



The McClatchy Company 401(k) Plan
PARTICIPANT LOAN POLICY
(Plan #098630)

This participant loan policy has been established by the Plan Administrator for *The McClatchy Company 401(k) Plan* (the "Plan"). These loan provisions form a part of the Plan, and the Plan Administrator may change these provisions if and when the Plan Administrator finds it necessary or desirable to do so.

The Plan is intended to assist you to save for retirement. You should be aware that by taking a loan from your Plan accounts, you may affect your earnings and limit your wealth accumulation in the Plan.

1. LOAN ELIGIBILITY

You are eligible to take out a loan if: 1) you are an active employee of The McClatchy Company; 2) have a vested account balance of at least \$1,000; 3) you have less than two outstanding Plan loans and have not initiated a loan in the current calendar year; and 4) you are not on a leave of absence.

2. APPLICATION PROCEDURE

If the loan eligibility requirements have been met, you may apply for a general purpose loan. You can model and apply online for a paperless, express loan by accessing the Vanguard website at www.vanguard.com or by calling the VOICE® Network at 800-523-1188. You can opt to have the loan proceeds paid to you by having a check mailed to your address of record (allow 7-10 days) or by electronic funds transfer (allow 2-3 days).

You may also request a loan by submitting an application. To request a loan application, contact a Participant Services associate at 800-523-1188 (enter 0#). The Participant Services associate can assist you in determining the terms of your loan. Your completed and signed application should be returned to Vanguard for processing. You will receive your loan check and confirmation documents within seven to ten business days.

3. TERM OF LOAN

You may select the term over which you repay your loan. You may select any repayment period up to five (5) years. There is no minimum repayment period.

4. AMOUNT AND NUMBER OF LOANS

No more than one (1) loan may be granted in any one calendar year. No more than two (2) loans may be outstanding at any time.

The minimum amount of each loan is \$500.00. All loans are available from your before-tax rollover and before-tax contribution accounts.

Per IRS regulations, the maximum amount you may borrow, when added to your outstanding loan balances, cannot exceed the lesser of:

- 50% of your vested account balances as of the date the loan is made; or
- \$50,000 reduced by 1) the highest outstanding loan balance, if any, you had at any one time during the one-year period ending immediately before the date of the new loan, *minus* 2) your outstanding loan balance on the date the new loan is processed.

At the time the loan is made, up to 50% of your vested account balances under the Plan will be considered as security for a loan.

The requested loan amount may be further limited to the total value of your before-tax rollover and before-tax and catch-up contribution accounts.

5. SOURCE OF FUNDS

The proceeds for a loan will be 100% of the following participant accounts in the priority order as follows: your before-tax rollover account and then your before-tax and catch-up accounts under the Plan. The proceeds for the loan will be taken proportionately from each of the investment funds in which these accounts are invested.

6. LOAN APPLICATION FEE

You will be charged a one-time loan application fee. The fee for loans taken through Vanguard's automated services (Web, VOICE) is \$50.00 and the fee for loans taken through Vanguard's Participants Services is \$100.00. This fee will be deducted from your loan proceeds so that the check you receive will be net of the loan application fee.

7. INTEREST RATE

The interest rate on your loan will be the Prime Rate as received by Vanguard from Reuters. The procedure for determining the loan interest rate is subject to change at the discretion of the Plan Administrator. You can contact Vanguard for the current interest rate being charged for a new Plan loan. The interest is credited back to your account.

8. LOAN REPAYMENT

Loans are repaid by payroll deduction and the minimum repayment is \$50 per biweekly pay period. Payroll deductions are made each pay period, and will begin as soon as practicable after the loan proceeds are mailed to you. Loan principal payments are credited to your accounts in the inverse order used to fund the loan. Loan interest shall be credited to your before-tax accounts in direct proportion to the principal payment. Loan payments are credited to investment funds based on your investment election currently in effect for new contributions.

If during any pay period your net pay is insufficient to make a scheduled loan payment, no payment will be deducted and you will be responsible for making up that missed payment to avoid defaulting on the loan. Please see Section 13 for more details. Details for submitting a missing loan payment are noted in Section 15.

Manual loan payments must be made in whole payments; partial payments are not allowed and Vanguard will refund any partial payments back to the participant.

If you go on a non-military leave of absence or a military leave of absence when you have an outstanding loan, payments must be made as described in Sections 9 and 10 below.

Loans may be prepaid in full at any time and without penalty by either by certified check or money order made payable to Vanguard Fiduciary Trust Company and sent to Vanguard, or by an Electronic Funds Transfer. Please see Section 15 for more details. Loan pay-offs will include the entire outstanding principal balance plus the interest due to date on the prepaid portion. The loan must be paid off in a lump sum; no partial payoffs are allowed. Accelerated payments are not allowed unless you are on a leave of absence. You may call Vanguard Participant Services at any time to verify your outstanding loan balance.

There is a seven (7) calendar day waiting period after you pay off a loan before you can request another loan.

9. NON-MILITARY LEAVES OF ABSENCE

Normally, loan payments are made by payroll deduction. However, if you go on an unpaid leave of absence, or a paid leave of absence with reduced pay that is insufficient to cover your loan payment, your repayments due during the leave of absence may be suspended.

You will not be required to make loan repayments due during your leave of absence for up to 12 months or until you return to a paid status, whichever is earliest. If your loan payment is suspended due to the leave of absence, your loan term will be extended for the length of your leave of absence, but not to exceed a total loan term of five (5) years from the original date of the loan.

If your loan term reaches 5 years during your leave of absence, you must repay your total outstanding loan balance on the final payment date of your original loan schedule. You must contact Vanguard to receive your payoff amount as outlined in Section 15.

Upon your return from the leave of absence, or once your leave of absence has extended beyond 12 months, the loan will be re-amortized, taking into account the suspended payments and additional interest accrued on your loan during your leave, and payroll deductions or manual payments (as outlined in Section 15) must be resumed at the higher payment amount. Of course, you always have the option to repay your loan in full at any time.

If you do not repay your loan under an approved arrangement, your loan will be deemed or defaulted and your outstanding balance will be subject to federal, state, and/or local income taxes and may include a 10% early distribution penalty.

10. MILITARY LEAVES OF ABSENCE

If your leave of absence is for military service, your repayments may be suspended for the entire length of the military leave even if it exceeds one year. A suspension of payments during military leave has the effect of extending the loan repayment period for the period of the military leave, even if the loan repayment period exceeds five years. You may continue to make scheduled loan repayments during your military leave by Electronic Funds Transfer or by sending certified checks or money orders to Vanguard. If you do not make any of the payments due during your military leave of absence, your loan repayment and payroll withholding will recommence upon your return, taking into account the additional interest accrued on your loan during your leave.

11. RETIREMENT OR SEPARATION FROM THE COMPANY

Your loan is due and payable at the time of your retirement or termination from The McClatchy Company. There is a 90-day grace period and any outstanding loan balance must be repaid within those 90 days. If you do not repay your loan within the 90-day grace period, the loan will be defaulted. The outstanding loan balance will be subtracted from your total account balance and be subject to applicable federal, state and local tax rules and regulations, and may include a 10% early distribution penalty.

12. DEATH

If you were to die with an outstanding loan, your loan becomes due and payable in full. Your executor/administrator may repay the outstanding balance of your loan within a 90-day grace period following your death.

If your executor/administrator does not repay the loan balance, the outstanding balance will be subtracted from the total account balance in determining the amount of the actual distribution of your account from the Plan. Your spousal beneficiary will receive the total value of your account as the death benefit, including the outstanding loan balance, which will be subject to the federal income tax rules and regulations. Your non-spouse beneficiary will receive the net value of your account as the death benefit, which will be subject to federal income tax rules and regulations. The outstanding loan balance will revert to you, which will also be subject to federal income tax rules and regulations.

13. FAILURE TO REPAY

Your loan will be in default if any payment is not made within 90 days of the date it is due. If you are still an employee when your loan goes into default, a deemed distribution shall be declared, which is a form of a lien against your account. The portion of your account treated as a deemed distribution shall not accrue earnings or losses, and will be taxable to you in the year of default and may be subject to applicable federal, state and local taxes, which may include a 10% early withdrawal penalty. You will receive an IRS Form 1099-R to report the income. When a distribution is later taken, the distribution amount will be reduced by the amount of the deemed distribution.

14. BANKRUPTCY

If you filed for bankruptcy on or after October 17, 2005, bankruptcy courts are no longer empowered to order the stoppage of your loan payment deductions, and Vanguard is not obligated to honor such an order. Therefore, your scheduled loan payments will continue to be deducted from your pay.

15. MANUAL LOAN PAYMENTS AND PAY-OFFS

You must make a manual loan payment directly to Vanguard if: 1) your paycheck does not cover a whole loan payment; 2) you wish to make a manual loan payment during your leave of absence; or 3) you want to pay off your entire loan. Loan payments must be for the whole payroll deduction amount or for the entire outstanding loan balance; partial payments will be returned to participants.

To submit a manual loan payment or pay off, you will need to either: 1) log on to www.vanguard.com and initiate an Electronic Funds Transfer (EFT) payment directly from your bank account; or 2) complete and send a Vanguard Manual Loan Payment form, which can be found on www.Vanguard.com, and the McClatchy intranet at <http://mcclatchy.net> or the McClatchy corporate website at www.mcclatchy.com. This form must be sent, along with a certified check or money order for the payment, directly to Vanguard. The certified check or money order should be made payable to: ***Vanguard Fiduciary Trust Company FBO (for the benefit of): Your Name***

Send to:

Via US Mail

Vanguard
Attn: Plan #098630
P.O. Box 1101
Valley Forge, PA 19482

Via Overnight Carrier

Vanguard
Attn: Plan #098630
400 Devon Park Drive
Wayne, PA 19087

The Company reserves the right to define "leave of absence" as it applies to the provisions in this document. The Company also reserves the right to change the loan administration procedures, including ceasing to make loans, at any time without prior notice to participants. The provisions of this Plan may be subject to collective bargaining agreement.

The administration of the plan and the payment of all benefits are governed by the official plan document. The official plan document will govern in any case of any omission or conflict between this document and the official plan text.