator. Rollover contributions, with or without an associated loan, must meet specific requirements as defined by the IRS and Plan Administrator. Rollovers are not eligible for the employer match.

To make a rollover contribution, request a form by visiting **www.BSWHRetirement.com** or for questions regarding rollover eligibility or assistance with your rollover, contact Empower at 1-844-722-BSWH (2794).

EMPLOYER MATCHING CONTRIBUTIONS

To encourage you to save for your future financial security, Baylor Scott & White offers a dollar-for-dollar matching contribution on the first 5% of Eligible Pay you contribute to the Plan. Baylor Scott & White matches your pre-tax and Roth after-tax contributions, subject to the limit on recognized compensation.

- If you contribute 5% or less of Eligible Pay, Baylor Scott & White matches the same percentage of pay that you elect to save.
- If you contribute more than 5% of your Eligible Pay, Baylor Scott & White matches the first 5% of your contributions only.
- Catch-up contributions are not matched.
- You are eligible to receive the matching contribution as soon as you begin contributing. The match is credited to your Account for each pay period in which you make a contribution and has the same investment options available as your contributions.

Baylor Scott & White's matching contribution can significantly increase the value of your Account, especially when you factor in additional investment earnings it helps you to generate. See example below:

EMPLOYER MATCH OPTIMIZATION OR "TRUE-UP"

Baylor Scott & White's matching contribution is made each payroll period. At the end of each Plan Year, Baylor Scott & White may elect to make an annual "true-up" match contribution, although not required by the IRS. A true-up matching contribution ensures that those whose Eligible Pay or contribution rate varies during the Plan Year still receive the full match amount for the Plan Year. The true-up calculation compares your Plan Year contributions to the matching contributions allocated to your Account as of the end of the Plan Year. Then, an additional matching contribution will be allocated to your Account if necessary to provide the total annual matching contribution to which you are entitled under the matching formula, considering your Eligible Pay and contributions for the entire Plan Year.

While the true-up contribution is not required to be deposited until October 15 of the following year, the calculation is usually performed by the end of the first quarter of the following Year. Any additional matching contribution due is allocated to Accounts shortly thereafter.

ACCOUNTING FOR CONTRIBUTIONS AND MERGED PLAN ACCOUNTS

The Baylor Scott & White Health Retirement Savings Plan is a combination of the Baylor Health Care System Retirement Savings Plan and the Scott & White Retirement Plan, which merged effective August 1, 2016. All contributions to the Plan are held in trust for the exclusive benefit of Plan Participants and beneficiaries. Contributions are credited to one or more separate Accounts established in your name, most of which are tracked separately because different Plan terms apply to different Accounts. Some Participants may have one or more Accounts in the Plan that originated in an earlier plan, such as the Scott & White Retirement Plan, the Johns Hospital 401(k) Plan, or the Hillcrest Baptist Medical Center 401(k) Plan. In addition, some of these plans held funds that originated in a pension plan or a money purchase pension plan. For any money that originated in one of these types of plans, different distribution rules and spousal consent rules apply, as described in more detail later in this Summary Plan Description. See the Glossary for a complete list of Accounts under the Plan.

Assume you earn $50,000 a year and your election is	You contribute	BSWH adds the match	Total Plan contribution is
3% of pay	$1,500	$1,500 (3% of pay)	$3,000
5% of pay	$2,500	$2,500 (5% of pay)	$5,000
8% of pay	$4,000	$2,500 (5% of pay)	$6,500

SECTION 2: Vesting of Your Account

"Vesting" means ownership of the money in your Account. Some Accounts in the Plan are always 100% vested; others are subject to a vesting schedule.

You are always 100% vested in the following Accounts.

- Pre-tax Deferral Contribution Account, Roth Contribution Account, and frozen non-Roth After-Tax Contribution Account
- Scott & White Participant Contribution Account, a Pension Account, and the Pension Rollover Account under the Scott & White Clinic Retirement Plan as of November 8, 2004, or salary reduction/elective contribution Accounts under the Scott & White Clinic 401(k) Pre-Tax Plan as of November 8, 2004.
- Rollover Accounts

The following Accounts are subject to a vesting schedule: the Matching Contribution Account, the Scott & White Retirement Plan Non-Elective Contribution Account, a portion of the Johns Plan Account, and a portion of the Hillcrest Plan Account.

You gain vesting—ownership—over time based on your years of service. You receive a year of service credit for each 365-day rolling period that you work for a participating employer, starting from your hire date. Certain periods of absence are also credited, such as service during a period when you are on leave for active military duty or parental leave.

In general, the Plan uses the following vesting schedule:

Years of Service	Vesting Percentage
Less than 3 Years	0%
3 or More Years	100%

However, a different vesting schedule may apply to you depending on when you were hired, which Baylor Scott & White organizations you have worked for, and, if you are a former employee, when you terminated employment. For example, if you worked in the Central Texas division prior to 2012 and have not worked for a Baylor Scott & White organization at any time since 2011, your vesting schedule is as follows.

Years of Service	Vesting Percentage
Less than 1	0%
1 but less than 2	20%
2 but less than 3	40%
3 but less than 4	60%
4 but less than 5	80%
5 or more	100%

If you worked in the North Texas division prior to 2015 and have not worked for a Baylor Scott & White organization at any time since 2014, your vesting schedule is as follows:

Years of Service	Vesting Percentage
Less than 2	0%
2 but less than 3	25%
3 but less than 4	50%
4 but less than 5	75%
5 or more	100

If you are employed by a Baylor Scott & White organization before and after a vesting schedule transition, your vested percentage is never less after the change than it was before the change.

Once you are 100% vested, you will always remain 100% vested in the Plan.

EARLY VESTING

You automatically become 100% vested regardless of your years of service if:

- You reach age 65 while employed,
- You become totally and permanently disabled while employed, or
- You die while employed.

"Totally and permanently" disabled means you have become eligible for disability benefits from your employer's long-term disability plan, or if you don't participate in that plan, you have become eligible for Social Security disability benefits.

In the case of a "partial plan termination," all affected plan Participants are 100% vested. A partial plan termination may occur when there is a significant reduction in participation, such as a facility divestiture or shut down. The Plan Administrator, in its sole discretion, determines when a partial plan termination occurs.

IF YOU ARE REHIRED

If you leave employment with Baylor Scott & White and are later rehired you are required to re-elect your deferral contribution.

Your vesting service may be affected depending on how long you were gone A "Break-in-Service" is a period of at least 365 consecutive days during which you are absent from employment with Baylor Scott & White. The following rules apply in determining your vesting service and Breaks in Service.

If you leave employment with Baylor Scott & White and are rehired within twelve months of your termination date, your period of absence will be treated as service for vesting purposes. In other words, you are treated for vesting purposes as if you had never left employment.

Example:

Your original hire date is October 1, 2010. You left employment on February 1, 2011 and are rehired on January 1, 2012. You would have one year and four months of vesting service on your rehire date.

In this example, if you left your Account balance in the Plan after terminating, your non-vested employer matching contributions would not have been forfeited before your rehire and you will continue to vest in the employer matching contributions as if you had not terminated.

If you make pre-tax contributions to the Plan prior to leaving employment, leave employment for a period greater than one year but are rehired after less than five consecutive years, your prior vesting service will be restored. In this situation, if you take a distribution after terminating employment, the non-vested matching contribution will be forfeited at that time. If you are later rehired within five years of your termination and you repay your previous distribution, the matching contribution will be restored to your Account. You are not required to make this repayment but may do so if you wish to have the forfeited amount restored to your Account.

If you contribute to the Plan prior to leaving employment, leave employment for more than five consecutive Breaks-in-Service and then return to employment with us, your prior vesting service is restored for purposes of vesting in future contributions—that is, contributions that accumulate after you are rehired. However, your vested percentage in contributions that accrued prior to the Breaks-in-Service will not increase.

SECTION 3: Plan Investment Options

Baylor Scott & White recognizes that our employees are diverse and have different goals and investment objectives for the money they contribute to the Plan. That's why the Plan offers a wide range of investment options, each with a different objective and level of risk. You elect how your Account will be invested when you enroll in the Plan. You can change your choices at any time by visiting **www.BSWHRetirement.com** or calling Empower at 1-844-722-BSWH(2794).

The Plan currently offers funds in the following fund categories. However, depending on fund performance or changes in fund management, the specific fund offerings may change from time to time. You can choose to invest in:

- Money Market
- Intermediate term bonds
- Targeted date funds
- Large cap value
- Large cap growth
- Large cap blend (growth and value)
- Mid cap value
- Mid cap growth
- Small cap value
- Small cap growth
- World stock
- International equity
- Self-directed Brokerage Account (SDBA)

For more information on each of the Plan funds, including fees, charges, expenses and the associated risks, view and/or print a prospectus on-line. It is important that you read all investment information before you decide to invest. You can also request a copy of a fund's prospectus by visiting **www.BSWHRetirement.com**.

You will also receive more detailed information about investment options and expenses separately, on an annual basis.

If you do not make investment elections, your Account will be invested in the Plan's "default" investment fund, which is the Target Date Fund closest to the year in which you will attain age 65.

The Finance and Investment Committee of Baylor Scott & White Holdings conducts ongoing reviews of each investment fund's performance. The review evaluates the investment fund's performance in relationship to all funds in the marketplace for that fund category, as well as other aspects of the fund, such as changes in key personnel, firm ownership, shifts in the firm's investment philosophy,

Know the Terms

Understanding investment lingo is important to make the right choices for your retirement savings. Here are some terms you need to know.

- **Mutual fund.** A fund that pools money from a large number of people and invests it according to a shared or "mutual" investment objective. Mutual funds are made up of many different types of investments, including those described in the bullets below.
- **Money Market.** Funds are invested in short-term debt securities.
- **Intermediate Term Bonds.** Investments in investment-grade U.S. fixed-income issues including government, corporate, and securitized debt.
- **Targeted date fund.** A fund that invests in an appropriate mix of assets based on a specific "targeted" retirement date. The closer the target distribution date, the more conservative the mix of investments.
- **Market Capitalization (CAP).** The total dollar value of a company's stock related to its size. Funds that invest in big companies are called "large cap funds," and funds that invest in small companies are "small cap funds."
- **Blends.** Investments that buy either value or growth stocks or invest in stocks that fall in the middle.
- **Value.** Investments that buy stocks that are relatively cheap in the hope that prices will recover. A large cap value fund invests in undervalued, large companies whose stock is expected to have reasonable earnings with growth potential.
- **Growth.** Investments that typically buy fast-growing stocks that are already expensive, hoping they will keep rising. These investments seek long-term growth and future income.
- **World stock/international equity.** Investments in international companies, including U.S. companies.

fees and charges compared to the peer group, and changes in the investment type brought about by either an increase or decrease in assets. The Plan also has a professional outside third party that reviews the funds on an ongoing basis in addition to Baylor Scott & White's own evaluation. Baylor Scott & White may remove a fund from the lineup of options. If a fund is removed, notice is provided at least 30 calendar days prior to the transition. Usually when a fund is removed, amounts invested in the removed fund are transferred to a comparable fund. When an investment fund is removed, there may be a one market-day period that no transaction can take place to allow time for the mapping and transition from the current investment fund to the new investment fund to occur for all the Participants that are in the fund.

GETTING INVESTMENT ADVICE

Baylor Scott & White has adopted an investment policy that offers you access to investment guidance that meets federal guidelines, current information about the funds, and educational materials to help you compare your choices by risk and return characteristics.

The Plan offers two investment advice tools, both of which use mathematical software to help determine which funds may be right for your situation:

- **Personal Online Advice** is available at no cost to you. This interactive software helps you model various investment strategies and suggests approaches which meet your timeline for retirement, tolerance for investment risk and other factors. You can access this tool by visiting www.BSWHRetirement.com.
- **Professional Management** allows to you pay a fee for an investment professional to manage your individual Plan Account based on your stated objectives. If you elect to participate in this service, please refer to the fee schedule that is provided by Empower during enrollment.

In addition to the resources above, Participants also have the ability to schedule one-on-one conversations to discuss their specific financial circumstances and obtain guidance with a:

- Retirement Plan Advisor at no cost or
- Certified Financial Planner potential fees for this service

Keys to Smart Investing

Knowing your savings goals, timeframe and risk tolerance help you create the right investment mix for your Account. Here are some things to keep in mind as you make your decisions:

- **Know your risk tolerance.** No matter what your age or situation, you have a personal attitude toward risk. If you are uncomfortable taking risks, you may want to select investments that have a lesser chance of losing money due to fluctuations in financial markets. If you are willing to assume more risk for the opportunity of greater returns on your investment, you may want to consider investing in more aggressive growth style funds.
- **Be wise to inflation risk.** When you try to reduce investment risk by investing only in conservative funds, you may expose yourself to inflation risk. Inflation risk occurs when your funds do not outperform the rate of inflation over time. If this happens, your Account may fall short of the money you need when you reach retirement age.
- **Think about your goals and time horizon.** As a general rule, the sooner you'll need the money, the more you need to protect it from short-term investment losses and the more conservative your investments should be. But if you won't need the money for 15 to 20 years, you may be able to take a little risk for the higher payoff that more aggressive investments offer over the long term.
- **Spread it out.** By putting your savings in a variety of investments, you are more likely to compensate for losses in one category with earnings in another.

The Plan is a defined contribution plan and is intended to adhere to the requirements of Section 404(c) of ERISA. While the Plan offers tools to help you make wise investment decisions, you are ultimately responsible for making your elections. The Plan's fiduciaries are not liable for losses resulting from investment decisions you make.

SELF-DIRECTED BROKERAGE ACCOUNT

The Plan offers a Self-directed Brokerage Account (SDBA) investment option which allows you to invest in publicly-traded stocks listed on major U.S. exchanges and the NASDAQ market, many corporate and government bonds and more than 9,000 different mutual funds from approximately 300 fund families. To participate in the SDBA, you need to know the following facts:

- The maximum amount you may invest in a SDBA is 50% of your total Account balance. Your investments outside of the SDBA are called your "core" investments.
- The annual fee to maintain a SDBA is $60 ($15 per quarter). The fee is deducted from your core Plan investment Account and not your SDBA Account, on the last business day of the quarter.
- You may be charged transaction fees for purchases or sales in your SDBA. Please refer to the Fee Disclosure Notice that comes in your SDBA Welcome Kit/Email or by logging onto **www.BSWHRetirement.com**
- To open a SDBA, you must transfer at least $1,000 from your Plan's existing investment options. All future transfers must be a minimum of $500.
- To enroll in the SDBA, login to **www.BSWHRetirement.com**. Navigate to the Accounts section and choose Investments. Under the Investments area, along the left hand side of the page, you will select "Brokerage". From there, you can enroll online by clicking "Enroll". Once enrollment is complete you will receive a Welcome Kit with further details.
- To have someone other than the Plan Participant transact in your brokerage Account, a "Trading Authorization Form" must be completed. You can obtain a copy of the Trading Authorization Form by logging into your SDBA at **www.BSHWretirement.com**. Please note that some of the core funds have trading restrictions that require assets to reside in the fund for a minimum period of time.
- For assistance with questions or enrolling in the SDBA, please contact Empower at 1-844-722-BSWH(2794).

TRACKING YOUR INVESTMENTS

You will receive a Plan statement each quarter via email unless you selected to receive a paper statement. Your statement can be accessed by logging into your Retirement account, and you will receive an email reminder that the statement is available. You can track your Account performance more regularly online by visiting **www.BSWHRetirement.com** or via the Empower app.

If you invest in a SDBA, and there is any activity in your account, you will receive a separate brokerage statement monthly. If there is not any activity in your SDBA, you will receive a statement quarterly.

TRANSFERRING MONEY BETWEEN FUNDS

As your financial needs and goals change, you may want to move money from one investment fund to another. You can make these transactions online at **www.BSWHRetirement.com** or by calling Empower at 1-844-722-BSWH(2794). You may transfer money in 1% increments. Transactions performed before 3:00 p.m. Central time, or NYSE market close if earlier, are completed the same day. Transfer requests submitted after NYSE market close will be completed the next business day. You should check whether an investment is subject to a trading restriction that requires assets to reside in the fund for a minimum period of time before assets can be moved.

SECTION 4: Plan Loans

While the Plan is designed to help you save for long- term financial needs, you may take a loan from your Plan Account for any reason if you need the money today. Loans can be directly deposited into your bank account. Loans requested on or after September 1, 2021 will have the following origination and maintenance fees:

- Loan initiation fee - $50 per occurrence
- Loan maintenance fee - $25 annually ($6.25 quarterly per loan)

LOAN AMOUNTS

You may have no more than one (1) outstanding general purpose loan and one (1) outstanding residential loan. This is a combined limit on loans from the Plans and the Baylor Scott & White Health 403(b) Savings Plan.

The minimum loan amount is $1,000. The maximum amount you are permitted to borrow is the lesser of (1) 50% of your vested Account balance or (2) $50,000, reduced by your highest outstanding Participant loan balance in the last 12 months (considering loans from the Plans and the Baylor Scott & White Health 403(b) Savings Plan). This means that any prior loan may limit how much you may borrow until it has been repaid in full for more than 12 months.

Example:

Your vested Account balance exceeds $100,000. You previously borrowed $50,000 from your Account in the Plan. As of 12 months ago, your loan balance was $10,000. The loan has now been repaid in full. If you apply for another loan immediately, the maximum allowable loan amount would be $40,000 ($50,000 less the $10,000 outstanding loan balance as of 12 months ago). If you wait until 12 months from the date you repay the original loan in full, however, the $50,000 maximum would not be reduced. To find out about the amount you may borrow, or for help in deciding how much to borrow, visit **www.BSWHRetirement.com** or call Empower at 1-844-722-BSWH(2794).

REQUESTING A LOAN

You may request a loan by logging into **www.BSWHRetirement.com** or calling Empower at 1-844-722-BSWH(2794). After your loan is processed, your investments will be redeemed proportionately across all your investment choices to fund the loan. If you are on an unpaid leave of absence, you are not eligible to request a loan.

If you request a residential loan, the loan requirements are as follows: (1) You qualify for a personal principal residence loan if the loan is used to acquire a residence which you, within a reasonable time, will occupy as your principal personal residence. (2) You must occupy the residence for the majority of the time (second homes do not qualify). (3) A loan in connection with re-financing of your residence or a home equity loan will not qualify as a personal residence loan. The Plan may request you to provide documentation at any time that will validate the residential loan you received was for your primary residence. This loan is for a maximum of a 10-year period.

Residential loans require the following documents; (1) A paper application with the Participant's signature. (2) A signed purchase contract dated within the last 60 days or, if building, a copy of the builder's contract dated within the last 180 days of receipt of the loan application. The contract should reflect the Participant's name as the buyer, address of the residence being purchased, purchase price, amount of down payment and/or closing costs, a closing date no more than 6 months in the future, and signatures of both buyer and seller. (3) A Good Faith Estimate in addition to the signed purchase contract or builder's contract if loan request includes closing costs/settlement charges and those costs/charges are not reflected on the purchase contract or builder's contract. The documentation should reflect the closing costs or settlement charges, the Participant's name as the borrower, and the address of the residence being purchased.

For more detail on loans, please reference **Appendix C**.

Loan Deductions

If you take a Plan loan, the loan amount is withdrawn from your Account pro-rata from the following money sources:

- Pre-tax contributions
- Roth contributions
- Vested employer matching contributions
- Rollover contributions
- Post-tax contributions

SECTION 5: Plan Withdrawals

Although the Plan is designed to encourage retirement savings, withdrawals during employment—called in-service withdrawals or in-service distributions—are available in some circumstances. The availability of in-service withdrawals varies depending on the Account you wish to withdraw and the reason for the withdrawal. To see if you are eligible for a withdrawal and to request a withdrawal, call Empower at 1-844-722-BSWH(2794) or go online to **www.BSWHRetirement.com**.

HARDSHIP WITHDRAWALS

If you are under age 59½ and are employed (or on an approved leave of absence), you may request a withdrawal from your Pre-Tax Deferral Contribution Account if you have a financial hardship as defined by the IRS. You can take a financial hardship withdrawal only if you need the money to:

- Purchase your primary residence.
- Pay tuition expenses for higher education for you, your Spouse or your dependent.
- Pay uninsured medical expenses for you or a dependent.
- Prevent eviction from or foreclosure on your home.
- Pay funeral expenses for immediate family members.
- Repair casualty damage to your primary residence.
- Pay expenses or replace lost income due to a disaster declared by the Federal Emergency Management Agency (“FEMA”), provided your principal residence or your principal place of employment is in an area designated by FEMA for individual assistance with respect to the disaster.

You may withdraw an amount equal to the documented financial need, plus anticipated taxes related to the amount withdrawn. You are required to provide documented evidence of bills relating to the specific reason(s) with your hardship application when you request a hardship withdrawal. If you have a deferral election in place it will continue to be deducted from your paycheck. If you would like to make a change to your deferral election, please login to your Empower account.

Hardship withdrawals will be paid in cash and may not be rolled over to another plan. Hardship withdrawals are taxable income. Hardship withdrawals are not subject to the mandatory 20% federal tax withholding; however, elective federal and state income tax withholding will apply, and the federal 10% early withdrawal penalty may also apply.

AGE 59½ WITHDRAWALS

If you are age 59½ or older, you may withdraw any portion of the following vested Accounts: a Deferral Contribution Account, a Roth Contribution Account, a Participating Employer Matching Contribution Account, an Employer Discretionary Non-Elective Contribution Account, a Johns Plan Account (except to the extent such an Account is a Money Purchase Account), a Hillcrest Plan Account (except to the extent such an Account is a Money Purchase Account), a FirstCare Plan Account, a Roth Rollover Contribution Account.

AGE 65 WITHDRAWALS

If you are age 65 or older, you may withdraw any portion or all of the following vested Accounts: Pension Account, Johns Plan Account, Hillcrest Plan Account, and FirstCare Plan Account.

DISABILITY

If you incur a disability, a distribution may be made of any portion or all of the following Accounts: FirstCare Plan Account. Disability shall mean you, as a participant, have been determined to be eligible to receive disability benefit payments from a long-term disability benefit plan sponsored by the Baylor Scott & White Health, or if you do not participant in the long-term disability plan offered by Baylor Scott & White Health, you have been determined to be eligible to receive disability benefits under the Social Security Act.

OTHER WITHDRAWALS

You may request an in-service distribution from an After-Tax Contribution Account or a Rollover Account at any time.

Before You Take a Hardship Withdrawal

To be eligible for a financial hardship withdrawal, you must first:

- Take any other available loans (including commercial loans) or demonstrate that you have attempted to obtain this type of loan, and
- Withdraw any after-tax and rollover contributions.

TAXATION OF IN-SERVICE WITHDRAWALS

If your in-service withdrawal is eligible for rollover to an IRA or to another eligible retirement plan and you do not elect to roll it over, the taxable portion of the withdrawal is treated as ordinary income for the year in which you receive the distribution. The taxable portion of your in-service withdrawal that is not a financial hardship withdrawal (or a required minimum distribution) is subject to 20% mandatory federal income tax withholding. If you have not reached age 59½, the taxable portion of the withdrawal may also be subject to a 10% nondeductible penalty tax. Note that the 10% penalty amount is not withheld at the time of distribution. It is your responsibility to report and pay this on your tax return. An IRS Form 1099-R will be prepared and sent to you and to the IRS by January 31 of the year following the year in which you receive a taxable distribution.

Special rules apply to Roth after-tax monies, see Taxes on Your Payment section below or consult your professional tax advisor for further details.

SECTION 6: Plan Distributions After Termination of Employment

Distributions of your vested Plan Account balance are available as soon as administratively practical after your employment with Baylor Scott & White ends. Call Empower at 1-844-722-BSWH(2794) or go online to www.BSWHRetirement.com to request payment from the Plan. Termination dates must be entered by Baylor Scott & White, please contact your manager to confirm the termination was processed.

ACCOUNT BALANCES OF $1,000 OR LESS

If you leave Baylor Scott & White or its affiliates for any reason other than death and your vested Account balance is $1,000 or less, you will automatically receive a lump-sum distribution of your Account unless you elect a rollover within 90 days of your termination.

ACCOUNT BALANCES OF $1,001 UP TO $5,000

If the total vested amount credited to your Plan Accounts is more than $1,000 but not more than $5,000, and you do not make an election by the stated deadline to choose either a lump sum distribution or a direct rollover to another tax-qualified plan or Account, then your distribution will be automatically rolled over to an IRA established in your name for your benefit with Millennium Trust Company, LLC. Your IRA will be invested automatically in a FDIC-insured interest-bearing bank demand account, which is a fund designed to preserve principal and provide a reasonable rate of return consistent with liquidity. A Welcome letter will be mailed to you at the time your IRA is established and will include a fee schedule as well as an IRA Adoption Agreement that you will need to complete. You will be responsible for paying all of the fees and expenses associated with the Millennium Trust Company, LLC IRA. The fees and expenses will be comparable to the fees and expenses charged by Millennium Trust Company, LLC for other IRA's. For additional information on Millennium Trust Company, LLC and the associated fees and expenses, call 1-877-682-4727. Consult your tax advisor before you request a withdrawal from your IRA.

The $1,000 threshold for an automatic IRA rollover is applied by treating any amount distributed from your Roth after-tax contribution Account and any amount distributed from your other Accounts under the Plan as separate distributions, even if the amounts are distributed at the same time.

ACCOUNT BALANCES OF MORE THAN $5,000

If your vested Account balance is more than $5,000 and you are eligible for a distribution following the end of employment, you may do any of the following:

- Leave your money in the Plan (but no later than April 1 after the year in which you reach age 72)
- Roll your distribution directly or indirectly into another employer plan or IRA at any time
- Receive a partial distribution of a portion of your vested Account balance in any amount you choose (subject to a minimum established by the Plan Administrator)
- Receive a single lump-sum distribution, or
- Receive monthly, quarterly, or annual calculated installment payments for a specified period of time. You may choose any payout period (but not longer than your life expectancy or the joint life expectancy of you and your beneficiary) and the amount of each installment is calculated by taking your vested Account balance at time of payment and dividing by the number of remaining payments you elected to receive. The amount of each payment will vary based on earnings or losses. If you die before receiving all payments, your beneficiary will receive the remaining payments. You may not change your payout period or the payout amount after installment payments begin.
- If your vested interest exceeds $5,000 and you have a Pension Account or a Money Purchase Account, the law requires that such Accounts be distributed as follows:
  - a "qualified joint and survivor annuity" if you are married, which means an annuity payable for your life with a survivor annuity payable for the life of your Spouse equal to at least 50 percent of the amount of the annuity payable to you during your life (you may elect any survivor percentage from 50 percent up to 100 percent); or
  - a "single life annuity" if you are not married, which means an annuity payable for lifetime only, with no further payments after your death.

Any distributions from your Pension Accounts and/or Money Purchase Accounts are subject to special notice and spousal consent requirements. You may waive the normal forms of distribution described above and elect another available form of payment, if desired. If you are married, you must have your Spouse's written consent to make this choice. You must complete and submit a proper election, including the properly witnessed or notarized written consent of your Spouse if you are married. If these requirements apply to a portion of your Plan Account, you will receive more information when you request a distribution from the Plan.

IF YOU TRANSFER TO ANOTHER BAYLOR SCOTT & WHITE AFFILIATE

If you transfer your employment between one of the employers participating in the Baylor Scott & White Health Retirement Savings Plan and one of the employers participating in the Baylor Affiliated Services Retirement Savings Plan or should you have an employee class change which modifies your Plan eligibility, your Account balance will not be automatically transfer to the other qualified 401(k) plan. However, your deferral election will be moved to the new Plan. If you wish to have your 401(k) Account balances consolidated, you must submit a request to Empower by calling 1-844-722-BSWH(2794). Balance transfers are completed as soon as administratively feasible on an in-kind basis to the same investment funds as the prior Plan, unless and until you make an investment election following such transfer. If you have assets in a self-directed account, these will also be transferred and may take additional time to complete. Any outstanding loan(s) in the previous Plan will also be transferred to the new Plan.

Empower will send you a welcome communication with detail regarding the new Plan via email unless you opted out of electronic delivery.

Your transfer is not considered a termination of employment and does not entitle you to a distribution. Your Plan participation will not change if your work at another location is temporary.

IF YOU DIE

If you die before you receive a complete distribution from the Plan, your vested Account balance is automatically payable to your beneficiary. If your designated beneficiary is no longer living or if you have not named a beneficiary, your vested Account balance is payable to your surviving Spouse if married. If you are not married or do not have a surviving Spouse at death, your vested account balance is payable to your estate. In the event any portion of your Plan Account becomes payable to a minor child or individual who is legally incapacitated, the distribution will be made to that person's legal representative.

SECTION 7: Taxes on Your Payment

The Plan is intended to meet the requirements of Section 401(a) and (k) of the Internal Revenue Code. In general, when you receive a distribution from your Account, you must pay regular income taxes on your pre-tax contributions, any pre-tax contributions you rolled over from your previous employer's qualifying plan, employer contributions, and all earnings.

After-tax and Roth contributions are not taxable when distributed since they were taxed previously. Earnings on non-Roth after-tax contributions are taxable when distributed. Earnings on Roth contributions are not taxable when distributed if the distribution meets the requirements for a "qualified distribution." A "qualified distribution" is a distribution made after at least five years has elapsed since January 1 of the year in which you first made a contribution to a Roth Account, and you have attained age 59 ½, become permanently disabled, or died. For this purpose, a permanent disability means the individual cannot perform any substantial gainful activity and the individual's impairment has been determined to be continuous or of long or indefinite duration or is expected to lead to death. Such determinations must be made by a licensed physician that is acceptable to the Employee Benefits Administrative Committee.

These are general guidelines; you are strongly encouraged to check with your personal tax advisor in advance of requesting your Plan distribution.

MANDATORY 20% WITHHOLDING

The IRS requires the Plan to withhold 20% of the taxable part of your withdrawals or distributions unless you make a direct rollover into another employer's plan or an IRA, or unless you have elected installment payments for at least 10 years. The withholding works similarly to regular income tax withholding from your paycheck. When you file your income tax return, the amount withheld will offset the ordinary income taxes you owe.

PENALTY FOR EARLY DISTRIBUTIONS - 10% TAX PENALTY

If you are under age 59½, you may be required to pay an additional 10% penalty tax equal to 10% of the taxable portion of the withdrawal or distribution if:

- You receive a hardship withdrawal.
- You receive a withdrawal from your employer matching contribution Account.
- You receive a withdrawal of earnings on any after-tax contributions.
- You default on loans against your Account.
- You take a distribution after termination of employment from Baylor Scott & White before age 55.
- You take a distribution from a Roth Account that is not considered a qualified distribution.

This additional 10% tax does not apply to amounts distributed if:

- You die.
- You are age 59½ or older when taking a withdrawal.
- You retire or end your employment with all Baylor Scott & White employers on or after age 55.
- You take a distribution because of an IRS-defined disability — generally meaning that you qualify for Social Security disability benefits.
- You take the distribution to pay for tax-deductible medical expenses.
- You are a military reservist called to active duty, and you take a qualified reservist distribution.
- You make a direct rollover into an employer plan or IRA.
- You make an indirect rollover into an employer plan or IRA within 60 days of the withdrawal or distribution.
- You request a withdrawal or distribution in compliance with a qualified domestic relations order.

The 10% penalty, if applicable, will not be withheld from your distribution. However, you will be responsible for paying any applicable 10% penalty when you file your individual income tax return.

ROLLING OUT MONEY

You (or, in the case of your death, your surviving Spouse) may defer taxes on a lump-sum distribution by directly rolling it over or indirectly rolling it over within 60 days to an IRA or another qualified employer savings plan.

If you roll over only a portion of the distribution, the balance will be taxable as ordinary income. If you or your surviving Spouse receives any portion of a payment that is eligible for direct rollover treatment, a mandatory 20% withholding for federal income tax will be applied.

Talk to a Professional

Tax laws are complicated and subject to change. If you take a distribution or withdrawal from the Plan, you will receive information from Baylor Scott & White that explains the tax provisions that apply to your Plan payment. However, you may want to consult with your personal tax advisor to learn more about how your benefits payments will be treated under current tax law.

SECTION 8: Other Plan Details

TOP-HEAVY PROVISIONS

Certain plans that provide a significant percentage of their total benefits to employees who are defined as "key employees" by the Internal Revenue Code are known as "top-heavy" plans. If the Plan is deemed to be top-heavy, contributions may not be made by or on the behalf of key employees (except rollovers), unless Baylor Scott & White makes a minimum contribution to all eligible employees.

QUALIFIED DOMESTIC RELATIONS ORDER

In the case of a Qualified Domestic Relations Order (QDRO), a portion or all of your Plan benefits may be assigned to another party. A QDRO is an order or judgment from a state court directing that a portion or all of a Participant's Account be paid to a Spouse, former Spouse, child or other dependent as child support, alimony or part of a division of marital property rights. The Internal Revenue Code and ERISA define specific requirements a domestic relations order must meet to qualify as a QDRO.

To obtain a sample Qualified Order draft, contact QDRO Consultants by calling 1-800-527-8481. Once your order is drafted, return the order to QDRO Consultants for review to determine if it meets legal requirements. It is your responsibility to provide the QDRO in writing to QDRO Consultants using the contact information below.

QDRO Consultants Co.
3071 Pearl Road
Medina, OH 44256
Attn: Baylor Scott & White Health QDRO Compliance Team
Phone – 800-527-8481
Fax – 330-722-2735

You may request and receive a copy of procedures the Plan uses to evaluate and process QDROs at any time by contacting QDRO Consultants.

SITUATIONS AFFECTING PLAN BENEFITS

Under certain circumstances, payment of your Plan benefits may be delayed, reduced, or denied. Here are some examples:

- If you do not apply for benefits or fail to provide information requested by Baylor Scott & White, benefits could be delayed.
- If required by a QDRO, your benefits may be assigned to someone other than you or your designated beneficiary to meet payments for child support or marital property rights.
- If you terminate employment before becoming fully vested in your Account balance, the non-vested portion of your Account is forfeited.
- Benefits may be delayed if you do not provide the Plan Administrator with your most recent address and you cannot be located. Once you (or your beneficiary) provide a current address, benefits can be paid.
- The value of the investments in your Accounts declines.
- You disagree with your Plan payment or a determination made by the Plan Administrator that affects your Account and do not use the Plan's claims procedures to resolve the issue.

PENSION BENEFIT GUARANTY CORPORATION

Your Plan Account is not insured by the Pension Benefit Guaranty Corporation or any other governmental agency or private company. Federal law does not require insurance for this type of retirement plan.

YOUR RIGHTS UNDER ERISA

As a Participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that Plan Participants are entitled to:

- Examine, without charge, at the Plan Administrator's office, all documents governing the Plan, including a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and the Department of the Treasury, Internal Revenue Service, and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report

The Plan Administrator is required by law to furnish each Participant with a copy of this summary annual report. Obtain a statement telling you whether you have a right to receive a benefit at normal retirement age (Age 65) and if so, what your benefits would be at normal retirement age if you stop working now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to receive a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. This statement must be provided free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people, who operate the Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of Participants and beneficiaries. No one, including your employer, may fire you or end your employment or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a benefit is denied or ignored in whole or part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. You have the right to receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim.

Under ERISA, there are steps you may take to enforce the above rights. For instance, if you request a copy of the Plan documents or the latest annual report from the Plan and do not receive them within 30 days you may file suit in a Federal court. In such a case, the court may require the Plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan’s decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If Plan fiduciaries misuse the Plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in federal court. The court will decide who should pay costs and legal fees. If you are successful, the court may order the person you have sued to pay these court costs and fees. If you lose, the court may order you to pay the court costs and fees (for example, if it finds your claim to be frivolous claim).

Assistance with Your Questions

If you have any questions about this Plan, you should contact the Plan Administrator. If you have any questions about the statement or about your rights under ERISA, you should contact the nearest office of Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publication hotline of the Employee Benefits Security Administration.

CLAIMS PROCEDURES

Your Plan benefits will be paid to you (or your beneficiary) upon request, if you are eligible for a distribution at that time. See the section titled “Distributions After Termination from Employment” for details about how to request payment from the Plan.

Disagreements about benefit eligibility or payment amounts can occasionally arise. In most cases, they are resolved quickly by contacting Empower at 1-844-722-BSWH(2794). If you cannot resolve the disagreement, you must use the formal claims procedures described in this Section and submit a written claim to the Plan Administrator describing the basis for your claim. Submit your written claim to the Plan Administrator at the following address:

Baylor Scott & White Holdings
Attn: Retirement Department
301 N. Washington Ave.
Dallas, TX 75246

If Your Claim Is Denied

Your request for your Plan benefits or for a re-determination of a decision made by the Plan Administrator will be considered a claim for benefits. A claim for benefits might be denied in whole or in part if:

- The Plan Administrator does not believe a Participant is entitled to a benefit; or
- The Plan Administrator disagrees with the amount of benefit to which the Participant believes he or she is entitled.

If this happens to you, the Plan Administrator will notify you in writing of the reasons for the denial within 90 days of the date you make your claim or within 45 days of the date you make your claim, if the claim involves disability benefits. (See the “NOTE” below.) The notice of denial will:

- Explain the specific reason why your claim for benefits is being denied, and specify the Plan provisions upon which the denial is based.
- If the denial is due to an incomplete claim, provide a description of any additional information needed to complete your claim and an explanation of why it is necessary.
- Explain the claim review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination.

If you receive a notice of denial and do not submit an appeal by the stated deadline, the initial decision is considered final. If you do not receive notice of denial from the Plan Administrator within the initial or extended claims review period, you will be deemed to have exhausted all administrative remedies and may file suit in federal or state court. The administrative remedies under the Plan's Claims Procedures must be fully exhausted before a Participant can file suit against the Plan.

Appeal of Denial

If your claim has been denied, you may request a review of the denial. You have 60 days after receipt of the written notice of denial, or 180 days after receipt of the written notice of denial if the claim involves disability benefits, to request a review. This request must be in writing and should be sent to the Plan Administrator at the address noted above. For a claim involving disability benefits, the review procedure provides for a review by a different decision-maker who is neither the party who made the adverse determination or a subordinate of such party, and that decision-maker cannot give procedural deference to the original decision. You (or your representative) should submit issues, comments, documents, records, and other information relating to your claim for benefits. You may also request, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim.

Your request for review must be given a full and fair review that takes into Account all comments, documents, records, and other information you submit relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. A decision will be made by the Plan Administrator in writing within 60 days, or within 45 days if the claim involves disability benefits (see the "NOTE" below), after your request is received. The decision will:

- Be written in a manner you can easily understand.
- Specify the Plan provisions upon which the decision is based.
- Tell you the results of the review and include the specific reason for denial, if applicable.
- Contain a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.
- Contain a statement describing any voluntary appeals procedures offered by the Retirement Plan, and a statement of your right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination.

If you do not receive a decision on your request for review within the initial or extended claims review period, you can bring a civil action for the benefits under Section 502(a) of ERISA without waiting for a formal decision. The administrative remedies under the Plan's claims procedures must be fully exhausted before a Participant can bring a civil action against the Plan.

NOTE: The 90-day, 60-day and 45-day deadlines may be extended under special circumstances. You will be told of the extension in writing before the end of the 90-day, 60-day and 45-day periods, as applicable. The extension notice will state why the extension is needed and the date you may expect a decision. The 90-day deadline may be extended for up to an additional 90 days. The 60-day deadline may be extended for up to an additional 60 days. With respect to an initial claim for disability benefits, the 45-day deadline may be extended for up to two 30-day periods. With respect to a request for the review of the denial of a claim for disability benefits, if an extension of the 45-day period is required because you fail to submit necessary information, the notice of extension must describe the required information and must give you 45 days to respond.

Any appeal procedures may be changed by governmental law or by the Plan Administrator. You will be notified of any significant change in a timely manner. If you have further questions or problems, contact the Plan Administrator or the Employee Benefits Administrative Committee.

CONSISTENCY OF TREATMENT

The Employee Benefits Administrative Committee will take action from time to time as necessary to ensure all claims for benefits under the Plan are determined in accordance with the applicable Plan documents. Also, the Committee will ensure the provisions of the applicable Plan documents are applied consistently to similarly-situated Plan Participants.

MISTAKE OF FACT

Any misstatement or other mistake of fact in this information will be corrected when discovered.

NO RIGHT OF EMPLOYMENT

Nothing contained in this Summary or in the provisions of the Plan, creates or should be inferred to create an employment contract.

OMISSION OR MISREPRESENTATION OF INFORMATION

If you do not provide the Claims Administrator required information regarding your claim, your benefits may be delayed or denied until you do so.

When you file a claim for benefits, you certify the statements you make on the claim are complete and accurate to the best of your knowledge. If you misrepresent information or send in a fraudulent claim, you will be responsible for repaying any benefits based on that claim. Also, you may be subject to disciplinary action up to and including termination of employment.

OVERPAID BENEFITS

The amount of your Plan benefits may be adjusted for any of the following reasons:

- You have misstated any information in your application for a Plan distribution.
- You do not report required information while receiving Baylor Scott & White provided benefits.
- Any error is made in calculating your benefits.

PLAN AMENDMENTS OR TERMINATION

Although Baylor Scott &White Holdings expects to continue the Plans indefinitely, it has the right to amend or end either or both Plans, in whole or in part, at any time, and without prior notice to Participants. Also, benefits maybe discontinued at any time for any groups of employees or former employees. However, changes cannot be made to either Plan that would take away benefits you have already accrued prior to the change.

PLAN YEAR

The Plan year is January 1 through December 31.

TIME LIMIT FOR LEGAL ACTION

If you have a claim for benefits under the Plan and do not file the claim in accordance with the claims procedures described in this Summary, you may not be able to recover the benefits to which you would otherwise be entitled. The time limit for filing a claim and taking other legal action to pursue your claim will depend on several factors, including the provisions of ERISA that apply to your claim and whether ERISA considers the statute of limitations under applicable state law.

Appendix A

GLOSSARY

Accounts. Depending on your employment history and your contribution history, you may have any one or more of the Accounts listed below. The Accounts hold the contribution type described, adjusted by related earnings or losses.

- After-tax Contribution Account, an Account holding non-Roth after-tax amounts contributed prior to August 1, 2016.
- Hillcrest Plan Account, an Account holding contributions attributable to any amounts credited to a Participant under the Hillcrest Baptist Medical Center 401(k) Plan (which was previously transferred to the Scott & White Retirement Plan).
- Johns Plan Account, an Account holding contributions attributable to any amounts credited to a Participant under the Johns Community Hospital 401(k) Plan (which was previously transferred to the Scott & White Retirement Plan)
- Matching Contribution Account, an Account holding employer matching contributions to the Plan (or predecessor plans).
- Money Purchase Account, the portion of a Johns Plan Account or a Hillcrest Plan Account that originated in a money purchase pension plan.
- Pension Account, an account holding Participant contributions, employer pension contributions, or pension rollover contributions under the Scott & White Clinic Retirement Plan as of November 8, 2004.
- Pre-Tax Deferral Contribution Account, an Account holding amounts contributed to the Plan (or predecessor plans) that the Participant elected to defer from Eligible Pay on a pre-tax basis.
- Rollover Account, an Account holding an amount the Participant contributed to the Plan (or predecessor plans) as an eligible rollover contribution from an IRA or another qualified employer retirement plan.
- Roth Contribution Account, an Account holding salary deferral contributions that were designated by the Participant as Roth Contributions.
- Roth Rollover Contribution Account, an Account holding an amount that was converted to a Roth Account in an “in-Plan Roth conversion.”
- Scott & White Participant Contribution Account, an Account holding amounts attributable to a Participant’s after-tax amounts credited under the Scott & White Clinic Retirement Plan as of November 8, 2004.
- Scott & White Retirement Plan Non-Elective Contribution Account, an Account holding employer non-elective contributions made under the Scott & White Retirement Plan prior to January 1, 2015.

Eligible Pay. Eligible Pay includes regular base salary or base hourly wages, physician salary, physician income balance (PIB), paid time off (PTO), sick pay, bereavement pay, jury duty pay, occupational injury pay from the Baylor Scott & White Occupational Injury Plan, modified duty pay, taxable short-term disability pay from the Baylor Scott & White Welfare Benefit Plan, commissions, retroactive pay increases, lump sum merit awards, education or orientation pay, inclement weather pay, compensation received from the Baylor Safe Choice program, committee or administrative pay and similar amounts that may be determined to be a component of base pay attributed to your Primary Role. Eligible Pay also includes pre-tax contributions you make for Baylor Scott & White’s health and welfare benefits. Compensation does not include bonuses, incentive pay, overtime pay, shift differentials or pay received in other roles, such as Secondary Role(s).

ERISA. the Employee Retirement Income Security Act of 1974 (ERISA), as amended

Highly Compensated Employee. A Highly Compensated Employee is an employee who for the preceding Plan Year had Code section 415 Compensation in excess of the limit set by Code Section 415(d)).

IRA. An individual retirement Account under Section 408 of the Internal Revenue Code.

Participant. A Participant is an eligible employee who has completed the eligibility requirements and is enrolled in the Plan or a former employee who participated in the Plan during employment but has not yet received a complete distribution of his or her Account.

Spouse. Spouse means the individual to whom the Participant is legally married. The term “Spouse” includes a same-sex Spouse if the individuals were married in a jurisdiction in which same-sex marriage is legally recognized, regardless of where the couple later resides. A same-sex partnership established under a domestic partnership law or civil union law is not recognized as a same-sex marriage.

Appendix B

PARTICIPATING EMPLOYERS

Baylor Scott & White Health Retirement Savings Plan

- All Saints Health Foundation
- Baylor All Saints Medical Center
- Baylor Health Enterprises, L.P
- Baylor Health Network, Inc.
- Baylor Medical Center at Irving
- Baylor Medical Center at Waxahachie
- Baylor Medical Centers at Garland and McKinney
- Baylor Quality Health Care Alliance, LLC
- Baylor Regional Medical Center at Grapevine
- Baylor Regional Medical Center at Plano
- Baylor Research Institute
- Baylor Scott & White Health
- Baylor Scott & White Holdings
- Baylor Scott & White – Centennial
- Baylor Scott & White Medical Centers – Capital Area (Pflugerville, Austin Health, Buda)
- Baylor University Medical Center
- BMP, Inc.
- Health Texas Provider Network
- Hillcrest Baptist Medical Center
- Hillcrest Family Health Center
- Hillcrest Physician Services
- Irving Health Care Foundation
- Scott & White Clinic
- Scott & White Continuing Care Hospital
- Scott & White EMS, Inc.
- Scott & White Foundation – Brenham
- Scott & White Health Plan
- Scott & White Healthcare Foundation
- Scott & White Hospital Brenham
- Baylor Scott & White – College Station
- Baylor Scott & White – Marble Falls
- Scott & White Hospital – Taylor
- Baylor Scott & White Hospital Round Rock
- Scott & White Memorial Hospital
- Southern Sector Health Initiative
- First Care
- Baylor Scott & White - Lake Pointe *(starting May 2019)*
- Baylor Health Care System Foundation

Baylor Affiliated Services Retirement Savings Plan

- The Jack and Jane Hamilton Baylor Heart and Vascular Hospital, L.L.P.
- THHBP Management Company, LLC
- Texas Heart Hospital of the Southwest, LLP
- Health Texas Provider Network – Gastroenterology Services, LLP
- Baylor Affiliated Services, LLC

Appendix C

LOAN ADMINISTRATION POLICY

A. **Loan Eligibility** – Only active employees who are participants may request a loan. The participant requesting a plan loan must have a minimum vested account balance of $2,000 to be eligible.

Participants that have a loan defaulted or have a loan that has been deemed distributed at any time in the past may not be permitted to take a new loan unless the default balance, or the amount deemed distributed is repaid in full.

Alternate payees and beneficiaries are not eligible to take out plan loans.

B. **Loan Initiation** – Loans are initiated when the participant applies for a loan via paper Loan Application, on the Participant Web site at www.BSWHretirement.com or the Voice Response System. The Promissory Note and Loan Check are combined into one document. By endorsing the check, the participant agrees to the terms of the Promissory Note and the repayment obligation.

Written spousal consent is required for loans from a Participant's Pension Account or Money Purchase Account in the Plan. Such consent must be obtained within the 90-day period preceding the date such loan is made and must be witnessed by a member of the Administrative Committee or a notary public.

C. **Loan Cost** – A loan origination fee in the amount of $50.00 shall be deducted from the total loan amount approved. If a participant requests their loan check to be sent express delivery, an additional $25.00 shall be deducted from the total loan amount approved. An annual maintenance fee of $25.00 per loan ($6.25 per quarter) will be debited from your plan account.

D. **Loan Maximum & Minimum Amounts** – The minimum loan amount that a participant may request is $1,000. Per IRS Regulations, the maximum loan amount that a participant may request is $50,000 or 50% of the vested account balance, whichever is less. The $50,000 maximum loan amount is reduced by the highest loan balance during the past twelve months, minus the participant's outstanding loan balance on the date a new loan is made.

In applying these loan limits, all plans maintained by the employer are aggregated and treated as a single plan.

The only acceptable security that can be used by a participant to secure a loan is with an irrevocable pledge and assignment of up to 50% of his or her nonforfeitable account balance. Loan distribution amounts will be prorated across all available money types and investment options.

E. **Number of Loans Permitted** – The number of loans a participant may have outstanding at one time is two (2), one general purpose and one principal residence, as long as the loan repayments are submitted via payroll deduction and are identified separately. Participants that may have more than one general purpose or principal residence loan with a prior recordkeeper will be required to pay off both loans prior to obtaining a new loan.

F. **Types of Loans Available** – A general purpose loan may have a term from twelve to sixty (12-60) months.

A principal residence loan may have a term from sixty-one to one hundred twenty (61-120) months. This type of loan must be utilized for the purchase of a PRIMARY residence ONLY that will be used as the plan participant's PRIMARY residence, within a reasonable period of time.

G. **Refinancing a Loan** – Refinancing a loan is not permitted.

H. **Interest** – The interest rate is 1% over the Prime Rate published in the Wall Street Journal on the first business day of the month before the loan is originated. The interest rate is fixed for the life of the loan. The plan administrator may change the basis for determining the interest rate on future loans from time to time.

I. **Loan Repayment Procedures**

– For loans on or after January 1, 2022, participants must agree to repay their loans through automatic deductions from a personal bank account (i.e., automated clearing house or "ACH" deduction).

– For loans that were originated prior to January 1, 2022, and that remain outstanding as of that date, the participant may choose to continue to submit payments by payroll deduction or to initiate payments through ACH deduction. To change repayments from payroll to ACH, participants will need to contact Empower at 844-722-2794. Loan repayments will be allocated to the participant's account according to current allocation percentages for new contributions on the recordkeeping system.

– Loan repayments must begin on time or the loan payments will be in arrears. If missed loan payments are not caught up in time, the loan may go into default. A loan default may result in adverse tax consequences to the participant.

– Partial lump sum loan repayments are permitted in order to enable a participant to catch up on a past-due amount or to reduce the principal amount of the loan.

- If payment is made by personal check, subsequent loans or distributions may be held for 15 calendar days following the receipt of a personal check.
- If a participant remits a partial payment on the remaining loan balance, the payment will first be applied to the principal and interest payment amount due at the time of payment, and then to any principal and interest payments due within 60 days. Thereafter, any remaining amount from the partial payment will be applied toward outstanding principal. The borrower's scheduled payment amount will not change due to any partial payment; the partial payment will just mean that the loan will be fully paid off at an earlier date.

J. **Early Loan Payoff** – A loan can be paid in full at any time. If payment is made by personal check, subsequent loans or distributions may be held for 15 calendar days following the receipt of a personal check. The participant may obtain a loan payoff quote via the Participant Web site at www.BSWHretirement.com or the Voice Response System. The loan payoff quote is valid for 15 calendar days from the date it is obtained.

K. **Leaves of Absence** – Suspension of loan repayments during an approved leave of absence is permitted for a period not exceeding one (1) year, which occurs during an approved leave of absence either without pay from the employer or at a rate of pay that is less than the amount of the installment payments required under the terms of the loan.

Participants will need to complete a Loan Payment Change Request form requesting payments be suspended. Upon return from leave participants must completed another Loan Payment Change Request form to start the loan payments up again.

The loan may be reamortized when the participant returns from leave in order to enable the participant to repay the loan in full by the maturity date of the loan.

L. **Military Leave of Absence** – If a participant takes a military leave of absence, the interest rate on the loan may be reduced to 6%, if the interest rate on the loan is greater than 6% during the leave period. Upon the participant's return from military leave, the term of the loan may be extended by the term of the military leave, not to exceed five (5) years and the loan will be reamortized. Interest on the loan continues to accrue during the period of suspension.

M. **Death** – All outstanding principal and accrued interest shall be treated as a distribution from the plan if Empower is notified of a participant's death. A deceased participant's loan may not be transferred or assumed by the participant's beneficiary(ies).

If a participant's loan has not been repaid as of the date of the participant's death, any distribution made from the deceased participant's plan account will be made net of any outstanding loan obligations. The amount of the outstanding loan as of the participant's date of death will be reported for federal income tax purposes as a distribution to the participant or to the participant's estate, as applicable.

N. **Severance from Employment** – Participants who leave service prior to the end of the loan term must continue to make loan payments to avoid default. Upon severance from employment any outstanding loan(s) will automatically be reamortized and loan coupons provided to the participant. Participants can contact Empower to set up ACH repayments if preferred over the mailing of checks with the loan coupons. Despite any grace periods permitted with respect to late loan payments, if a loan has not been fully repaid by the end of its original term, the outstanding balance will be treated as a 'deemed distribution'. The amount of the deemed distribution will be reported as a taxable distribution for income tax purposes. The participant's outstanding loan balance will be offset upon receiving any type of distribution after severance of employment.

O. **Default** – Loans are in arrears and delinquent when any payment is missed. A late loan payment notice will be issued after the end of the calendar quarter in which the payment is delinquent. If the loan is not paid up-to-date by the end of the calendar quarter after the calendar quarter in which a payment is first delinquent, the loan will be in default. In that event, the entire outstanding loan balance, consisting of the missed payments, remaining principal and all accrued, but unpaid interest, will be reported to the IRS as taxable income on a Form 1099-R for the year in which the loan was deemed distributed.

Thereafter, the loan will be considered a deemed distribution. As required by federal tax regulations, a participant's deemed loan will remain in the investment account until a qualifying event occurs, even though income has been reported to the IRS. Loan payment may be made on a defaulted loan. Loan payments will be recognized as after-tax cost basis for the purposes of taxation at the time the participant takes a distribution.

P. **Changes In Law** – Future tax laws regarding plan loans will be incorporated into this Loan Administration Policy.

The Loan Administration Policy has been developed to comply with the requirements of the Internal Revenue Code section 72(p) and the federal Treasury regulations thereunder, as amended from time to time.

Baylor Scott & White HEALTH

Updated as of December 2023