



Pearson

**NATIONAL COMPUTER
SYSTEMS, INC.
SEVERANCE PAY PLAN**

Summary Plan Description

March 2024

Inside This Document

This document describes the benefits that were provided under the National Computer Systems, Inc. Severance Pay Plan (the Plan) prior to June 15, 2023. Effective June 15, 2023, National Computer Systems, Inc. (NCS Pearson) terminated the Plan, such that at all times following June 15, 2023, no further benefits are payable or may become payable pursuant to the Plan.

This document constitutes the official plan document and the Summary Plan Description (SPD) for the Plan, which consists of certain severance benefits that may be paid on specified terminations. It includes information on filing claims, and describes your legal rights under the Employee Retirement Income Security Act of 1974 (ERISA).

IMPORTANT: This document constitutes a Summary Plan Description in accordance with the applicable requirements of ERISA, and as such has been written in a manner that is intended to be easily understandable and to summarize the benefits that were available to you under the Plan. In addition, the Company reserves the right in its sole discretion to amend, modify or terminate any benefit offered under the Plan at any time and for any reason. In accordance with this right, the Company terminated the Plan effective June 15, 2023. Also, please keep in mind that the Plan, any changes to it, or any payments to you under its terms, does not constitute a contract of employment of the Company and does not give you the right to be retained as an employee of the Company. No one speaking on behalf of the Plan or the Company can alter the terms of the Plan. You and your beneficiaries may obtain copies of the plan document or examine this document by contacting the Plan Administrator at the number and address set forth in the *Additional Information About Your Benefits* section of this Summary Plan Description.

Participating Employers

This Summary Plan Description has been prepared for the following companies that participated in the Plan:

- NCS Pearson
- Pearson Education, Inc.

When the term “the Company” is used, it refers to the companies above, and any subsidiaries and divisions of them that participate in the Plan.

An Overview of the Benefits Program

The Plan was designed to attract and retain diverse and highly talented employees. A summary of the Plan’s terms and conditions as in effect prior to June 15, 2023 follows.

Eligibility

Only employees of the Company who were classified in Person Type Regular and in Assignment Category Regular-Full Time or Regular-Part-Time (working 20 or more hours per week) were eligible to receive severance pay. Employees who left the Company voluntarily, or who were discharged for cause, were not eligible for severance pay.

Additionally, the following persons were not eligible to receive benefits under the Plan:

- All employees classified as Person Type Limited Term, Casual/Seasonal,
- All employees classified as Assignment Category Regular Part-Time (working under 20 hours per week),
- All employees classified as Temporary,
- All freelancers, consultants, independent contractors, and individuals employed by or through third parties, such as employee leasing, payrolling, or other staffing services or agencies,
- Employees who refused an offer of a position with the Company, whether or not the position offered was comparable, and
- Employees who received an employment agreement or other individual arrangement from the Company or its affiliate providing severance pay or benefits upon termination of employment.

For purposes of the Plan, “Cause” was defined as (i) a criminal conviction (except for traffic or other minor offenses), (ii) an act of dishonesty, (iii) a material breach of Company policy, (iv) a refusal or material failure to substantially perform the duties for which the employee was responsible, and (v) the loss of, or failure to obtain, any license, certification, or other governmental, regulatory, or industrial requirement necessary to perform the functions of employment.

As a condition to receiving severance under the Plan, the Company could require that individuals receiving severance pay or benefits execute, and not revoke, a release of all claims against the Company and its affiliates, and their officers, directors, and employees.

Additionally, employees on short-term or long-term disability leave who were informed that they would be terminated at the conclusion of such leave, were eligible to receive benefits under the Plan at the time the leave ended or the employee was released from the leave, as long as the end of the leave or release from leave occurred more than twelve months from the start of the leave.

Calculation of Severance Pay

The amount of severance pay an employee could receive under the Plan was based on two factors: an eligible employee’s completed years of service and base salary. Eligible employees whose base salary was less than \$150,000 could receive two weeks of base salary for every completed year of service with the Company. Eligible employees whose base salary was \$150,000 or more could receive three weeks of base salary for every year of completed service with the Company. Severance pay under the Plan was subject to the following minimum and maximum amounts:

Salary	Minimum Number of Weeks	Maximum Number of Weeks
Less than \$150,000	4 weeks	52 weeks
\$150,000 or Greater	13 weeks	52 weeks

In all cases, the amount of severance pay was based on the employee’s basic weekly salary effective as of the employee’s termination date. For hourly employees, the amount of the severance pay was based on the employee’s regular weekly wage, excluding overtime, as of the employee’s termination date. Commissions and bonuses were not included in the calculation of severance pay.

All severance pay under the Plan was subject to all applicable payroll taxes and deductions. Participants were not required to pay any fees or charges to receive benefits under the Plan.

All benefits that were payable under the Plan were payable from the Company's general assets. The Plan was not funded through a trust or other segregated assets at any time.

Method of Payment

All severance payments under the Plan were made via salary continuance.

Severance payments under the Plan were to commence as of the date specified in the employee's notice of termination and were to be distributed each pay period until the earlier of:

- The expiration of the period described in the employee's notice of termination or as described in the Plan; or
- The date the employee obtained other employment (whether or not full or part-time, or self-employed).

Notwithstanding the above, any severance payments or benefits payable within six months following the effective date of the termination of employment could have been delayed, accumulated, and paid at the end of such six-month period, if and to the extent necessary to comply with Section 409A of the Internal Revenue Code of 1986, as amended.

If a former employee whose employment had already terminated passed away while the employee was receiving severance pay under the Plan, the unpaid balance of the severance payments would have been paid to the estate or other legally authorized beneficiary of the former employee in a lump sum payment. In cases where an employee passed away before their employment with the Company was terminated, no severance would have been paid.

Break in Service

If an employee had a break in service with the Company, the employee's severance pay was calculated as follows:

- If the break in service was one year or more, the employee's severance pay was calculated using the employee's most recent hire date.
- If the break in service was less than one year, the employee's severance pay was calculated using the employee's Legal Employer Seniority Date with the Company, except if the employee already received severance pay as a result of the earlier employment termination, in which case the employee's severance pay was calculated using the employee's rehire date.

- Prior service as a temporary or part-time employee (under 20 hours per week) was not used to calculate severance pay, even if the break in service was less than one year.

Severance Pay Outside of the Plan

Additional severance pay or other arrangements could be provided upon termination only with the approval of the Company's Senior Vice President, Human Resources.

If an employee was offered severance pay or other separation payments or benefits in excess of or in addition to these guidelines, such additional payments or benefits were payable only upon the execution, and non-revocation, of a complete release of all claims against the Company and its affiliates, and their officers, directors, and employees.

Health Insurance Coverage

At the sole discretion of the Company, the Company could have charged a lower premium to eligible severance participants for benefits received pursuant to the Consolidated Omnibus Budget Reconciliation Act (COBRA). The lower premium would have been equal to the same rate an individual was contributing as an active employee for part or all of the former employee's severance period. The length of the period of any Company-subsidized COBRA premiums were determined by the Company in its sole discretion.

Savings Plan

Severance pay was not included in the calculation of an employee's benefits or accounts under any savings plan and was not eligible compensation under the Pearson Retirement Plan.

Outplacement

Under the Plan, outplacement services could have been offered to employees who were involuntarily terminated for reasons other than cause or poor performance. This benefit was intended to assist employees in developing interviewing and resume writing skills and no cash payments could be made to employees in lieu of outplacement benefits.

Worker Adjustment and Retraining Notification

Under certain circumstances, employees may be entitled to 60 days' notice under the Worker Adjustment and Retraining Notification Act (WARN).

In the event that an employee was eligible to receive severance under the Plan and was entitled to a WARN notice, the Company could, at its discretion, direct the employee not

to report to work during the notice period. In such event, the severance pay period under the Plan would have been reduced by the amount of such notice period. For example, if an employee was eligible for ten weeks of severance under the Plan but received eight weeks of non-working notice in conjunction with WARN, the employee's severance entitlement would have become two weeks.

Severance as a Result of Merger/Acquisition

Regardless of the general rules under the Plan, no severance would be paid to an employee who was terminated as a result of a sale of assets, sale of stock, merger, consolidation, liquidation, dissolution or any other transaction when such employee was offered employment by the purchaser or another employer in connection with the transaction, even if the position offered to the employee was not comparable to the employee's current position with the Company.

No Contract

The Plan, when it was in effect, was not a condition of employment and did not constitute a promise, guarantee, or contract of any kind between the Company and any of its employees. The Company could have, at any time, changed, reduced or eliminated the Plan, in whole or in part, without the agreement of any employee. Because the Plan was unfunded, it did not have any assets to allocate or dispose of upon its termination.

How to File a Claim

Claim Filing Procedures

For purposes of this section of the SPD describing the Plan’s default claims and appeals procedures, the Plan Administrator (or any third party to whom the Plan Administrator has delegated the authority to review and evaluate claims, such as an insurance company) shall be referred to as the “Claims Administrator” at the initial claim level and the “Appeals Administrator” at the appeal level.

A request for benefits is a “claim” subject to these procedures only if it is filed by you or your authorized representative in accordance with the Plan’s claim filing guidelines. In general, claims must be filed in writing with the Plan Administrator (as identified in ***Legal Information*** below). Any claim that does not relate to a specific benefit under the Plan must be filed with the Plan Administrator. A casual inquiry about benefits or the circumstances under which benefits might be paid under the Plan is not a “claim” under these rules, unless it is determined that your inquiry is an attempt to file a claim. If a claim is received, but there is not enough information to allow the Claims Administrator to process the claim, you will be given an opportunity to provide the missing information.

If you want to bring a claim for benefits under the Plan, you may designate an authorized representative to act on your behalf so long as you provide written notice of such designation acceptable to the Claims Administrator and/or the Appeals Administrator identifying such authorized representative.

Claims Procedures

Initial claims for benefits under the Plan shall be made by you in writing to the Claims Administrator identified in ***Legal Information*** below.

- **Time Periods for Responding to Initial Claims:** If you bring a claim for benefits under the Plan, the Claims Administrator will respond to you within 90 days after receipt of the claim. If the Claims Administrator determines that an extension is necessary due to special circumstances, the Claims Administrator will notify you within the initial 90-day period that the Claims Administrator needs additional time to review your claim.
- **Notice and Information Contained in Notice Denying Initial Claim:** If the Claims Administrator denies your claim (in whole or in part), the Claims Administrator will provide you with written notice of the denial. This notice will include the following:
 - *Reason for the Denial* - the specific reason or reasons for the denial;
 - *Reference to Plan Provisions* – a reference to the specific Plan provisions on which the denial is based;

- *Description of Additional Material* - a description of any additional material or information necessary for you to perfect your claim and an explanation as to why such information is necessary; and
- *Description of Claims Appeals Procedures* - a description of the Plan's appeals procedures and the time limits applicable for such procedures (such description will include a statement that you are entitled to bring a civil action in federal court under Section 502 of ERISA to appeal any adverse decision on appeal, and that such action must be brought within three years of the date on which your claim arose).
- **Appealing a Denied Claim for Benefits:** If your initial claim for benefits is denied by the Claims Administrator, you may appeal the denial by filing a written request with the Claims Administrator within 60 days after you receive the notice denying your initial claim for benefits. If you decide to appeal a denied claim for benefits, you will be able to submit written comments, documents, records, and other information relating to your claim for benefits (regardless of whether such information was considered in your initial claim for benefits) to the Appeals Administrator for review and consideration. You will also be entitled to receive, upon request and free of charge, access to and copies of, all documents, records and other information that are relevant to your appeal.
- **Time Periods for Responding to Appealed Claims:** If you bring an appeal of a denied claim for benefits under the Plan, the Appeals Administrator will respond to you within 60 days after receipt of the claim. If the Appeals Administrator determines that an extension is necessary due to special circumstances, the Appeals Administrator will notify you within the initial 60-day period that it needs additional time to review your claim.
- **Notice and Information Contained in Notice Denying Appeal:** If the Appeals Administrator denies your appeal (in whole or in part), it will provide you with written notice of the denial. This notice will include the following:
 - *Reason for the Denial* - the specific reason or reasons for the denial;
 - *Reference to Plan Provisions* - reference to the specific Plan provisions on which the denial is based;
 - *Statement of Entitlement to Documents* - a statement that you are entitled to receive, upon request and free of charge, access to and copies of, all documents, records and other information that are relevant to your claim and/or appeal for benefits; and
 - *Statement of Right to Bring Action* - a statement that you are entitled to bring a civil action in federal court under Section 502 of ERISA to pursue your claim for benefits, and that any such action must be brought within two years of the date on which your claim arose.

The decision of the Appeals Administrator shall be final and conclusive on all persons claiming benefits under the Plan, subject to applicable law. If you challenge the decision of the Appeals Administrator, a review by a court of law will be limited to the facts, evidence and issues presented during the claims procedure set forth above. The claims and appeal processes described herein must be exhausted before you can pursue the claim in federal court. Any federal court action must be commenced no later than two years after the date your claim arose. Facts and evidence that become known to you after having exhausted the appeals procedure may be submitted for reconsideration of the appeal in accordance with the time limits established above. Issues not raised during the appeal will be deemed waived.

Recoupment

The Plan has the right to recover any mistaken payment, overpayment or any payment that is made to any individual who was not eligible for that payment. The Plan, or its designee, may withhold or offset future benefit payments, sue to recover such amounts, or may use any other lawful remedy to recoup any such amounts. The person receiving benefits must produce any information necessary to ensure this right of recovery.

No Assignment of Benefits

You cannot assign, pledge, encumber or otherwise alienate any legal or beneficial interest in benefits under the Plan, and any attempt to do so will be void.

Your Rights Under the Employee Retirement Income Security Act of 1974 (ERISA)

As a participant in the Plan, you have certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). You are entitled to:

- Examine, without charge, at the Plan Administrator's office and specified locations during normal working hours, all documents governing the Plan including insurance contracts and collective bargaining agreements and a copy of the latest annual report (Form 5500 series) filed by the Plan with the U.S. Department of Labor.
- Obtain copies of all documents governing the operation of the Plan including insurance contracts and collective bargaining agreements and copies of the latest annual report (Form 5500 series) and an updated Summary Plan Description. The Plan Administrator can charge you a reasonable amount for the copies.

Duties of the Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people responsible for the operation of the Plan. These people are called "plan fiduciaries."

- They have a duty to operate the Plan prudently and in the interest of you and the other participants and beneficiaries.
- No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.
- If your claim for a benefit is denied, in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan Administrator review and reconsider your claim.

Steps You Can Take to Enforce Your Rights

ERISA specifically provides for circumstances under which you may take legal action as a Plan participant.

- If your claim for a benefit is denied, in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan Administrator review and reconsider your claim. If your claim for benefits is ignored or denied, in whole or in part, you may file suit in a federal court, but only after you have exhausted the Plan's claims and appeals procedure, as described under **Claim Filing Procedures** at the beginning of this section.
- If you submit a written request for copies of any Plan documents or other Plan information to which you are entitled under ERISA and you do not receive them within 30 days, you may file suit in a federal court. The court may require the Plan Administrator to provide the materials and to pay up to \$110 for each day's delay until you receive the materials. This provision does not apply, however, if the materials were not sent to you for reasons beyond the control of the Plan Administrator.
- If the 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 a federal court.

In any of these circumstances, the court will decide who will pay court costs and legal fees. If you are successful, the court may order the party you have sued to pay these costs and fees. If you lose, the court may order you to pay the costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about the Plan, you should contact Pearson People Services or the Plan Administrator. If you have any questions about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory. You can also contact the Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington DC 20210.

Legal Information

Under ERISA, each employee must be given certain details about the Company's benefit plans. This information is provided below. If you need additional information, please contact the Plan Administrator.

In general, the Plan Administrator is the sole judge of the application and interpretation of the Plan and has the discretionary authority to construe the provisions of the Plan, to resolve disputed issues of fact, and to make determinations regarding eligibility for benefits.

The decisions of the Plan Administrator (or its delegate) in all matters relating to the Plan (including, but not limited to, eligibility for benefits, Plan interpretations, and disputed issues of fact) will be final and binding on all parties.

Employers

NCS Pearson, Inc.
5601 Green Valley Drive
Bloomington, MN 55437

Pearson Education, Inc.
221 River Street
Hoboken, NJ 07030

Plan Administrator

NCS Pearson, Inc.
5601 Green Valley Drive
Bloomington, MN 55437
952-681-3000

Agent for Service of Legal Process

NCS Pearson, Inc.
5601 Green Valley Drive
Bloomington, MN 55437
Attn: General Counsel

Additionally, service may be made on the Plan Administrator.

Employer Identification Number

41-0850527

Plan Year

January 1 – December 31

Plan Number

510

Plan Type

The Plan is a welfare benefit program that provides severance pay benefits.

Status of the Plan

The Company terminated the Plan effective June 15, 2023. This means that no further benefits will be paid or provided pursuant to the Plan after June 15, 2023.

This document is not an employment contract or a promise to always provide these benefits. Participating in the Plan does not give you the right to remain employed by the Company. Also, you could not (and cannot) sell, transfer or assign either voluntarily or involuntarily the value of your benefits.