SPENDING POLICY – 2021

Approved by the Board of Directors. September 11, 2020

I. SPENDING POLICY

The Foundation’s spending policy is designed to allow the assets of an endowed fund to be invested on a "total return" basis to maintain and, if possible, increase the purchasing power of the Fund, while at the same time providing a relatively steady and predictable level of funding for grantees. The spending policy in effect on the date hereof is 4.25% of the value of the endowed fund based on the average of the trailing twenty quarters as of June 30th and is determined annually.

For 2021, the board has also approved an alternative spending rate of up to 5.5% for endowed funds primarily supporting nonprofits:

1) Area funds
2) Designated and Agency endowment funds
3) Endowed Donor Advised Funds.

If the fund is under historic dollar value (HDV), the spending rate will be reduced as follows:

<table>
<thead>
<tr>
<th>Under HDV by</th>
<th>Spending Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 1%</td>
<td>4.0%</td>
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<tr>
<td>1 – 5%</td>
<td>3.75%</td>
</tr>
<tr>
<td>5 – 10%</td>
<td>3.25%</td>
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<tr>
<td>&gt;10%</td>
<td>2.25%</td>
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</tbody>
</table>

The fund will be managed in accordance with the Uniform Prudent Management Institutional Funds Act (UPMIFA) and thus the following provisions are considered when determining the spending rate:

1. The duration and preservation of the endowment fund
2. The purposes of the institution and the endowment fund
3. General economic conditions
4. The possible effect of inflation or deflation
5. The expected total return from income and appreciation of assets
6. Other resources of the institution
7. Where appropriate and circumstances would warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the institution
8. The investment policy of the institution

The Investment Committee reviews the spending policy and makes a recommendation to the Board annually in September for the following year.