

CLAYTON HOMES, INC. GROUP HEALTH PLAN SUMMARY OF MATERIAL MODIFICATIONS

This summary of material modifications (“SMM”) applies to the Clayton Homes, Inc. Group Health Plan (“Plan”). **Effective January 1, 2025, the weight loss benefits available under the Plan will change.** Please read the information in this SMM regarding weight loss coverage under the Plan carefully. If you have questions regarding the information provided in this SMM, please contact Corporate Benefits or Holly Brock using the contact information provided at the end of this SMM.

The changes described in this SMM apply to the Plan’s coverage of weight loss prescription drugs known as glucagon-like peptide-1 agonists (sometimes also referred to as “GLP-1 receptor agonists”, “GLP-1 injections”, “incretin mimetics”, or “GLP-1 analogs”) (collectively referred to herein as a “**GLP-1 prescription drug**”). This affects brand names of GLP-1 prescription drugs such as **Wegovy, Zepbound and Saxenda**. If the changes described in this SMM affect your healthcare, **you should contact your healthcare provider immediately** to avoid unexpected disruption in your weight loss treatment.

The changes also include **a new Obesity Reversal Program available through Virta**.

WEIGHT LOSS MEDICAL EXPENSES FOR GLP-1 PRESCRIPTION DRUGS.

Plan coverage for GLP-1 prescription drugs will change in 2025.

1. **Effective January 1, 2025, the Plan will not cover GLP-1 drugs prescribed solely for weight loss (“a Weight Loss GLP-1 prescription”) unless (i) the covered TM or dependent has a Body Mass Index (“BMI”) of 32 or a BMI of 27 with at least two co-morbidities; and (ii) your prescribing healthcare provider obtains Prior Authorization (also called Precertification) from Express Scripts for the prescription.**
2. **Without Prior Authorization, the Plan will not pay expenses incurred for a Weight Loss GLP-1 prescription which is filled after January 1, 2025, even if you are already on a medical treatment program which includes a GLP-1 prescription drug, and even if your medical records reflect a BMI of 32 or more (or a BMI of 27 to 31 with at least two co-morbidities).**
3. **These changes do not affect coverage for GLP-1 drugs prescribed for a covered TM or dependent with diabetes.**
4. **Covered GLP-1 drugs are Wegovy and Zepbound. The Plan’s drug formulary will not include coverage for Saxenda after December 31, 2024.**
5. **When you fill a prescription for a Weight Loss GLP-1 prescription, you will be contacted by Omada to enroll in an online weight loss program. Participation in the Omada program is required in order for your Weight Loss GLP-1 prescription to be covered.**
6. **These changes takes effect for all Weight Loss GLP-1 prescriptions filled after January 1, 2025.**

VIRTA OBESITY REVERSAL BENEFIT

Effective October 1, 2024, the Plan will a new Obesity Reversal program through Virta for qualifying Team Members and their eligible dependents. To participate in the Obesity Reversal program, the Team Member or dependent must meet all of the conditions for coverage imposed by the Plan. These conditions are:

1. The Team Member or covered dependent must be at least 18 years of age or older.
2. The Team Member or covered dependent must have a documented BMI (Body Mass Index) of 25 or higher.

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3. The Team Member or covered dependent does not have one of the medical conditions listed below:
 - a. Advanced heart failure;
 - b. Advanced chronic kidney disease;
 - c. Advanced liver disease;
 - d. Psychiatric disorders with psychotic features, active suicidal ideation, active mania, or impaired self-care;
 - e. Advanced neurologic disease resulting in unreliable compliance with the Virta treatment;
 - f. Type 1 diabetes;
 - g. Certain metabolic disorders (e.g., carnitine disorders, glycogen storage disease);
 - h. Pregnant and breastfeeding women;
 - i. Pancreatic insufficiency or other gastrointestinal disorders causing significant fat malabsorption; or,
 - j. Conditions treated with Exclusion Medications, including without limitation Desmopressin (DDAVP®).

The above list of medical conditions which operate to exclude a Team Member or covered dependent from participating in Virta's Obesity Reversal program is not an exhaustive list and Virta may update the list of excluded conditions at any time. Virta may also exclude individuals with medical contraindications in the sole discretion of Virta's treating licensed medical providers. Virta will determine whether an exclusion applies, taking into consideration a covered individual's medical circumstances and making the determination based on safety.

Clayton Homes, Inc. serves as the Plan Administrator of the Plan. The address and telephone number of Clayton Homes, Inc. is: 5000 Clayton Road, Maryville, Tennessee 37804, and (865)380-3000, and the federal employer identification number is: 62-1671360. The Plan is a Component Benefit under the Clayton Homes, Inc. Group Health and Welfare Plan (the "**Clayton Welfare Plan**"). The Plan number of the Clayton Welfare Plan is 555.

This SMM should be considered part of the Summary Plan Description ("SPD") for the Plan and you should keep a copy of this SMM with your SPD. If you have any questions with respect to the contents of this SMM, please contact Corporate Benefits at Benefits@ClaytonHomes.com (865-380-3000 ext 7400) or Holly Brock, Benefits Manager, at 865-380-3000 ext. 5221 or Holly.Brock@ClaytonHomes.com.