Frequently Asked Questions

MAPFRE U.S.A. CORP.
PROFIT SHARING & 401(k) SAVINGS PLAN

1. Q. WHAT IS THE PROFIT SHARING & 401(k) SAVINGS PLAN?

A. MAPFRE U.S.A. Corp. Profit Sharing & 401(k) Savings Plan ("the Plan"), is a tax-advantaged savings and retirement plan maintained by MAPFRE U.S.A. Corp. ("MAPFRE") and its participating affiliates (together with MAPFRE, the "Company") for the benefit of the Company's employees. The purpose of the Plan is to enable participating Company employees to share in the growth and prosperity of the Company and to provide participants with an opportunity to accumulate capital for their future economic security.

<u>The Plan, as amended and restated as of December 5, 2016, is comprised of two components: a Profit Sharing component and a 401(k) component. Both components maintain individual accounts for participants.</u>

The <u>Profit Sharing component</u> of the Plan is funded totally by the Company, without any deductions from participants' pay. The primary purpose of the Profit Sharing component is to reward eligible employees for their role in the success of the Company. Eligible participants receiving Profit Sharing contributions will direct the investments for these contributions among the Plan's investment options. The Company will determine each year if there will be a contribution and if so, the amount. Profit Sharing contributions are subject to the Plan's vesting schedule.

The other component of the Plan, <u>the "401(k)" component</u>, permits eligible participants to defer a portion of their wages on a pre-tax or after-tax (Roth) basis. These are called "elective deferrals." For 2023, the Company will match 50% of the first 6% of eligible wages that a participant contributes to the 401(k) up to the limits set by the IRS. Participants direct the investment of elective deferrals, as well as Matching contributions. The Company will determine each year if there will be matching contributions and if so, the percentage. The Company Matching contributions are subject to the vesting schedule, but a participant's elective deferrals are always 100% vested.

The Plan is subject to federal laws, such as the Employee Retirement Income Security Act of 1974 ("ERISA"), the Internal Revenue Code ("IRC") and other federal and state laws. The provisions of the Plan are subject to revision from time to time due to the changes in the law or regulations issued by the Internal Revenue Service ("IRS") or Department of Labor ("DOL"). The Plan is intended to satisfy the requirements of Section 404(c) of ERISA relating to participant-directed investments. This means that participants are responsible for their investment decisions under the Plan as well as any resulting investment activity and the Plan's fiduciaries, including Fidelity Management Trust Company and the Company, are not responsible for the results of participant investment decisions.

2. Q. WHO IS ELIGIBLE TO RECEIVE A PROFIT SHARING CONTRIBUTION?

A. Full or part-time employees eligible to receive a Profit Sharing contribution for a Plan year are those who are at least 18 years of age and have completed 1,000 hours of service during the Plan year <u>and</u> either: (1) are employed by the Company as of the last business day of the Plan year; or (2) ceased employment during the year because of death. Employees who fail to meet the above criteria are ineligible to receive a contribution.

A "***year of service***" is defined by the Plan document, as the completion of at least 1,000 ***hours of service*** during the Plan year (January 1, 20XX through December 31, 20XX). An ***"hour of service"*** generally refers to each hour for which you are paid for your work with the Company in a given Plan year. Hours of service include certain periods during which you do not work, but for which you are nevertheless paid by the Company, such as vacation, sickness and disability. For any single, continuous period of absence you will be credited with no more than 501 hours of service.

Total hours paid year-to-date may be found on employee pay stubs in the Total Hours and Earnings section.

If you are under age 18, no funds are contributed to the Profit Sharing component of the Plan on your account, nor will you be eligible for 401(k) matching contributions, until you are 18 years of age. However, any years of service worked before you reach that age do count toward determining your vested interest in Profit Sharing and Employer Matching Contributions that are made for you after attaining age 18 (as described in Question 8).

3. Q. HOW DOES THE PROFIT SHARING CONTRIBUTION WORK?

A. The Plan works on a calendar year basis, and each 12-month period ending on December 31 is referred to as a "Plan year." For each Plan year, the Company will determine whether it will make a profit sharing contribution to the Plan and, if so, the amount of this contribution. Profit sharing contributions may be as low as $0, and are subject to maximum limits imposed by the IRC (the federal tax code). Each year, the Company reviews its financial performance for this purpose and decides what amount, if any, will be contributed to the Plan for that Plan year. Amounts that are contributed under the Plan's profit sharing feature are then allocated (or divided) among eligible participant accounts based on each such participant's compensation for that Plan year, compared to the compensation of all other eligible participants.

Upon completion of compensation calculations, the Retirement Benefits Manager receives these calculations and determines eligibility and total contribution as of December 31 for the relevant Plan year. A Statement of Profit Sharing Contribution will be distributed to eligible participants by mid-February which will show the annual contribution.

This contribution data is then forwarded to the Plan's investment custodian (currently Fidelity Investments) and the Company's profit sharing contribution is transmitted to the Plan and invested per participant direction.

4. Q. WHO IS ELIGIBLE TO PARTICIPATE IN THE 401(k) PLAN?

A. Employees who are at least 18 years of age (whether part-time or full-time) are immediately eligible to participate in the 401(k) component of the Plan. Eligible employees may complete enrollment online at www.401k.com. Pre-tax and/or after-tax payroll deductions will then begin as soon as practicable following receipt of the online enrollment notification from Fidelity.

Employees who first become eligible after December 31, 2018 will be automatically enrolled in the Plan's 401(k) feature unless they elect either, not to participate in that feature or to participate at a different contribution level than is assigned under the auto-enroll program. Under the auto-enroll program, new employees will be asked to make an election at the time of orientation with regard to the level of contribution they want to make into the 401(k) feature or, alternatively, to elect not to contribute. New employees may also elect to defer this decision for up to 30 days. New employees who make no election will be automatically enrolled in the 401(k) feature at an initial contribution rate of 4% of their gross wages (subject to IRC contribution limits) for each pay period after completion of 30 days of employment. Employees may choose to contribute more, less, or even nothing.

5. Q. HOW DOES THE 401(k) WORK?

A. The Plan's 401(k) feature allows participants to elect to contribute a specific percentage of compensation instead of receiving that amount in cash (which is subject to tax and associated withholdings).

Pre-tax contributions are deducted from your salary prior to the calculation of federal, state and local taxes (if applicable). These contributions are, however, included in the calculation of Social Security and Medicare taxes. The amount you elect to contribute on a pre-tax basis and any earnings on those contributions will not be subject to income tax until it is actually distributed.

After-tax (Roth) contributions are deducted from your salary after applicable taxes (and any 401(k) contributions you elect to make on a pre-tax basis) are withheld. Under current law, the amount you contribute under the Roth program on an after-tax basis and any earnings on those contributions will not be subject to income tax when these amounts are distributed as long as the distribution is a qualified one. A qualified distribution of Roth 401(k) accounts is one that is taken at least five tax years after the year in which the first Roth contribution is made **and** after the participant has attained age 59½ (**or** has become disabled **or** has died).

Through enrollment in the 401(k) component of the Plan, you may contribute between 1% and 100% of your eligible pay (after federal/state mandated deductions) on a pre-tax or after-tax (Roth) basis (or a combination of pre-tax and after-tax contributions), up to the annual IRS dollar limit (which is $22,500 for 2023) via automatic payroll deductions. You may change your contribution amount at any time by accessing your account at 401k.com and selecting "Change Contribution". The requested change will then begin as soon as practicable (typically the following pay date).

The Plan also provides for **Catch-up Contributions** for participants who are at least age 50 and have contributed the IRS's 401(k) annual dollar limit of $22,500 for 2023. The maximum annual Catch-up Contribution for 2023 is $7,500. This provision allows qualified participant to maximize their 401(k) contributions to a total of up to $30,000 for 2023.

6. Q. WHAT IS THE COMPANY MATCHING CONTRIBUTION?

A. In addition to Profit Sharing contributions, the Company may make contributions that match a portion of the 401(k) contributions made by participants. Whether such matching contributions are made for a particular Plan year, and the amount of the matching contributions that are made, will be determined by the Company on year-to-year basis. For 2023, the Company will make a matching contribution equal to 50% of the first 6% of wages contributed by a participant.

As an example, for Plan Year 2023, a participant who has a gross wage of $1,000 bi-weekly and contributes:

2% (or $20.00/bi-weekly) would receive a matching contribution of $10.00;

6% (or $60.00/bi-weekly) would receive a matching contribution of $30.00;

10% (or $100.00/bi-weekly) would receive a matching contribution of $30.00 (6% is the maximum amount eligible for Company matching contributions in 2023)

The Company Matching Contributions will typically be contributed to your account on a bi-weekly basis.

Annually (or more frequently), the Company will review these contributions for accuracy and, if necessary, calculate "true-up contributions". For example, if an employee has contributed at a rate greater than 6% of salary for some pay periods but less than 6% for some other pay periods - when the participant's total Plan year-to-date eligible wages and contributions are reviewed, an additional or "true up" matching contributions may be required.

Participants may view their Company Matching Contribution amount to their account on 401k.com by accessing Transaction History, view by Source. Matching contributions are labeled "16-Company Match".

Company Matching Contributions are subject to the vesting schedule.

7. Q. HOW IS THE MONEY IN THE PLAN INVESTED?

A. The Plan is intended to comply with Section 404(c) of ERISA. Section 404(c) allows participants to direct the investment of their account balances among the investment choices available under the Plan. If the Plan complies with this Section, then the fiduciaries of the Plan, including the Company, the Trustees and the Administrator, will not be responsible for any losses that result from participant investment directions. Participants who want to direct the investment of their account balance, in whole or in part, must follow certain procedures established by the Plan, the Plan Administrator and the Plan's investment custodian in giving investment directions. Participants are not, however, required to direct investments. If you choose not to direct investments, then your Plan accounts will be invested in the Plan's "default investment vehicle" applicable to you. At this time, the Plan uses, as default investment vehicles, funds that are managed by the Plan's investment custodian toward a pre-determined distribution date based on the age of the affected participant. These are sometimes referred to as "life cycle" or "target retirement date" funds, and have been endorsed by the U.S. Department of Labor as appropriate for use as default investment vehicles. The "life cycle" funds managed by Fidelity, the Plan's current investment custodian, are designated by Fidelity as "Freedom Funds."

You should be mindful that the amount of your benefit under the Plan will depend in part upon your choice of investments. Gains as well as losses can occur. There are no guarantees of performance. **The Company, the Administrator and the Trustee will not guarantee the performance of any investment.** Fidelity Investments offers a managed account service called Personalized Plan and Advice which is available to participants for a fee.

The Plan offers a number of mutual fund investments from which participants may select, including the age-based Fidelity Freedom Funds. The Plan also provides for a self directed brokerage option (Fidelity BrokerageLink) in which employees may invest. Please refer to www.401k.com for a full listing and description of the Plan's investment options along with enrollment instructions. Additional information regarding the Plan's investment options are available online at www.401k.com, NetBenefits℠ or specific questions regarding the investment options may be discussed with a Fidelity Customer Service Representative.

8. Q. WHAT IS VESTING?

A. Your vested percentage in the Plan is the percentage of your account balances attributable to Company contributions (including associated investment gains) that is not subject to forfeiture if you separate from service with the Company. You are always 100% vested in the contributions and earnings attributable to your pre-tax and Roth contributions, as well as your rollover contributions. With regard to the Profit Sharing contribution and the Company Matching contributions, one year of service (which means a Plan year during which you are credited with at least 1,000 hours of service), provides you with a vested percentage of 20%. Vesting grows by 20% per year for each subsequent Plan year in which eligible employees are credited with a year of service. An eligible employee, who has completed a minimum of five (5) years of service, attains 100% vesting.

Completed Years of Service	Non-forfeitable Vesting Percentages
<1	0%
1	20%
2	40%
3	60%
4	80%
5	100%

9. Q. HOW DOES PTO (Paid Time Off) AFFECT THE 1,000 HOURS REQUIRED FOR VESTING EACH YEAR?

A. The vesting of all Company Contributions is based on 1,000 hours of service (see Question 8). For this purpose, "hours of service" include certain periods during which you do not work, but for which you are paid, such as qualified paid time off. Because all hours for which you are paid are counted in the Plan year in which they are paid, any PTO time paid will count towards the 1,000-hour requirement. Likewise, PTO accrued at the end of the year and not paid to you within the W-2 year, will not count toward the requirement until the year in which it is paid.

10. Q. WILL THE PLAN ACCEPT A ROLLOVER FROM MY PRIOR EMPLOYER'S PLAN?

A. Yes, the 401(k) component of the Plan will accept funds from a prior employer that are eligible for rollover. Please contact Fidelity Investments at www.401k.com or 1-800-890-4015.

11. Q. CAN I TAKE THE FUNDS OUT OF MY ACCOUNT ANY TIME I WANT TO?

A. No. Normally you can withdraw from your account only when you retire, or are permanently disabled. If you terminate employment you may apply for a distribution of the vested balances in your account. Those participants who have rolled funds from a prior employer plan or from an IRA into the Plan are eligible to take an In-Service Rollover Withdrawal of that account source. Additionally, at or after attaining age 59½, a participant who is 100% vested may request to receive a distribution of all or any portion of their account.

You may be able to--while still working here--make a partial or full withdrawal of your account under the "financial hardship rules". Qualified participants may be allowed to take a withdrawal for: the purchase of a primary residence; post-secondary educational expenses; medical expenses not covered by insurance; funeral expenses for an immediate family member or documented financial hardship (impending foreclosure/eviction). The plan's recordkeeper, Fidelity Investments, must approve all hardship withdrawal requests.

Normal taxes and possibly early withdrawal tax penalties may apply to these premature distributions. You should consult your tax preparer or advisor for more information.

12. Q. WHAT ARE THE TAX IMPLICATIONS OF EARLY WITHDRAWAL FROM MY ACCOUNT?

A. Funds withdrawn prematurely are taxed as income to you which is subject to Federal and State income taxes. Additionally, if you are under 59½ years of age, you will be subject to an extra 10% premature distribution penalty tax on the value of the distribution you receive. Distributions from Roth accounts that are made before completion of the applicable 5-year "nonexclusion period" will not be deemed qualified Roth distributions (therefore, subject to taxes on any investment gains). **Since each individual situation may be different, you should consult your income tax advisor before you consider withdrawals.** In addition to the taxes and potential penalty taxes, funds withdrawn prematurely will not be earning income or be available to you when you retire.

13. Q. CAN I BORROW MONEY FROM THE PLAN?

A. Yes, however, the following points should be considered prior to taking a loan:

1) The more you borrow, the less money you have under investment in the Plan;
2) There is an initial setup fee of $35.00 and a quarterly loan maintenance fee of $3.75 deducted from your account and paid directly to Fidelity as long as you have an outstanding balance on the loan;
3) Your "loan money" misses out on growth opportunities in a rising investment market;
4) While the Plan does allow participants who have terminated their employment with the Company to continue making their loan payments to the Plan, if you default on your loan, the IRS considers the outstanding balance a distribution which will be subject to ordinary income taxes and a 10% early withdrawal penalty if you're younger than 59½;
5) The interest and principal you repay to your account is subject to double taxation. One of the greatest benefits of your Plan is that your contributions are made with pre-tax dollars. This means that the money contributed to the plan is not subject to ordinary income taxes until you withdraw it at retirement or for some other reason. The repayments and interest you pay back on a loan are made on an after-tax basis, but they are recharacterized as pretax contributions within your plan account. So while the interest and principal do go back into your account, they will be subject to taxes when you eventually withdraw them.

Generally, the Plan allows that eligible participants may borrow up to 50% of their total vested account balances. The minimum loan amount is $1,000 and the maximum is $50,000 (less any outstanding loan balances over the 12 month period preceding the newest loan). The repayment period for a loan is generally five (5) years or less, unless the loan is to be used to fund the down payment and closing costs for the purchase of a primary residence. The Retirement Benefits Manager should be contacted prior to initiating a principal residence loan to review the documentation required for this type of loan.

Any outstanding loan balances over the previous 12 months may reduce the amount you have available to borrow. You may have only one loan outstanding at one time. If applicable, amounts loaned are taken pro-rata from your 401(k) investments. Loans may be initiated via 401k.com or by calling Fidelity Investments at 1-800-890-4015.

14. Q. I CURRENTLY HAVE A LOAN AND WANT TO PAY IT OFF, WHO SHOULD I CONTACT?

A. You must contact Fidelity at 1-800-890-4015 for your repayment options.

15. Q. WHAT HAPPENS IF I TERMINATE EMPLOYMENT WITH THE COMPANY?

A. You may contact Fidelity at 1-800-890-4015 to withdraw or rollover your vested account to an IRA or new employer's plan. If you do nothing, your account will remain in the Plan until you attain the Plan's normal retirement age (age 65) provided your account maintains a minimum balance of $1,000.00. If your total account value is at $1,000.00 or less, you will receive written notification from Fidelity regarding the distribution of your account and the options you have available. If you have a loan, you will receive information about making loan repayments via EFT. You should contact your tax advisor or financial planner regarding the tax implications of any Plan distributions. (Also see Question 12.)

16. Q. WHAT HAPPENS TO MY ACCOUNT WHEN I RETIRE?

A. The Plan provides for "normal" retirement at age 65, or an early retirement at age 55 with at least five years of service. If you retire at age 65, you will automatically become 100% vested if you have not yet reached full vesting, provided the eligibility requirements are met.

You should contact the Retirement Benefits Manager to verify your eligibility and review your available options. At retirement you'll have the option to receive all or a portion of your Plan balance. You may leave the funds within the Plan (subject to minimum balance requirements), roll the account to an Individual Retirement Account (IRA) or liquidate the account. Installment and partial cash distributions may also be arranged with Fidelity Investments. Certain minimum distributions are required after a participant attains age 72.

You should also discuss your options with your tax advisor or financial planner to be fully aware of any possible tax implications and to make an informed decision regarding your Plan account balance that will best suite your situation.

17. Q. WHAT HAPPENS TO MY ACCOUNT IF I DIE?

A. In case of your death (or permanent disability) your Plan account immediately becomes 100% vested. If you are married at the time of your death, your spouse will be the beneficiary unless an election is made to change the beneficiary. If you wish to designate a beneficiary other than your spouse for your pre-retirement death benefit, your spouse must irrevocably consent to waive any right to the benefit paid via the Beneficiary Form. If unmarried, you must name a beneficiary, otherwise your Plan benefit will be distributed in the first of the following classes of successive preference: the participant's (a) widow or widower, (b) children, per stirpes, (c) parents, (d) brothers and sisters, and (e) estate. You may name your beneficiary (or beneficiaries) at any time online at www.401k.com.

18. Q. WHEN WILL I RECEIVE INFORMATION ON MY ACCOUNT?

A. You will receive a statement of account on a quarterly basis (as of March 31, June 30, September 30 and December 31) directly from Fidelity Investments if so elected. These statements will be delivered within approximately 4 weeks after the quarter close via U.S. Mail unless you have elected to receive or view your statement online at www.401k.com. You may view or print your statement at any time via www.401k.com. If you still wish to receive a paper statement via U.S. Mail, after viewing or printing your statement online, you must remember to go to "Mail Preferences" under the "My Profile" subheading in the Account Tab of Net Benefits℠ to re-select the "by mail" option.

19. Q. HOW DO I ACCESS MY ACCOUNT INFORMATION?

A. You may access your account information online at www.401k.com, NetBenefits℠ or via telephone, 1-800-890-4015 to speak with a Fidelity Investments Customer Service Representative. If you encounter any difficulties accessing your account, please contact the Retirement Benefits Office at 1-800-922-8276; ext. 14693 (Tina) or ext. 14233 (Gail).

To access your account online:

a. On your browser address enter: www.401k.com
b. Enter your SSN in USERNAME. Please note that if you do not wish to use your SSN, you may set up a Customer ID for your account.
c. Enter your PIN or you may select “Register as a New User” if a first time user, or “Forgot Login?” as applicable.
d. If you exceed the number of allowed attempts, you may contact the Fidelity Retirement Service Center at 1-800-581-5800 for assistance.

To access your account via telephone at 1-800-890-4015 from 8:30 a.m. to 8:00 p.m. every business day the NYSE is open:

Follow the voice prompts:

a. Enter or state your Social Security Number or Customer ID Number;
b. You will then be prompted to enter your PIN number followed by # (pound key) - if you do not have a PIN number, or if you have forgotten or need to reset your PIN - HOLD on the line, after about 30 seconds to 1 minute you will be further prompted to “clear and reset your PIN via automated system” (**Please note**: it is generally easier to reset the PIN online).
c. You will then reach the Main Menu and will be prompted to say “401k” or one of the other services available to you – for transactions you should say “401k”;
d. You will then be prompted to make a selection for automated service or, if you would like to speak with a customer service representative, say “representative".

The information contained in this Q & A provides a summary of the main elements of MAPFRE U.S.A. Corp. Profit Sharing and 401(k) Savings Plan. It is not, nor is it intended to be, a comprehensive legal description of the Plan or of any elements of the Plan. Past performance is no guarantee of future success of the Plan. A document containing the full legal description of the Plan as approved by MAPFRE U.S.A. Corp. Board of Directors is available from the Retirement Benefits Manager upon request. MAPFRE U.S.A. Corp. Profit Sharing and 401(k) Savings Plan document will govern in the case of any question or any discrepancy between that document and this Q&A.

Please contact the Director, HR Operations and Retirement Benefits, Gail Karlstad at 800-922-8276, extension 14233; (508) 949-4233 or via e-mail at gkarlstad@mapfreusa.com with any questions or requests for forms.

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