MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF
THE GOLDEN L.E.A.F. (Long-term Economic Advancement Foundation), INC.

The regular meeting of the Board of Directors of The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc. (the "Foundation"), was noticed for and convened on June 4, 2026, at the Golden LEAF Foundation in the Lawrence Davenport Retreat Center located at 301 N Winstead Avenue, Rocky Mount, NC 27804. Board members participating in the meeting were Barry Dodson, Michael Easley, Jr., Don Flow, Jim Harrell, Randy Isenhower, Buddy Keller, Jeffrey Lee, Laurence Lilley, Brian Raynor (Chair), Bobbie Richardson, David Rose, Ralph Strayhorn, and Tom Taft. Also present were Scott T. Hamilton, President, Chief Executive Officer of the Foundation; Ted Lord, Senior Vice President/ General Counsel of the Foundation; Kasey Ginsberg, Vice President/ Chief of Staff of the Foundation; Erica Smith, Vice President of Finance of the Foundation; J.P. Boyd, Vice President of Investments of the Foundation; Marilyn Chism, Director of Programs of the Foundation; Ginger Mustamaa, Director of Programs Administration of the Foundation; Jenny Tinklepaugh, Communications Manager of the Foundation; Brynn Fann, Program Officer and AV/ Technology Manager of the Foundation; and Byron Kirkland, legal counsel to the Foundation.

Mr. Kirkland called the roll of the Board members.

Mr. Raynor called the meeting to order and declared a quorum to be present.

A motion was made to approve the minutes of the April 1 and 2, 2026 regular meeting of the Board. The motion was seconded and carried.

Mr. Raynor asked Mr. Keller to give the report of the Investment Committee. Mr. Keller reported that the Investment Committee approved the minutes of the open and closed sessions of its April 1, 2026 meeting. The Committee also received a report from the Foundation's investment staff and consultants regarding the Foundation's asset allocation, investment performance, and other matters. He reported that the Committee approved an investment of $15 million to Kimmeridge Energy Fund VII, L.P. and that the Committee heard an update on the Global Equity Manager Cantillon Capital Management.

Mr. Keller reported that the Committee reviewed the Investment Policy Statement and recommended that the Board adopt the recommended changes to the Investment Policy Statement as presented to the Investment Committee by Staff and Consultants. Mr. Keller presented the recommendation in the form of a motion and the motion carried. The revised Investment Policy Statement is included as Attachment A to these minutes.

Mr. Raynor asked Mr. Strayhorn to present the report of the Programs Committee.

Mr. Strayhorn reported that the Programs Committee approved the minutes of the open and closed sessions of its April 1, 2026 meeting.

Mr. Strayhorn identified the following interests that were disclosed by members of the Board:

- Mr. Keller has disclosed that his daughter serves on the Board of Firsthealth-Hoke and he will abstain from the discussion and the vote regarding the application from Firsthealth of the Carolinas, Inc.
- Mr. Lilley has disclosed that his son is Secretary of the North Carolina Department of Commerce and Mr. Lilley will abstain from the discussion and vote regarding projects for which Golden LEAF knows the Department of Commerce will or may provide funding.
- Mr. Raynor has disclosed that the company for which he works may submit a bid related to work to be conducted at the Harnett Regional Jetport and he will leave the room for the discussion and the vote regarding the application from the Harnett Regional Jetport.
- Mr. Webb has disclosed that he serves as Chair of the Rural Infrastructure Authority and will abstain from the discussion and vote regarding projects for which the Rural Infrastructure Authority is or may be a funder. He has also disclosed that he serves on the Board of Firsthealth-Richmond and he will abstain from the discussion and the vote regarding the application from Firsthealth of the Carolinas, Inc., and the law firm for which he works represents Richmond Community College, and he will abstain from the discussion and the vote regarding the application from the Richmond Community College Foundation.

Mr. Strayhorn informed members of the Board that he would report the recommendations of the Programs Committee by reference to the recommendations sheet distributed prior to the meeting and available at the meeting. The recommendations sheet is included as Attachment B to these minutes.

Mr. Strayhorn reported that the Programs Committee recommended that the Board take the actions on Attachment B regarding the application received in the Economic Catalyst Program, which is item numbered 1. Mr. Strayhorn presented the recommendation in the form of a motion and the motion carried. Mr. Lilley declared a duality of interest because his son serves as Secretary of the North Carolina Department of Commerce and abstained from the discussion and the vote. Mr. Webb declared a duality of interest because he serves as Chair of the Rural Infrastructure Authority and abstained from the discussion and vote.

Mr. Strayhorn reported that the Programs Committee recommended that the Board take the action on Attachment B regarding the Stage 2 application received in the Open Grants Program that is item numbered 2. Mr. Strayhorn presented the recommendation in the form of a motion and the motion carried. Mr. Lilley declared a duality of interest because his son serves as Secretary of the North Carolina Department of Commerce and abstained from the discussion and the vote. Mr. Webb declared a duality of interest because he serves as Chair of the Rural Infrastructure Authority and abstained from the discussion and vote.

Mr. Strayhorn reported that the Programs Committee recommended that the Board take the actions on Attachment B regarding the Stage 2 applications received in the Open Grants Program that are items numbered 3, 4, 7, and 8. Mr. Strayhorn presented the recommendation in the form of a motion and the motion carried.

Mr. Strayhorn reported that the Programs Committee recommended that the Board take the action on Attachment B regarding the Stage 2 application received in the Open Grants Program that is item numbered 5. Mr. Strayhorn presented the recommendation in the form of a motion and the motion carried. Mr. Keller has disclosed that his daughter serves on the Board of Firsthealth-Hoke and abstained from the discussion and vote. Mr. Webb disclosed that he serves on the Board of Firsthealth-Richmond and abstained from the discussion and vote.

Mr. Raynor declared an interest regarding the application from the Harnett Regional Jetport and left the meeting room.

Mr. Keller assumed the role of Chair of the meeting.

Mr. Strayhorn reported that the Programs Committee recommended that the Board take the action on Attachment B regarding the Stage 2 application received in the Open Grants Program that is item numbered 6. Mr. Strayhorn presented the recommendation in the form of a motion and the motion carried.

Mr. Raynor returned to the meeting room and resumed the role of Chair.

Mr. Strayhorn reported that the Programs Committee recommended that the Board take the actions on Attachment B regarding the Stage 1 applications received in the Open Grants Program, that are items numbered 9-11 and 13-30. Mr. Strayhorn presented the recommendation in the form of a motion and the motion carried.

Mr. Strayhorn reported that the Programs Committee recommended that the Board take the action on Attachment B regarding the Stage 1 application received in the Open Grants Program that is item numbered 12. Mr. Strayhorn presented the recommendation in the form of a motion and the motion carried. Mr. Webb declared a duality of interest because the law firm for which he works represents Richmond Community College and abstained from the discussion and vote.

Mr. Strayhorn reported that the Programs Committee recommended that the Board take the action on Attachment B regarding the application received in the SITE Program that is item numbered 31. Mr. Strayhorn presented the recommendation in the form of a motion and the motion carried. Mr. Lilley declared a duality of interest because his son serves as Secretary of the North Carolina Department of Commerce and abstained from the discussion and the vote. Mr. Webb declared a duality of interest because he serves as Chair of the Rural Infrastructure Authority and abstained from the discussion and vote.

Mr. Strayhorn reported that the Programs Committee recommended that the Board take the action on Attachment B regarding the application received in the SITE Program that is item numbered 32. Mr. Strayhorn presented the recommendation in the form of a motion and the motion carried. Mr. Strayhorn presented the recommendation in the form of a motion and the motion carried.

Mr. Strayhorn reported that the Programs Committee recommended that the Board take the action on Attachment B regarding the application received in the SPARC Initiative, which is item numbered 33. Mr. Strayhorn presented the recommendation in the form of a motion and the motion carried.

Mr. Strayhorn reported that the Programs Committee recommended that the Board take the action on Attachment B regarding the applications received in the Healthcare Leverage Special Initiative, which are items numbered 34 and 35. Mr. Strayhorn presented the recommendation in the form of a motion and the motion carried.

Mr. Strayhorn reported that the Programs Committee recommended that the Board take the actions on Attachment B regarding the grant modification requests, which are items numbered 36 and 37. Mr. Strayhorn presented the recommendation in the form of a motion and the motion carried.

Mr. Strayhorn reported that the Programs Committee recommended that the Board take the action on Attachment B regarding the Golden LEAF Schools modification request, which is item numbered 38. Mr. Strayhorn presented the recommendation in the form of a motion and the motion carried.

Mr. Strayhorn reported that the Programs Committee recommended that the Board take the action on Attachment B regarding an NC Ag Leads Initiative funding request that is item numbered 39. Mr. Strayhorn presented the recommendation in the form of a motion and the motion carried.

Mr. Strayhorn reported that the Programs Committee recommended that the Board take the action on Attachment B regarding an NC Ag Leads Initiative funding request that is item numbered 40. Mr. Strayhorn presented the recommendation in the form of a motion and the motion carried.

Mr. Strayhorn reported that the Programs Committee recommended that the Board take the action on Attachment B regarding the small business and entrepreneurship strategy, which is item numbered 41. Mr. Strayhorn presented the recommendation in the form of a motion and the motion carried.

Mr. Strayhorn reported that the Programs Committee recommended that the Board take the action on Attachment B regarding the Shell Building funding opportunity, which is item numbered 42. Mr. Strayhorn presented the recommendation in the form of a motion and the motion carried.

Mr. Strayhorn reported that the Programs Committee also received updates on the Golden LEAF Schools Initiative, NC Ag Leads, and Golden LEAF Scholarships.

Mr. Raynor asked Mr. Dodson to give the report of the Audit Committee. Mr. Dodson reported that the Audit Committee approved the minutes of its April 2, 2026 meeting. Mr. Dodson reported that the Committee also addressed Audit Committee Objective #16 by confirming the Foundation is complying with its policy on minutes.

Mr. Dodson reported that the Audit Committee reviewed proposed revisions to the Foundation's Accounting Policies and Procedures Manual and recommended that the Board adopt the recommended changes to the Manual. Mr. Dodson presented the recommendation in the form of a motion and the motion carried. The revised Accounting Policy and Procedures Manual is included as Attachment A to these minutes.

Mr. Raynor asked Mr. Rose to give the report of the Personnel/Nominations Committee. Mr. Rose reported that the Personnel/Nominations Committee approved the minutes of its April 2, 2026 meeting.

Mr. Rose reported that the Committee recommended that the Board authorize the Chair of the Board, Chair of the Personnel/Nominations Committee, and President to approve final revisions to the Foundation's Section 125 Cafeteria Plan that are consistent with the document shared with the Personnel/Nominations Committee. Mr. Rose presented the recommendation in the form of a motion and the motion carried. The Section 125 Cafeteria Plan that was presented to the Personnel/Nominations Committee is included as Attachment D to these minutes.

Mr. Rose told the Board that the Committee also discussed revisions to the Employee Handbook and to the Annual Benefits and Travel Reimbursement Summary. He reported that the Committee recommended that the Board approve the revised Employee Handbook and the Annual Benefits and

Travel Reimbursement Summary, including the revisions to the Foundation's health insurance plan. Mr. Rose presented the recommendation in the form of a motion and the motion carried. The revised Employee Handbook is included as Attachment E to these minutes. The revised Annual Benefits and Travel Reimbursement Summary is included as Attachment F.

Mr. Raynor asked Mr. Isenhower to give the report of the Finance Committee. Mr. Isenhower reported that the Committee approved the minutes of its April 2, 2026 meeting, received the report of Ms. Smith on the finances of the Foundation, and received the annual review of the Community Banking CD Program.

Mr. Isenhower reported that the Committee also received a report regarding the Foundation's proposed FY2027 budget and the Committee recommended that the Board approve the FY2027 budget for administrative expenses, capital expenses, and line of credit expenses, and the FY2027 budget for programs. Mr. Isenhower presented the recommendation in the form of a motion and the motion carried.

Mr. Raynor asked Ms. Smith to give the report of the Retirement Plan Committee. Ms. Smith reminded the Board that the Retirement Plan Committee consists of the President, the Senior Vice President/General Counsel, the Vice President of Investments, the Vice President of Finance, and the Chair of the Investment Committee of the Board of Directors. She reported that during calendar year 2025, the Committee met four times. The Committee reviewed various items during its meetings, including the following:

- Quarterly ERISA investment analysis (includes performance of the 403(b) investment options)
- Fee benchmarking
- Plan participation metrics
- 403(b) Plan Investment Policy Statement
- Regulatory updates stemming from The Secure 2.0 Act
- Employee education services and participant engagement

Ms. Smith reported that the estimated overall net investment performance of the Plan was +13.6% return for calendar year 2025. The Plan includes both assets at The Standard Retirement (current) and at TIAA (legacy). She added that Plan beginning balance in 2025 was $4,993,288, with $527,015 in contributions, $130,437 in rollovers, $145,594 in distribution/outflows, and $677,201 in gains. The Plan balance at the end of 2025 was $6,182,346. She added that the Plan participation rate in 2024 was 52% and the Plan Participation rate in 2025 was 80%.

Mr. Raynor asked Ms. Ginsberg to give the legislative update. Ms. Ginsberg reported that several legislators participated in visits to Golden LEAF Schools. Ms. Ginsberg reported of the 75 legislators that Golden LEAF asked to provide a quote for the Golden LEAF Scholarship press releases announcing new scholars, 60 participated. In addition, there was at least one legislator providing a quote for each county from which a scholar was selected. She also reported that addresses of those scholars who allowed their addresses to be shared will be provided to legislators, the governor, and members of Congress, so these officials can write a letter of congratulations to the scholars. She added that the State budget framework is in place and that Golden LEAF does not expect any bills or legislation to affect the Foundation.

Mr. Raynor asked Mr. Hamilton to give the President's report. Mr. Hamilton reported that the Foundation is actively managing a large portfolio of projects, including 49 pending applications and 218 active grants. In 2026 so far, 186 requests have been received, with 49 grants approved. The Food Distribution Assistance Program is also nearing completion, with 14 active projects remaining.

Mr. Hamilton reported that he participated in Governor Stein's Rural Roundtable discussion. He also emceed a recent NCEDA luncheon. He added that he has continued outreach including meetings with community college presidents. Mr. Hamilton reported that he attended 12 Golden LEAF Schools visits, with more visits planned for the fall. He added that that the final spring scholars event was held at ECU. He also reported that he had 16 virtual meetings with groups of new Golden LEAF Scholars. Mr. Hamilton reported that he served as the keynote speaker for the Hertford County Committee of 100 and served on an NCBioImpact panel.

Mr. Hamilton shared that Ethan Lewis has been hired to fill the Foundation's part-time Scholarship Associate role and Kaetlyn Tate has been hired to fill the open Program Officer position. He added that the staff has conducted final interviews for the Board Liaison and External Affairs Coordinator position.

Mr. Hamilton shared that Program Officer Jason Rochelle is retiring in June after serving 10 years. He noted that Jason had deep expertise in workforce development and was a valuable resource to his co-workers and grantees. There was a round of applause thanking Jason for his service to the Foundation.

Mr. Hamilton shared that the next Board meeting would be held in August at the Lawrence Davenport Retreat Center.

Mr. Hamilton then shared that he plans to retire at the end of December 2026. He has decided to retire so he can spend more time with his family who live in western North Carolina. He said a press release will be issued announcing his retirement and that he anticipates that the Personnel/Nominations Committee would approve issuance of an RFP for an executive search firm to assist the Board in recruiting the next President and Chief Executive Officer of the Foundation. Mr. Raynor thanked Mr. Hamilton for his service to the Foundation and congratulated him on his retirement. There was a standing ovation recognizing Mr. Hamilton.

With no other business to come before the Board, the meeting was adjourned.

Jenny Tinklepaugh, Secretary of the Meeting

Read and approved:

Brian Raynor, Chair of the Board

Attachment A
Revised Investment Policy Statement

The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc.

INVESTMENT POLICY STATEMENT

Last updated: June 4, 2026

Revisions & Updates

Approved	*Effective Date*	*Detail*
June 4, 2026	*June 4, 2026*	*Complete review of governance, asset class allocations and benchmarks; updated Appendices*
June 4, 2025	*June 4, 2025*	*Complete review of governance, asset class allocations and benchmarks; updated Appendices*
June 6, 2024	*June 6, 2024*	*Complete review of governance, asset class allocations and benchmarks; updated Appendices*
June 1, 2023	*June 1, 2023*	*Increased Private Equity target; decreased Absolute Return target; one change to AR benchmark; updated Appendices*
June 2, 2022	*June 2, 2022*	*Addition of Use of Lines of Credit Sections; decreased Fixed Income target/ranges; increased Private Equity target; increased Real Assets target; changed Private Equity benchmark; changed Real Assets benchmark; changed Policy Index; updated Appendices*
June 3, 2021	*June 3, 2021*	*Increased Global Equity target; decreased Absolute Return target; updated Appendices*
June 4, 2020	*June 4, 2020*	*Complete review of asset class allocations and benchmarks; selected changes to oversight and management roles; updated Appendices*
June 6, 2019	*June 6, 2019*	*Increased Private Equity target; decreased Real Assets target; changes to the Real Assets benchmark; defined Enhanced Cash; updated Appendices*
June 7, 2018	*June 7, 2018*	*Increased Private Equity target; decreased Real Asset target; changed Real Asset Allocation range; updated Appendices*
June 1, 2017	*June 1, 2017*	*Complete review of asset class allocations and benchmarks; one change to AR benchmark; selected changes to oversight and management roles; updated Appendices*
June 4, 2015	*June 4, 2015*	*No change to Policy Asset Allocation targets. Updated appendices H-J.*
June 5, 2014	*June 5, 2014*	*Complete review of asset class allocations; Several changes to Policy Asset Allocation targets and Ranges; no changes to governance; updated Appendices*
June 6, 2013	*June 6, 2013*	*Minor Revisions to IPS; no change to Policy Asset Allocation targets or governance; updated Appendices*
April 5, 2012	*April 5, 2012*	*Complete review of asset class allocations; Several changes to Policy Asset Allocation targets; no changes to governance; updated Appendices*

April 7, 2011	*April 7, 2011*	*Minor Revisions to IPS; no change to Policy Asset Allocation targets; updated Appendices*
April 1, 2010	*April 1, 2010*	*Minor revisions to IPS (change from UMIFA to UPMIFA reference); no change to AA; updated Appendices*
March 4, 2009	*March 4, 2009*	*Complete review of asset class allocations, nomenclature, restructure of fixed income asset class, additional direct opportunities and emergency situation language*
December 5, 2007	*January 1, 2008*	*Minor revisions to IPS (e.g., authority to add/redeem and in times of emergencies; HF allowance in GE); no change to AA; updated modeling & peer comparisons*
December 6, 2006	*January 1, 2007*	*Minor revisions to IPS; small changes to AA (e.g., new GE bucket, increased AR, decreased FI)*
September 1, 2005	*September 30, 2005*	*Significant revision of IPS and AA; very similar to current document in form and content*

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I. Description

This Investment Policy Statement ("IPS") is issued by the Board of Directors (the "Board") of The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc. (the "Foundation") for the purpose of detailing the oversight and management of the institutional fund comprised of the Foundation's investment assets (collectively, the "Fund").

The Fund's investment objective is to preserve and enhance its real (inflation-adjusted) purchasing power while providing a continuing and stable funding source to support the mission of the Foundation. The Fund will be managed for total return, consistent with the applicable standard of conduct set forth in the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as adopted in North Carolina.

II. Oversight and Management of Fund Investments (See Appendix J for Summary)

The Board has delegated investment authority for the Fund to the Investment Committee (the "Committee"), which exercises this authority in regularly scheduled and special meetings. As stated in the bylaws of the Foundation, the Committee has the full power and authority to manage, invest and reinvest all of the Fund's investment assets. Furthermore, the Committee has the full power and authority, on behalf of the Foundation and of the Board, to employ, retain or engage the services of such custodians, trustees, fiscal agents, investment advisors, attorneys, and other professional personnel as it deems necessary or desirable. The Committee develops and recommends to the Board the Investment Policy Statement and related investment policies developed by the Committee, and amendments to such policies; the Board reserves the exclusive authority to adopt, and amend from time to time, such policies.

Responsibilities of the Committee include the following:

- Develop, review and update, in each case subject to the approval of the Board, investment- related policies, including asset allocation, investment objectives, and manager structure. Asset allocation policy targets should be reviewed at least annually and a full review of the IPS should occur at least every three years.
- Review performance on at least a quarterly basis with an emphasis on long-term performance relative to the Fund's investment objective.
- Engage an investment consultant ("Consultant") with those responsibilities set forth in this IPS and in a written agreement with the Consultant.
- Select, monitor, and terminate investment managers, the custodian, and the Consultant. The Committee may delegate certain selection and monitoring functions to the Staff and Consultant. These external relationships should be reviewed on a periodic basis, at least annually.
- Vote proxies or delegate the voting of proxies to the investment managers.
- Commission special studies or assignments as necessary.
- Keep the Board informed of all material events and activities.

Staff and the Consultant provide support to the Committee, and report to the Committee during regularly scheduled and special meetings, and at other times when appropriate.

For purposes of this IPS, "Staff" will be defined as: (1) the President of the Foundation, or the Senior Vice President of the Foundation when exercising powers of the President; and (2) the Vice President of Investments of the Foundation. Responsibilities of Staff include the following:

- Communicate effectively with the Committee
- Analyze investment policies and strategies
- Make recommendations to the Committee
- Monitor the Fund and its managers
- Manage ongoing investment activities and relationships
- Provide information as requested by the Foundation's Vice President of Finance, the Audit Committee, the Foundation's independent auditors, and the preparers of the Foundation's tax returns
- Perform any other responsibilities delegated by the Committee

Responsibilities of the Vice President of Investments include the following:

- Serve as primary Staff liaison with the Consultant and the investment community
- Provide qualitative and quantitative monitoring of existing investment managers, the custodian bank, the Consultant, and other pertinent relationships
- Assist the Consultant in the identification, evaluation, selection, and monitoring of money managers, including interviewing managers, reviewing placement and marketing materials, making on-site due diligence trips, attending manager conferences and annual meetings, completing reference checks, etc.
- Work with the Vice President of Finance and the Consultant to maintain positive banking relationships and execute an effective cash management system such that appropriate cash flow is available for grantmaking and operations, with excess balances invested
- Coordinate with the Consultant on recommendations to the Committee to manage investments within the asset allocation guidelines of the IPS
- Assist in developing and revising the IPS, including the asset allocation guidelines
- Develop reports and charts and coordinate with the President and the Consultant presentations made to the Committee and the Board and external stakeholders
- Perform relevant administrative activities (i.e., write letters, set up meetings, process legal documents, maintain files, etc.) under the direction of the President
- Coordinate with the Consultant and the President internal research projects relating to portfolio management, new investment areas, and special projects as required
- Provide analytical support for the Foundation's activities as they pertain to investing and/or finance
- Foster resourceful relationships for the Foundation in the investment community and the banking community

Responsibilities of the Consultant include the following:

- Serve as the Foundation's external investment consultant making both policy and action recommendations to Staff and to the Committee, with the Foundation's directors, officers, and employees retaining the authority to make decisions and take action on the Consultant's recommendations

- Analyze and make recommendations to the Committee regarding investment policies and strategies
- Identify, evaluate, recommend, and monitor investment managers and specific investments for the Foundation
- Provide qualitative and quantitative monitoring of existing investment managers, the custodian bank, and other pertinent relationships
- Monitor the Foundation's cash management system such that appropriate cash flow is available for grantmaking and operations, with excess balances invested
- Communicate effectively and in a timely manner with Staff and with the Committee
- Monitor the performance of the Fund and its managers
- Manage ongoing investment activities and relationships
- Alert Staff to any specific actions necessary or appropriate in connection with the day-to-day management of the Fund
- Reduce the administrative burden otherwise placed on Staff by providing back office teams in support of managing the Fund, assembling transaction documents for review and action by Staff, and sharing research and analysis regarding markets and managers
- Provide information as requested by the Foundation's Vice President of Finance, the Audit Committee, the Foundation's independent auditors, and the preparers of the Foundation's tax returns
- Perform any other responsibilities delegated or directed by the Committee
- Notify the Committee of any evidence that Staff of the Foundation has committed or is preparing to commit fraud or malfeasance, or is failing or is unable to perform job responsibilities
- Calculate, present and appraise the performance of the Fund

In managing the Fund, the following factors, if relevant, will be considered:

- General economic conditions;
- The possible effect of inflation or deflation;
- The expected tax consequences, if any, of investment decisions or strategies;
- The role that each investment or course of action plays within the overall investment portfolio of the Fund;
- The expected total return from income and the appreciation of investments;
- Other resources of the Foundation;
- The needs of the Foundation and the Fund to make distributions and to preserve capital; and
- An asset's special relationship, or special value, if any, to the charitable purposes of the Foundation.

Directors, officers, and Committee members are subject to the Conflicts of Interest Policy of the Foundation. If Consultant or any Foundation staff not subject to the Conflicts of Interest Policy of the Foundation shall have, or appear to have, a conflict of interest that impairs or appears to impair their ability to exercise independent and unbiased judgment in the good faith discharge of their duties, they shall disclose such conflict of interest or apparent conflict of interest to the Committee, and the Committee shall take such action as it shall deem necessary under the circumstances in order to protect the interests of the Foundation.

Directors, officers, Committee members, and Foundation staff recognize they may become aware or come into possession of proprietary information, including the holdings and strategies of the funds or underlying portfolios. With regard to such information, the Foundation has instructed all Directors, officers, Committee members, and Foundation staff to comply with all applicable laws, regulations and Foundation policies and practices with regard to trade secrets and confidentiality.

III. Investment Objective, Liquidity and Distribution Policy

The Fund's investment objective is to preserve and enhance its real (inflation-adjusted) purchasing power while providing a continuing and stable funding source to support the mission of the Foundation. The Fund seeks to generate a return, at an acceptable level of risk, that will exceed not only its grant distributions target amount (as defined below), but also the Foundation's operating expenses and the eroding effects of inflation. To meet its long-term objectives, all sums earned (interest income, dividends, realized gains and unrealized gains), above and beyond the amount approved for expenditure or distribution, will be reinvested in the Fund, consistent with the applicable standard of conduct set forth in the UPMIFA as adopted in North Carolina.

As stated in the Foundation's Articles of Incorporation, "the period of duration of the [Foundation] shall be perpetual"; thus, the Fund has a long-term investment horizon with relatively low liquidity demands. For this reason, the Fund can tolerate short- and intermediate-term volatility provided that long-term returns meet or exceed its investment objective. Consequently, the Fund is in a position to take advantage of less liquid investment opportunities, such as private equity, long-term hedge fund lock-ups, and other partnership vehicles, which typically offer higher risk-adjusted return potential as compensation for reduced liquidity. Nonetheless, to ensure liquidity for distributions and to facilitate rebalancing, the maximum allocation to illiquid assets, defined as funds locked-up for greater than one year, shall be limited to 40% of the Fund's market value.

Grants Payable, grants that have been awarded but not yet paid out, are short term obligations of the Foundation the characteristics of which are appropriately aligned with investments that exhibit low volatility on a daily basis and can readily be turned into cash. Among the Fund's asset classes, Cash and Fixed Income are the most suitable to this mandate. Consequently, in the event that the amount of Grants Payable rises above the combined Policy Targets to Cash and Fixed Income, the actual allocations to Cash and Fixed Income asset classes 1) may exceed the Policy Targets for extended periods of time to promote a proper alignment between investments and the short term obligations of the Foundation and 2) may deviate from allocations that are more optimal for maximizing risk-adjusted returns.

The Board has established the following distribution policy to determine the amount to be designated for grant-making: the amount of the Fund targeted for distribution (the "grant distributions target amount") is determined by calculating the average of the previous three years' ending net asset values and multiplying that amount by four and thirty-five hundredths percent (4.35%). This calculated amount serves as a budgetary guide for the Board. The actual dollar amount of grants awarded in any given fiscal year may be either greater or less than the grant distributions target amount, and is determined by the Board.

The Articles of Incorporation also state that the Foundation "shall endeavor to preserve and enhance its principal assets, with economic impact assistance to be provided, to the extent feasible and circumstances allow, through the use of income generated by such assets." Thus, the Foundation will strive to not invade the principal assets of the Fund except in unusual circumstances or when not feasible to do so to support the mission of the Foundation.

IV. Asset Allocation

To achieve its investment objective, the Fund's assets will be allocated among several asset classes with a bias toward equity and equity-like investments due to their higher long-term return potential, which, if realized as in the past, will exceed the investment objective of the Fund. Other asset classes are added to the Fund to enhance returns, dampen volatility, diversify risk, diversify sources of return and otherwise improve the probability of meeting the long-term investment objective.

The Global Equity asset class serves as a foundation for long-term growth of the principal assets ahead of inflation while affording liquidity. Private Equity provides even higher return potential by focusing on opportunities in less efficient markets where assets are exchanged in private transactions on an infrequent basis. Absolute Return and Real Assets both have low correlation to traditional asset classes (and each other) and provide significant diversification benefits. Moreover, Absolute Return has attractive low volatility characteristics, while Real Assets offers expected inflation protection, as well as a strong yield component. Fixed Income provides income, stability, liquidity and partial deflation protection. Lastly, Cash provides short-term liquidity, protects principal and serves as a funding source for distributions and rebalancing. The Appendices elaborate more fully on the definition, strategy, and structure of each asset class.

The Fund's long-term, strategic asset allocation is presented in the following table, which also lists the long-term policy target allocations for each asset category ("Policy Target") and the permissible ranges of actual investment exposure.

Asset Class	Policy Target	Policy Range
Global Equity	45%	35% - 55%
Private Equity	15%	0% - 20%
Absolute Return	17%	10% - 25%
Real Assets	15%	5% - 25%
Fixed Income	5%	2% - 10%
Cash	3%	0% - 10%

The Fund's long-term, strategic asset allocation targets are guided, in part, by mean-variance/efficient frontier modeling. Using expected returns, volatilities and correlations, different asset allocations are simulated and considered alongside qualitative factors to determine an appropriate asset allocation policy for the Foundation. Additional simulation is performed to assess the probability of meeting the Fund's investment objective. The modeling assumptions and results are presented in Appendices G-I.

V. Rebalancing, Redemptions, and Additions

The Committee will review the Fund's asset allocation at least quarterly. Deviations from asset class Policy Targets outside of the approved ranges will be reviewed by the Committee and, if deemed necessary, rebalancing will occur. An exception will be for the Private Equity asset class, which, as discussed below, is more challenging to rebalance due to its illiquid nature and drawdown funding structure.

In general, the Fund's average asset allocation should match the targets listed in the table above. However, there may be times when tactical over- or under-weights are maintained to take advantage of favorable market conditions or disequilibria in certain asset categories. In addition, the Committee recognizes that investing in certain illiquid investments (i.e., primarily Private Equity, and Real Assets and Absolute Return to some extent) makes it more challenging to quickly adjust those allocations in a cost-effective manner. Furthermore, the pace of commitments to these illiquid investments must be measured to construct an optimally diversified portfolio. Global (public) Equity investments will be used as a substitute for Private Equity when the allocation is below its Policy Target because they are most correlated with one another. Hence, allocations to Global (public) Equity should be expected to be higher than its Policy Target allocation during periods when Private Equity is below its Policy Target.

The President or the President's delegate is permitted: (1) to make capital additions to, and partial redemptions from, existing fund investments; and (2) to grant or withhold consent with respect to administrative matters requiring investor consent such as extension of the term of a private equity investment. At the time of or promptly following any such transaction, the President or the Vice President of Investments will report such transaction to the Chair of the Investment Committee.

In circumstances deemed by the President and the Chair of the Investment Committee to constitute an emergency requiring action prior to the next scheduled meeting of the Investment Committee, in order to protect the Foundation from an imminent decline in the value of its assets or from an adverse effect on the Foundation:

(1) the President or the President's delegate, with the written (including an electronic record transmitted by electronic means) approval of the Chair of the Investment Committee, and after notice to the Consultant, is authorized:
   a. to redeem or require the distribution to the Foundation of any investment held or managed for the Foundation by an investment manager;
   b. to liquidate any investment distributed to the Foundation by an investment manager;
   c. to terminate one or more investment manager relationships;
   d. to invest in Cash (as defined in Appendix F) the proceeds resulting from any redemption or liquidation of an investment of the Foundation; and
   e. to invest an amount equal to the amount of the proceeds resulting from a redemption or liquidation of an investment of the Foundation, in an index or index-like investment offered by an existing investment manager of the Foundation, which index or index-like investment shall, to the extent feasible, be one that is deemed by the President to have a focus similar to that of the investment vehicles that were redeemed or liquidated.

(2) the President or the President's delegate, with the written (including an electronic record transmitted by electronic means) approval of the Chair of the Investment Committee, and after appropriate legal review, is authorized to hire one or more new investment managers and to invest in Fixed Income (as defined in Appendix E) or Cash (as defined in Appendix F) offered by such investment manager.

The Investment Committee will be kept informed of portfolio activity on a regular basis at least quarterly. Cash receipts from the Master Settlement Agreement, cash receipts from General Assembly appropriations, and all other significant cash receipts shall be invested as soon as practical and in accordance with the current asset allocation policy unless otherwise directed by the Committee.

VI. Performance Evaluation Benchmarks

Benchmarks are useful to gauge the performance of the Foundation's investments relative to the opportunity set, but they are best viewed over long periods of time, generally three to five years. The benchmarks for each of the broad asset classes are presented in the table below. The ones presented are reflective of some of the most common benchmarks utilized for these asset classes.

Asset Class	**Benchmark**
Global Equity	MSCI All Country World Index (ACWI)
Absolute Return	HFRI Fund of Funds Composite Index
Private Equity	Cambridge Private Equity Indices (composite)
Real Assets	Cambridge Private Real Asset Indices, FTSE EPRA/NAREIT Developed Index, Bloomberg U.S. TIPS Index (composite)
Fixed Income	Bloomberg U.S. Aggregate Index
Cash	Citigroup 90 Day T-bill index or 0% during crisis periods

The Fund's returns will be compared to its Policy Index returns, which is defined as the sum total of all the policy target weights for each of the asset classes multiplied by the returns of their respective benchmarks (the "Policy Benchmark"). In recognition of the gradual implementation of private capital investments (private equity, private natural resources, private real estate), the Policy Benchmark may reflect the actual weights in the asset classes that include private capital investments. Significant performance deviations from the Policy Benchmark will be explained to the Committee and appropriate actions taken if necessary. The difference between actual Fund results and the Policy Index return represents the value added (or detracted) by asset allocation, style, and manager selection.

Another useful gauge is whether investment performance exceeds 5% plus inflation (compounded annually). Given the absolute return nature of this "real return" benchmark, horizons of at least three to five years (or greater) should be used when evaluating performance.

Additional benchmarking will compare the Fund to an appropriate peer universe of institutional funds with the goal of surpassing the median. Lastly, performance of a 60/40 mix of stocks and bonds (i.e., MSCI ACWI Index for stocks and Bloomberg U.S. Aggregate for bonds) will be presented to compare to a simple allocation which approximates many investment policies and has historically met long-term distribution objectives, though with higher volatility. Both the peer and 60/40 evaluations focus on periods of three or more years.

In addition to the Fund and asset class benchmarking, all managers within each asset class will be compared to their own relevant style index benchmarks. Percentile rankings within pertinent peer groups also will be assessed and presented. While a horizon of at least three years is the preferred comparison period, significant short-term differences will be highlighted and, if warranted, action steps recommended to the Committee.

VII. Manager Selection and Monitoring

The Committee will hire and monitor external managers to invest the assets of the Fund; the Committee will also make manager termination decisions, except that Committee approval is not required in emergency situations as described in Section V. The Committee may delegate certain selection and monitoring functions to Staff and the Consultant. Staff and Consultant will assess a manager's fit for the Fund, perform appropriate due diligence, and generate a recommendation memo for the Committee to review.

The Foundation seeks managers who demonstrate effective strategies, sustainable advantages, and high-quality organizational structures. The Foundation expects its active managers to generate superior, relative risk-adjusted performance, net of all expenses. Passive mandates may be used in more efficient (occasionally in less efficient) segments of the capital markets, and also to gain temporary market exposure until active management can be retained. The allocation to a single, active manager may not exceed 10% of the market value of the Fund.

Attractive firm characteristics include,

- Strong reputation in the marketplace and a meaningful, high-quality, institutional client base
- Aligned financial interests between the Foundation and manager (e.g., significant amount of principal/employee dollars invested in the same funds)
- Stable, experienced, and multi-faceted professional team
- Principals and/or employees own equity in the firm
- Controlled growth and a manageable level of assets under management

Staff and Consultant will use their respective networks of contacts to gain further confirmation of a manager's abilities and business practices. Recently established firms have additional business risk and are subject to a more rigorous level of due diligence and more stringent ongoing monitoring. Selection of investment managers is not geographically restricted.

The ongoing review and analysis, both quantitative and qualitative, of existing investment managers is just as important as the due diligence implemented during the manager selection process. In addition to performance measurement noted below, Staff and Consultant will monitor for consistent implementation of investment strategy and philosophy, appropriate risk management, adherence to any stated guidelines, and any material changes in the manager's organization and/or personnel.

The performance of the Fund's investment managers will be actively monitored by Staff and Consultant, who will report any meaningful observations including performance deviations to the

Committee in a timely manner. Quarterly performance will be compared to appropriate benchmarks and peer universes, but emphasis will be placed on relative performance over longer investment periods. Expectations are that a manager will generate returns above the median of its peer universe over a full market cycle, generally at least five years.

The Committee has the discretion to take corrective action by replacing a manager if the Committee deems it appropriate at any time. Corrective action typically occurs as a result of meaningful organizational or process-related change, sustained relative underperformance and in some cases material changes to the legal documents governing the investment. Significant short-term underperformance will also trigger a review of the investment's role in the Fund.

Manager fees are expected to be in line with industry norms. Emphasis will be placed on a manager's ability to generate attractive returns for the Foundation net of all fees and expenses. Incentive performance fees are common in the alternative asset categories and, in some cases, more traditional asset classes.

VIII. Duties and Responsibilities of the Investment Managers

Investment managers retained by the Foundation are expected to comply, throughout the engagement, with the following list of duties and responsibilities.

- Promptly inform the Staff and Consultant regarding all significant and/or material matters and changes pertaining to the investment of Fund assets or the manager, including, but not limited to:
  - » Investment strategy
  - » Portfolio structure
  - » Ownership and organizational structure
  - » Tactical approaches
  - » Financial condition
  - » Investments that may trigger UBIT
  - » Professional staff
  - » Guideline changes
  - » Investments in "reportable transactions" as defined by the IRS
  - » All material legal, SEC and other regulatory agency proceedings affecting the firm.
- Provide accurate and timely performance reporting in compliance with applicable standards.
- Be available for meetings or teleconferences with the Committee.
- Promptly vote all proxies and related actions in a manner consistent with the long-term interests and objectives of the Fund set forth herein. Each manager shall keep detailed records of said voting of proxies and related actions and will comply with all regulatory obligations related thereto.
- Utilize the same care, skill, prudence and due diligence under the circumstances then prevailing that experienced investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like institutional funds with like aims in accordance and compliance with applicable local, state, and federal laws, rules and regulations, including but not limited to those pertaining to fiduciary duties and responsibilities.

IX. Use of Derivatives and Leverage

The Fund will not make direct use of derivatives or leverage. However, the Fund may have exposure to derivatives and/or leverage through certain investment managers.

X. Use of Lines of Credit

The Foundation may utilize lines of credit to enable the Foundation to timely meet its obligations to distribute grant funds from time to time as necessary or appropriate, and to avoid the forced liquidation of one or more investments at a time when it is disadvantageous to the Foundation to redeem such investments.

XI. Unsolicited Investment Proposals

Unsolicited investment proposals received by the Foundation will be routed to the Vice President of Investments and the Consultant for initial evaluation. The Vice President of Investments and the Consultant will make a recommendation to the President with respect to the proposal, and the President, in consultation with the Chair of the Investment Committee, will decide whether to decline the proposal or to present the proposal to the Investment Committee for consideration.

APPENDIX A – GLOBAL EQUITY

Policy Target Weight: 45% **Policy Range:** 35% to 55%

Definition
Global Equity includes strategies largely based on long positions in the stock of publicly traded companies whose shares are listed and/or frequently traded in the U.S. and non-U.S. markets, both Developed and Emerging Markets.

Objectives
The primary objectives of Global Equity are to:

- Provide long-term growth of capital in excess of the Fund's investment objective
- Provide liquidity as needed
- Provide diversification and an expanded opportunity set

The portfolio will be invested for total return; generating current income is not a primary objective.

Strategy
Global Equity may utilize either passive or active management:

- Allocations to passive mandates, such as index funds, may be appropriate in certain market segments due to market efficiencies, cost control, tracking error, favorable liquidity, and effective exposure for implementation flexibility (e.g., temporary allocation until an active manager is hired).
- Active management will typically be used in less efficient market segments

In addition, Global Equity may blend passive and active management through the use of portable alpha, which combines the use of derivative instruments with active management from less efficient markets/asset classes. The goal is to combine a sustainable, uncorrelated alpha source (i.e., outperformance relative to a benchmark) with passive market exposure.

Over longer periods, Global Equity will have a diversified mix of security, sector and country exposures; however, expected relative opportunities may lead to shorter-term tilts in exposure such as allocating more to the U.S. versus the rest of the world.

Structure
Strategies are implemented through a diversified array of external investment professionals that provide different areas of specialization:

- Active managers may specialize in (or invest across) market capitalizations segments (Large Cap, Mid Cap, Small Cap), specific styles (growth, value, blend), geographic regions, sectors and/or countries
- Passive mandates may be used temporarily or permanently
- Hedge funds or fund-of-funds may be utilized if the exposure is intended to be an equity substitute as measured by a strong expected beta component to returns
- Maximum allocation to dedicated Emerging Markets investments: 20% of Global Equity
- Quarterly reporting will display geographic breakouts compared to the benchmark

APPENDIX A – GLOBAL EQUITY

Benchmarks
The primary benchmark for Global Equity is the MSCI All-Country World (ACWI) Index, a market capitalization weighted index that is representative of the total global equity opportunity set. Individual managers are judged versus:

- Capitalization- and style-specific benchmarks similar to the managers' investment objectives; and
- Third party manager medians (i.e., peer universes), as appropriate.

For performance purposes, managers generally are evaluated on a rolling 3-5-year basis, net of all fees.

APPENDIX B – PRIVATE EQUITY

Policy Target Weight: 15% **Policy Range:** 0% to 20%

Definition

Private Equity includes illiquid investments, defined as assets that are traded very infrequently and cannot be sold without great penalty, in legal entities that focus on providing venture capital, growth capital, buyout capital, mezzanine debt, distressed debt, and opportunistic capital to companies and markets.

Objectives

The primary objectives of Private Equity are to:

- Provide long-term growth of capital in excess of those offered by investments in public markets
- Provide diversification and an expanded opportunity set
- Capture inefficiencies and opportunities available and consistent with illiquid and otherwise non-listed private transactions

Strategy

Private Equity investments will focus primarily on the following strategies:

- Venture capital investments in start-up and early stage, high-growth companies primarily in the U.S.;
- Growth equity/buyout strategies which are later stage investments in operating companies located inside and outside the U.S. and include transactions such as acquisitions, leveraged buyouts, management buyouts, reorganizations, restructurings, recapitalizations and spin-offs;
- "Secondary" investments in venture capital and growth equity/buyout strategies which are purchased in the secondary market often in a privately negotiated transaction at a discount to net asset value;
- Other strategies such as mezzanine and distressed debt may be included;
- North Carolina Direct Equity Investments (NCDEI) will be limited to 10% of the Private Equity Policy Target Weight (see NCDEI Policy below).

Diversification across strategies/sectors, managers, and vintage years will be sought to control risk. Allocations across all categories will be opportunistic; there are no predetermined target percentages for each strategy/sector with the exception of NCDEI. Investment commitment pace will reflect, in part, the rate of capital draws and distributions - a factor largely controlled by external managers. Given the episodic nature of cash flows and the illiquid nature of investments in this area, it is difficult to control the precise composition and size of the allocation.

Structure

Strategies are implemented through a diversified array of external investment professionals that provide different areas of specialization:

- Fund-of-funds vehicles for secondary and primary investments which may provide vintage year/strategy/sector diversification, meaningful access to top tier/closed managers, and/or effective exposure for implementation flexibility;
- Direct managers that meet the overall investment objectives.

Private Equity investments are made through illiquid private partnerships, which require a commitment of capital for the duration of the partnership (as stipulated in the partnership agreement but may extend as long as 10-15 years). During any short-term period, capital could be drawn from the Fund in an amount that exceeds distributions to the Fund. This net capital draw would result in a negative short-term internal rate of return (IRR). This "J-curve" investment pattern is typical of private equity allocations. Over the long-term, the objective is to establish a mature private equity allocation in which capital draws are funded with distributions and the "J-curve" aspect, on a total program basis, is eventually eliminated.

The number of managers employed may vary over time depending on the use of multi-strategy/multi-manager vehicles (funds-of-funds) and based on available opportunities. The size of direct manager mandates will depend on the relative risk of the strategy/sector and the capabilities of the manager.

Equity distributions, and all other in-kind distributions, from private equity and venture capital investments, such as the receipt of shares of a company that has gone public, will be liquidated as soon as practical.

Benchmarks

The primary benchmark for Private Equity is the Cambridge Private Equity Indices, which include a broad universe of private equity manager returns. In addition, the objective of providing returns in excess of public equities will be evaluated over longer time horizons. Individual managers are judged versus:

- Third-party benchmarks, such as manager median and pooled mean data. In using such return data, funds are judged against those of similar vintage year, investment stage, and size.

Managers typically control the timing of their capital calls and will, therefore, be evaluated using dollar- weighted returns or IRRs. Managers' portfolios require a number of years to mature, making it extremely difficult to develop meaningful quantitative judgments of performance over shorter time horizons. Due to accounting conventions, interim performance numbers can be very misleading indications of ultimate results. Consequently, evaluations over shorter time frames will rely heavily on qualitative analysis.

North Carolina Direct Equity Investments (NCDEI) Policy

The Foundation shall not engage in private equity investments outside the context of its professionally managed investment portfolio. Individual company requests for funding shall not be entertained by the Foundation. Should the Board wish to consider investments that relate to the mission of the Foundation on an exception basis, it should consider such investments in light of the following criteria:

- The majority of jobs created must reside in North Carolina
- Demonstrable positive long-term economic impact for North Carolina communities with emphasis on tobacco dependent or economically distressed areas
- The Foundation's participation will not exceed 25%
- One other institutional investor is included among the investor base
- IRR minimum target of 15% net of all fees and expenses to the Foundation
- Deal must be analyzed by outside due diligence resource
- A Sub-Committee will be created to evaluate the potential investment and advise the Board; the Sub-Committee will have equal representation from the Programs and Investment Committees
- Investment decisions will require the approval of the Board
- An exit strategy will be outlined before the investment is made
- Due diligence will not be subject to a limit of time

The Foundation would evaluate all elements of its participation in these investments based on the unique deal, timing, and resources available.

APPENDIX C – ABSOLUTE RETURN

Policy Target Weight: 17% **Policy Range:** 10% to 25%

Definition
Absolute Return includes investment strategies that can invest, in general, across the range of asset classes with great flexibility, i.e., short selling, leverage, derivatives, etc. Strategies include long/short equity (security selection-oriented), event-driven strategies (distressed, restructurings, and merger arbitrage), non-event arbitrage (capital structure arbitrage, statistical equity arbitrage, and fixed income arbitrage), and global macro (including commodity trading advisors).

Objectives
The primary objectives of Absolute Return are to:

- Provide long term growth of capital at a level consistent with Fund's overall investment objective
- Provide a low volatility, return stream with low correlation to other asset classes
- Provide diversification and an expanded opportunity set
- Capture inefficiencies and opportunities present across asset classes and a variety of liquidity profiles of the underlying investments

Strategy
Absolute Return will focus primarily on the following strategies:

- Event-driven strategies focused on profiting from the securities of companies undergoing extraordinary corporate events such as mergers/acquisitions, distressed companies in or coming out of bankruptcy, and companies undergoing financial restructuring (spin-offs, etc.);
- Non-event arbitrage strategies which seek to profit from pricing inefficiencies in securities of the same issuer (capital structure arbitrage) or similar securities (fixed income/statistical equity arbitrage);
- Fundamental long/short equity-oriented strategies including domestic-only, global/international and emerging markets mandates with varying levels of market exposure; and
- Other strategies, where a manager can demonstrate an edge.

Diversification across relatively independent strategies (i.e., low cross-correlations) will be sought to control volatility for this asset class as a whole.

Strategies are implemented through a diversified array of external investment professionals that provide different areas of specialization:

- Fund-of-funds vehicles which may provide strategy diversification, meaningful access to top tier/closed managers, and/or effective exposure for implementation flexibility;
- Direct single strategy and/or multi-strategy managers that meet the overall investment objectives.

The predominant vehicles are domestic limited partnerships or offshore corporations, which have limited liquidity. Quarterly liquidity is typically available, though some investments lock-up funds for several years. The number of managers employed may vary over time depending on the use of multi-strategy/multi-manager vehicles (funds-of-funds) and based on available opportunities. The size of direct manager mandates will depend on the relative risk of the manager's underlying strategies and the capabilities of the manager.

APPENDIX C – ABSOLUTE RETURN

Benchmarks

The primary benchmark for Absolute Return is the HFRI Fund of Funds Composite Index which represents a universe of professionally managed funds of funds, portfolios comprised of multiple direct hedge funds often diversified across strategy as well as managers. Consistent with the objectives for Absolute Return, volatility and correlation characteristics will be evaluated on both an absolute and relative basis. Incentive fees are common in this asset class, and emphasis will be placed on performance net of all fees.

Individual managers are judged versus:

- Style/strategy-appropriate benchmarks similar to the manager's investment objectives;
- Third party manager medians (i.e., peer universes), as appropriate; and
- Ability to preserve capital in hostile investment markets.

For performance purposes, managers generally are evaluated on a rolling 3-5 year basis, net of all fees. Volatility and correlation characteristics of each manager will be evaluated, consistent with the objectives outlined herein.

APPENDIX D – REAL ASSETS

Policy Target Weight: 15% **Policy Range:** 5% to 25%

Definition
Real Assets includes a diverse set of investment opportunities whose return streams are largely tied to the performance of a physical asset in the long run. Investment opportunities include: private real estate (core, value-added, opportunistic, international), publicly-traded real estate investment trusts (REITs), publicly-traded energy-related equity securities (global), commodities (typically through futures), natural resource partnerships (oil/gas, timber), and inflation-indexed bonds.

Objectives
The primary objectives of Real Assets are to:

- Provide inflation hedging during times of unexpected/rising inflation;
- Provide long term growth of capital on a total return basis at a level consistent with Fund's overall investment objective;
- Provide a return stream with low correlation to other asset classes;
- Provide diversification and an expanded opportunity set;
- Capture inefficiencies and opportunities afforded by investments that do not trade frequently if at all; and
- Provide a strong income component.

Strategy
Real Asset investments will focus primarily on the following strategies/sectors:

- Real Estate, both publicly traded and private, including core, value-added, and opportunistic/international investments in actively managed mandates;
- Inflation-indexed bonds, both domestic and foreign obligations, in passive and/or active mandates;
- Natural Resources, including timber, oil/gas, and commodity investments in actively managed mandates; and
- Other sectors such as energy-related equities and commodity indices may be included, either passively or actively.

Diversification across strategies/sectors, managers, and vintage years will be sought to control risk. Investment commitment pace for illiquid mandates will reflect, in part, the rate of capital draws and distributions - a factor largely controlled by external managers. Given the episodic nature of cash flows and the illiquid nature of a significant portion of the allocation, it will be difficult to control the precise composition and size of the allocation. For target maintenance purposes, passive or active mandates that focus on the entire or specific segments of the "liquid" opportunity set may be utilized temporarily or permanently.

Structure
Strategies are implemented through a diversified array of external investment professionals that provide different areas of specialization:

- Fund-of-funds vehicles which may provide vintage year/strategy/sector diversification, meaningful access to top tier/closed managers, and/or effective exposure for implementation flexibility;
- Direct managers that meet the overall investment objectives.

APPENDIX D – REAL ASSETS

Real Asset investments in private real estate (excluding core, income-oriented open-ended funds) and natural resources (timber, oil/gas) are typically made though illiquid private partnerships that require a commitment of capital for the duration of the partnership (as stipulated in the partnership agreement). During any shorter-term period, capital could be drawn from the Fund in an amount that exceeds income/capital gain distributions to the Fund. This capital draw may result in a negative short-term internal rate of return (IRR). This "J-curve" investment pattern is typical of private real asset programs. Over the long term, the objective is to establish a program in which capital draws are funded with distributions and the "J-curve" aspect, on a total program basis, is eventually eliminated. The number of managers employed may vary over time depending on the use of multi-strategy/multi-manager vehicles (funds-of-funds) and based on available opportunities. The size of direct manager mandates will depend on the relative risk of the strategy/sector and the capabilities of the manager.

Benchmarks

The primary benchmark for Real Assets is a composite benchmark consisting of the following: Cambridge All Private E&NR Benchmark, Cambridge All Private Real Estate Benchmark, FTSE EPRA/NAREIT Developed Index, Bloomberg U.S. TIPS Index, The four benchmarks represent, respectively, private investments in institutional-grade energy and natural resources, private investments in institutional-grade real estate, public investments in institutional-grade real estate, and US Treasury Inflation-Protected Securities. The portfolio will also be compared to an absolute return measure, such as a premium above inflation. Consistent with the objectives for Real Assets, inflation hedging and correlation characteristics will be evaluated on both an absolute and relative basis. Individual managers are judged versus:

- Style-appropriate benchmarks similar to the managers' investment objectives; and
- Third party manager medians (i.e., peer universes), as appropriate.

For performance purposes, managers generally are evaluated on a rolling 3-5 year basis, net of all fees. Depending on the mandate, inflation hedging and correlation characteristics of each manager will be evaluated, consistent with the objectives outlined herein.

APPENDIX E – FIXED INCOME

Policy Target Weight: 5% **Policy Range:** 2% to 10%

Definition
Fixed Income includes liquid bonds and similar instruments including sovereign debt, sovereign backed or sponsored debt, supranational debt, investment-grade and non-investment grade corporate bonds, bank debt, mortgages, asset-backed securities, foreign sovereign and corporate bonds of developed or emerging countries denominated in currencies other than USD. Fixed income investments may have fixed or variable current income components.

Objectives
The primary objectives of Fixed Income are to:

- Dampen overall volatility of the Fund
- Provide diversification and an expanded opportunity set
- Provide a positive return stream funding source during periods of equity market weakness
- Provide liquidity as needed
- Partially hedge against deflationary forces
- Provide a significant income component

Strategy
Fixed Income may utilize either passive or active management:

- Passive management may be more appropriate for more efficient sectors, such as U.S. Treasuries,
- Active management will typically be used in less efficient sectors.

Over longer periods, Fixed Income will have a diversified mix of sectors and securities; however, expected relative opportunities may lead to shorter-term biases. With respect to active management mandates that include non-USD denominated investments, the Foundation will seek out managers that actively approach currency opportunities and exchange rate risk.

Portable alpha or other levered strategies may also be used to enhance returns.

Structure
Strategies are implemented through a diversified array of external investment professionals that provide different areas of specialization:

- Smaller mandates are reserved for exploiting niche opportunities (opportunistic) in particular segments of the market, e.g., high-yield and emerging market debt.

APPENDIX E – FIXED INCOME

Benchmarks

The primary benchmark for Fixed Income is the Bloomberg U.S. Aggregate index, a common fixed income benchmark which includes Treasuries, investment grade corporate bonds, mortgage-backed securities, and other liquid debt securities. Individual managers are judged versus:

- Style-appropriate benchmarks similar to the managers' investment objectives; and
- Third party manager medians (i.e., peer universes), as appropriate.

For performance purposes, managers generally are evaluated on a rolling 3-5 year basis, net of all fees.

APPENDIX F – CASH

Policy Target Weight: 3% **Policy Range:** 0% to 10%

Definition
Cash includes Treasury bills, commercial paper, certificates of deposit, bankers' acceptances, and similar instruments with maturities of generally less than one year and denominated only in USD. "Enhanced Cash" is a subset of Cash and includes investment vehicles that have a moderately longer maturity than money market funds, typically between six and 18 months, and have a duration that is usually less than one year. Enhanced Cash funds assume marginally higher levels of credit risk than money market funds in an effort to achieve greater yields, while continuing to maintain capital preservation as a primary objective.

Objectives
The primary objectives of Cash are to:

- Provide liquidity to the Fund for grant making, capital calls for illiquid partnerships, rebalancing, and for other liquidity needs; and
- Preserve capital.

Strategy
Cash will be invested in high credit quality USD denominated obligations (Treasuries, commercial paper) to limit credit risk and ensure preservation of principal. Cash seeks to earn a competitive yield commensurate with the level of interest rates and credit risk in the broad U.S. debt market.

Structure
Cash management will be implemented through external investment professionals in the form of separate accounts or commingled vehicles, e.g., institutional money market funds or short-term investment funds (STIF).

Enhanced Cash mandates may be utilized to seek returns in excess of money market accounts and T-bills by moving farther out on the yield curve and credit risk spectrum. While individual securities may have durations or maturities exceeding one year, the overall duration for mandates in this subset shall not exceed one year.

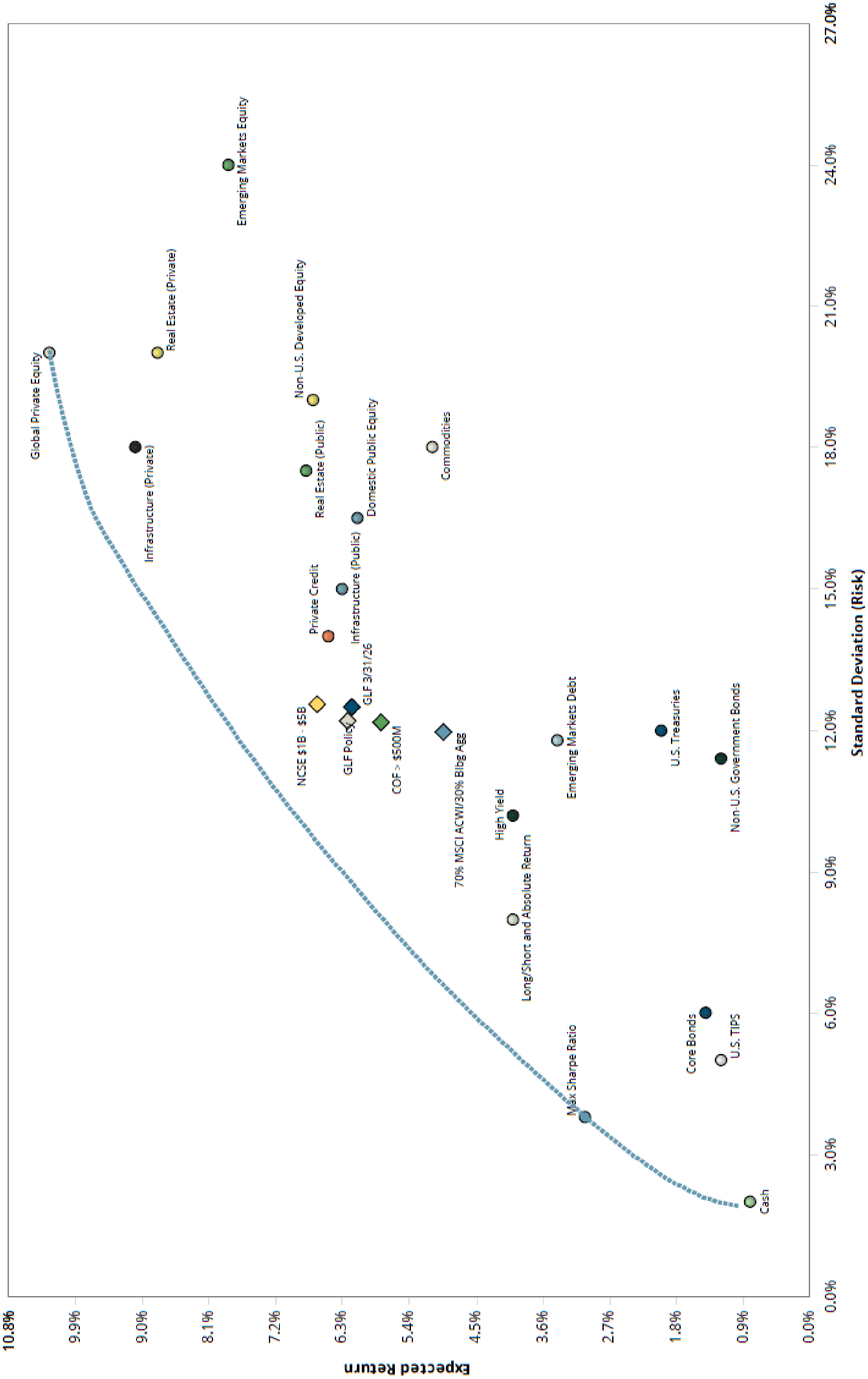
Benchmarks
The primary benchmark for Cash is the Citigroup 90 Day T-Bill index, which consists of short-term Treasury obligations, and 0% for periods of market stress. Individual managers are judged versus:

- Credit/duration benchmarks similar to the managers' investment objectives;
- Third party manager medians (i.e., peer universes), as appropriate; and
- Ability to preserve principal amount invested.

For performance purposes, managers generally are evaluated on a rolling 3-5 year basis, net of all fees.

APPENDIX G – ASSET ALLOCATION

EFFICIENT FRONTIER MODELING



APPENDIX H – ASSET ALLOCATION COMPARISONS

			70% MSCI ACWI/30% Blbg Agg	NCSE $1B - $5B (June 30, 2025)	COF > $500M (December 31, 2024)	GLF Policy	GLF 3/31/26
Equity-Like	Equity	Global Public Equity	70.0%	38.4%	57.0%	45.0%	48.4%
		Global Private Equity	0.0%	25.2%	12.0%	15.0%	12.2%
	Flexible Capital	Long/Short and Absolute Return	0.0%	13.8%	8.0%	17.0%	16.4%
	Real Assets	Natural Resources (Public & Private)	0.0%	3.5%	2.0%	4.5%	4.0%
		Real Estate (Public & Private)	0.0%	4.6%	2.0%	7.5%	8.2%
Bond-Like		U.S TIPS	0.0%	0.0%	0.0%	3.0%	3.1%
	Credit	Core Bond	30.0%	12.8%	16.0%	5.0%	4.7%
	Liquidity	Cash (T-bills)	0.0%	1.7%	3.0%	3.0%	3.0%
Total:			100.0%	100.0%	100.0%	100.0%	100.0%

Statistical Output (%)	70% MSCI ACWI/30% Blbg Agg	NCSE $1B - $5B (June 30, 2025)	COF > $500M (December 31, 2024)	GLF Policy	GLF 3/31/26
Expected Real Return (Arithmetic)	4.9%	6.6%	5.8%	6.2%	6.2%
Expected Standard Deviation	12.0%	12.6%	12.2%	12.2%	12.5%
Expected Real Return (Geometric)	4.3%	5.9%	5.1%	5.5%	5.5%
Sharpe Ratio	0.35	0.46	0.41	0.44	0.43
Historical Real Return (Arithmetic)	6.7%	8.5%	7.5%	8.0%	7.8%
Historical Standard Deviation	12.2%	10.7%	11.5%	11.2%	11.8%
Historical Real Return (Geometric)	6.0%	7.9%	6.9%	7.4%	7.1%

Notes: Expected return/risk using 10-15 year Prime Buchholz asset class assumptions.
Historical data based on index returns from January 1, 1988 through December 31, 2025.

APPENDIX I – ASSET ALLOCATION

INPUT ASSUMPTIONS

	Domestic Public Equity	Non-U.S. Developed Equity	Emerging Markets	Global Private Equity	Core Bonds	Long Gov/ Corp	High Yield	Municipal Bonds	Private Credit	Long/ Short & Abs. Return	Long/Short	Absolute Return	U.S. TIPS	Natural Resources (Private)	Natural Resources (Public)	Infrastructure (Private)	Infrastructure (Public)	Real Estate (Private)	Real Estate (Public)	Commodities	U.S. Treasuries	Cash	Non-U.S. Government Bonds	Emerging Market Debt
Domestic Public Equity	1.00	0.83	0.70	0.64	0.03	0.03	0.70	0.15	0.67	0.82	0.82	0.80	-0.03	0.31	0.61	0.51	0.80	0.28	0.71	0.12	-0.24	0.04	0.05	0.59
Non-U.S. Developed Equity	0.83	1.00	0.73	0.60	0.05	0.04	0.64	0.15	0.70	0.75	0.73	0.75	0.05	0.36	0.64	0.62	0.90	0.32	0.79	0.22	-0.22	-0.01	0.29	0.73
Emerging Markets	0.70	0.73	1.00	0.51	-0.02	-0.05	0.66	0.10	0.66	0.81	0.76	0.75	0.11	0.33	0.52	0.59	0.84	0.17	0.68	0.22	-0.28	0.06	0.04	0.79
Global Private Equity	0.64	0.60	0.51	1.00	-0.09	-0.07	0.38	-0.01	0.59	0.72	0.74	0.65	0.01	0.33	0.44	0.68	0.70	0.46	0.47	0.24	-0.22	0.04	0.02	0.51
Core Bonds	0.03	0.05	-0.02	-0.09	1.00	0.92	0.18	0.83	-0.07	0.00	0.02	-0.03	0.75	-0.21	-0.13	-0.06	0.17	-0.10	0.20	-0.14	0.84	0.28	0.63	0.44
Long Gov/ Corp	0.03	0.04	-0.05	-0.07	0.92	1.00	0.14	0.79	-0.09	-0.04	-0.03	-0.08	0.67	-0.21	-0.16	-0.06	0.14	-0.07	0.19	-0.18	0.92	0.10	0.58	0.35
High Yield	0.70	0.64	0.66	0.38	0.18	0.14	1.00	0.33	0.76	0.71	0.68	0.78	0.26	0.33	0.53	0.40	0.75	0.15	0.67	0.17	-0.16	-0.03	0.10	0.67
Municipal Bonds	0.15	0.15	0.10	-0.01	0.83	0.79	0.33	1.00	0.10	0.15	0.16	0.14	0.71	-0.08	0.02	0.04	0.31	-0.03	0.32	-0.07	0.65	0.19	0.51	0.46
Private Credit	0.67	0.70	0.66	0.59	-0.07	-0.09	0.76	0.10	1.00	0.74	0.69	0.82	0.08	0.52	0.62	0.58	0.81	0.46	0.68	0.34	-0.35	-0.03	0.02	0.59
Long/ Short & Abs. Return	0.82	0.75	0.81	0.72	0.00	-0.04	0.71	0.15	0.74	1.00	0.96	0.93	0.05	0.42	0.63	0.52	0.83	0.20	0.65	0.27	-0.29	0.18	0.01	0.63
Long/Short	0.82	0.73	0.76	0.74	0.02	-0.03	0.68	0.16	0.69	0.96	1.00	0.88	0.06	0.36	0.61	0.52	0.81	0.22	0.59	0.30	-0.29	0.22	0.02	0.63
Absolute Return	0.80	0.75	0.75	0.65	-0.03	-0.08	0.78	0.14	0.82	0.93	0.88	1.00	0.04	0.49	0.66	0.49	0.82	0.28	0.68	0.27	-0.35	0.14	-0.01	0.63
U.S. TIPS	-0.03	0.05	0.11	0.01	0.75	0.67	0.26	0.71	0.08	0.05	0.06	0.04	1.00	0.03	0.04	0.10	0.24	0.07	0.04	0.23	0.56	0.10	0.53	0.45
Natural Resources (Private)	0.31	0.36	0.33	0.33	-0.21	-0.21	0.33	-0.08	0.52	0.42	0.36	0.49	0.03	1.00	0.67	0.35	0.56	0.46	0.37	0.52	-0.31	0.06	-0.12	0.32
Natural Resources (Public)	0.61	0.64	0.52	0.44	-0.13	-0.16	0.53	0.02	0.62	0.63	0.61	0.66	0.04	0.67	1.00	0.44	0.75	0.33	0.59	0.75	-0.49	0.00	-0.04	0.45
Infrastructure (Private)	0.51	0.62	0.59	0.68	-0.06	-0.06	0.40	0.04	0.58	0.52	0.52	0.49	0.10	0.35	0.44	1.00	0.61	0.59	0.52	0.43	-0.23	0.04	0.26	0.56
Infrastructure (Public)	0.80	0.90	0.84	0.70	0.17	0.14	0.75	0.31	0.81	0.83	0.81	0.82	0.24	0.56	0.75	0.61	1.00	0.47	0.86	0.56	-0.22	0.11	0.39	0.75
Real Estate (Private)	0.28	0.32	0.17	0.46	-0.10	-0.07	0.15	-0.03	0.46	0.20	0.22	0.28	0.07	0.46	0.33	0.59	0.47	1.00	0.33	0.30	-0.14	0.06	0.00	0.25
Real Estate (Public)	0.71	0.79	0.68	0.47	0.20	0.19	0.67	0.32	0.68	0.65	0.59	0.68	0.04	0.37	0.59	0.52	0.86	0.33	1.00	0.21	-0.09	-0.05	0.28	0.70
Commodities	0.12	0.22	0.22	0.24	-0.14	-0.18	0.17	-0.07	0.34	0.27	0.30	0.27	0.23	0.52	0.75	0.43	0.56	0.30	0.21	1.00	-0.31	0.16	0.08	0.35
U.S. Treasuries	-0.24	-0.22	-0.28	-0.22	0.84	0.92	-0.16	0.65	-0.35	-0.29	-0.29	-0.35	0.56	-0.31	-0.49	-0.23	-0.22	-0.14	-0.09	-0.31	1.00	0.12	0.49	0.02
Cash	0.04	-0.01	0.06	0.04	0.28	0.10	-0.03	0.19	-0.03	0.18	0.22	0.14	0.10	0.06	0.00	0.04	0.11	0.06	-0.05	0.16	0.12	1.00	0.07	0.16
Non-U.S. Government Bonds	0.05	0.29	0.04	0.02	0.63	0.58	0.10	0.51	0.02	0.01	0.02	-0.01	0.53	-0.12	-0.04	0.26	0.39	0.00	0.28	0.08	0.49	0.07	1.00	0.65
Emerging Market Debt	0.59	0.73	0.79	0.51	0.44	0.35	0.67	0.46	0.59	0.63	0.63	0.63	0.45	0.32	0.45	0.56	0.75	0.25	0.70	0.35	0.02	0.16	0.65	1.00

** Correlations are based on returns from January 1,1988-September 30, 2025.*

APPENDIX J – GOVERNANCE

Summary Governance Structure

	Planning and Strategy		*Implementation and Review*		
	Policy	**Asset Allocation**	**Manager Selection**	**Research & Monitoring**	**Rebalance & Maintenance**
GLF Board	Decides	Decides	Oversees	-	-
Investment Committee	Recommends	Recommends	Decides	Oversees	Oversees
Investment Committee Chairman	-	-	-	-	Reviews
GLF Staff	Recommends	Recommends	Recommends	Managers, AA, Compliance vs. Mandate	Decides/Executes
Consultant	Recommends	Recommends	Recommends/Endorses	Managers, AA, Operational, Performance	Recommends/Endorses

Attachment B
Programs Committee Recommendations

Economic Catalyst Proposals				
#	**Organization**	**Project Title**	**Programs Cmte Recs**	**Comments Special Conditions**
1	City of Hendersonville	Project Vert	$1,938,000.00	a. Golden LEAF funds are to be used for expansion or improvement of public sewer infrastructure reasonably necessary to serve BorgWarner or its affiliates or subsidiaries (the "Company") and that have the capacity to serve the Company and others. b. Release of funds is contingent on the Grantee providing evidence that the Company has agreed to allow the Grantee and Golden LEAF to verify the Company's job creation and retention figures, wages, and benefits by reviewing NCUI-101 forms and/or through other means satisfactory to Golden LEAF. c. Release of funds is contingent on the Grantee providing evidence of an inducement agreement, performance agreement, or similar agreement demonstrating that the Company is obligated to create at least 340 new jobs with average annual wages of at least $58,167. The deadline for creation of the new jobs must be no later than December 31, 2029. The jobs must be located at the new manufacturing facility the Company will establish in Henderson County, and must be in addition to the jobs associated with the Company's job creation project in Henderson County that was announced in 2025. The agreement must include appropriate consequences should the Company fail to satisfy its obligations. The President of Golden LEAF may approve minor variations from these requirements.
Open Grants Program Stage 2 Proposals				
#	**Organization**	**Project Title**	**Programs Cmte Recs**	**Comments Special Conditions**
2	Appalachian Mountain Health	Building Back Better: A Healthcare Investment that Creates Jobs and Restores Hope	$200,000.00	Golden LEAF funds may be used for medical, pharmacy, and/or dental equipment only.

3	Bladen's Bloomin' Agri-Industrial, Inc.	White Lake Sewer	$0.00	
4	County of Mitchell	Mitchell County Agricultural Center	Defer	
5	Firsthealth of the Carolinas Inc	FirstHealth Moore Regional-Hoke, Sterile Processing Department Expansion	$0.00	
6	Harnett Regional Jetport	Harnett Regional Jetport Corporate Area Development	$500,000.00	
7	Martin, County of	Martin County Paramedics & Quick Response Vehicles	$361,500.00	
8	Meredith College	Addressing North Carolina's Nursing Shortage Through Simulation-Based Technology	$0.00	
Open Grants Program Stage 1 Proposals				
#	**Organization**	**Project Title**	**Programs Cmte Recs**	**Comments Special Conditions**
9	Fayetteville State University	Meeting Nursing Workforce Needs Through Capacity Expansion at FSU's Cape Fear Valley School of Nursing	Y (request amount of $500,000)	
10	Goshen Medical Center, Inc.	Sneads Ferry Health Center	Y	
11	Johnston Community College Foundation, Inc.	Respiratory Therapy Workforce Development	Y	
12	Richmond Community College Foundation	Automotive Training Program	Y	
13	Bountiful Cities Project	Kinked Hose Farm Agricultural Capacity and Market Expansion	N	

14	Carolinas Advanced Manufacturing & Technology Center Incorporated	CAMTechUSA Workforce Development Training Center	N	
15	Catawba Valley Leadership Foundation	Strong Student Leader Program (SSL)	N	
16	Early Identification Early Intervention Outreach Program	EIEIOP Recovery to Workforce Healthcare Pathway	N	
17	Empowering Community Services	Rural Workforce Empowerment & Community Stability Initiative (RWECSI)	N	
18	Free All My Suns	Pathways Training Academy	N	
19	Grand Pathway Ministries	Kick Off Project	N	
20	Guiding Hands Foundation INC	Iredell & Alexander Counties Community Resource & Economic Stability Center	N	
21	Hcac Contractors Academy	HCAC Academy Rural Construction Workforce Preparedness Initiative	N	
22	HOPE CENTER MINISTRIES, LLC	Eastfield Recovery to Work Campus Selma NC	N	
23	Hyve Cares	HYVE CARES: Free K-12 Digital Education Access for Rural and Tobacco-Dependent North Carolina Communities	N	

24	Mars Hill University	MHU Career Catalyst Internship Program	N	
25	NC4ME	Regional Workforce Integration Initiative	N	
26	Organic Growers School	Growing Resilient & Thriving Farm Businesses	N	
27	Pathways Village	ASCEND: Workforce Advancement for Middle-Skill Careers in Economically Distressed Durham County	N	
28	Reaching for the Stars	AI Workforce Readiness Initiative	N	
29	Social Finance, Inc.	The ReNEW Fund: Expanding Access to Nursing Careers in Rural North Carolina	N	
30	We Will Walk With You	Expanding Workforce Participation Through Family Stability in Rural North Carolina	N	
SITE Programs Proposals				
#	**Organization**	**Project Title**	**Programs Cmte Recs**	**Comments Special Conditions**
Due Diligence				
31	County of Columbus	Southeast Regional Park Site Due Diligence	Defer	Staff expects the county to submit an updated application requesting additional funding.

Development				
32	Surry County Economic Development Foundation, Inc.	Twin Oaks Business Park	Defer	
SPARC Initiative				
#	**Organization**	**Project Title**	**Programs Cmte Recs**	**Comments Special Conditions**
33	Pay It Forward Fund (d/b/a The Forward Fund)	Education Loans Transformed to Move North Carolina Forward	$1,000,000.00	Release of funds is conditioned on Golden LEAF approval of the community colleges and counties of residence of students that are eligible to participate in the Golden LEAF funded loans.
Special Initiatives				
#	**Organization**	**Project Title**	**Programs Cmte Recs**	**Comments Special Conditions**
34	Gaston College	Gaston College Immersive Technology and Simulation for Healthcare Programs	$1,000,000.00	Release of funds is conditioned on the Grantee demonstrating that available State funding is insufficient for the project.
35	Roanoke-Chowan Community College	Rural Healthcare Workforce Development through Allied Health Infrastructure Expansion	$1,000,000.00	
Grant Modification Requests				
#	**Organization**	**Project Title**	**Programs Cmte Recs**	**Comments Special Conditions**
36	Methodist University, Inc.	Job Creation and New Regional Educational Pathways with Methodist University Cape Fear Valley School of Medicine	Y	Approve request for reallocation of funds for medical training equipment and for mobile medical clinics.
37	Yadkin County Schools	YCS LINKS	Y	Approve relocation of project site and associated project extension.

Strategic Planning		
#	**Topic**	**Comments Special Conditions**
38	Golden LEAF Schools Update and Modification Request	Recommend that the Board approve the budget modification request to allow expanded eligibility for stipends.
39	NC Ag Leads	Approve an award of $100,000 to NC Chamber Foundation, Inc. to implement the Agricultural Workforce Intelligence Pilot.
40	NC Ag Leads	Approve an award of $2,150,000 to NC Chamber Foundation, Inc. to implement the Farmer Innovation Bridge project, subject to approval of the final programmatic design by the Chair of the Board, the Chair of the Programs Committee, and the President.
41	Small Business Ecosystem	At the April 2026 meeting, the Committee expressed interest in a white paper detailing the connection for small businesses incubation to rural communities. The white paper is uploaded with these materials. At the meeting, the Committee will decide whether to recommend the Board invite a full proposal from NC IDEA for this ecosystem strategy.
42	Shell Building Program Approval	Authorize the Chair of the Board, the Chair of the Programs Committee, and the President to finalize the details of the Shell Building Program and launch the Program for FY27.

Other Business		
#	**Topic**	**Comments Special Conditions**
43	Scholarship Updates	Staff will share information about the most recent cohort of new scholarship recipients, data from the survey of 2026 graduates, and an overview of the recent graduate survey in process.

Attachment C
Revised Accounting Policy and Procedure

ACCOUNTING POLICIES AND PROCEDURES MANUAL

THE GOLDEN L.E.A.F.
(LONG-TERM ECONOMIC ADVANCEMENT FOUNDATION), INC.

Revised June 2026

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Page Number

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EXHIBITS

I. OBJECTIVES AND AUTHORITY

The objective of this manual is to describe the accounting system of The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc. (the Foundation). The objectives of the accounting system are to:

(a) properly safeguard Foundation assets,

(b) provide adequate internal controls for the recording of proper and reliable financial information,

(c) provide the financial, accounting and budgetary information needed to meet the reporting requirements of the Foundation, and

(d) provide accurate and timely reports for management and the Board to effectively manage the operations of the organization.

This manual provides a uniform set of policies and procedures by which the accounting system is implemented.

This manual is published by authority of the Board of Directors of the Foundation. Changes to this manual must be made in accordance with the procedures and delegated authority set forth by the Board.

This manual must be updated to include revisions approved by the Board of Directors. The updated manual must be kept securely in a central location (shared drive) with security parameters for version control. VP of Finance is responsible for ensuring proper updating and storage of the Accounting Policies and Procedure Manual.

II. How To Use The Manual

The reader should refer to the table of contents in order to find the subject matter, sections or page number on which the needed information can be found.

Each page is numbered using a Roman numeral to designate the section and Arabic numbers to designate the pages in each section. All versions of the manual must be saved with the date of approval noted and will not be destroyed until proper records retention guidelines are met.

III. CHART OF ACCOUNTS

It is important that an organization have a formal classification of accounts. The absence of this type of classification could result in a person charging what appears to that person to be a debatable item to one account at one time and to another account at another time and could impair the comparability of successive statements. Also, the preparation and use of a formal chart of accounts serves as a training function in instances of turnover among the accounting employees.

The Foundation's chart of accounts classification system in QuickBooks groups accounts as follows:

BALANCE SHEET ACCOUNTS

REVENUE AND EXPENSE ACCOUNTS

Balance sheet accounts are further categorized as follows:

ASSETS

LIABILITIES

NET ASSETS

See Exhibit A in the Exhibits section of this manual for a detailed descriptive chart of accounts.

IV. JOURNALS, REGISTERS AND LEDGERS MAINTAINED

The Foundation maintains the following journals, registers, ledgers and detailed schedules:

A. General Ledger

B. Check/ACH Register

C. General Journal

D. ADP Payroll Register

E. Investment Detail

F. Prepaid Assets Detail

G. Fixed Assets Detail

H. Grants Payable Detail

I. Accounts Payable Detail

The above documents are all in electronic form and all are maintained on a current basis.

Policies And Procedures

V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Foundation is a North Carolina nonprofit corporation ordered to be established by the Consent Decree and Final Judgment in the *State of North Carolina vs. Phillip Morris Incorporated, et al*.

For financial reporting purposes, the Foundation is deemed to be a component unit of the State of North Carolina and is included as such in the State of North Carolina's Annual Comprehensive Financial Report.

Financial Statements – Basis of Presentation

Financial statements for the Foundation are to be prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board.

Fund Accounting

The General Fund will be used to account for all revenues and expenses applicable to the general operations of the Foundation that are not required either legally or by governmental accounting standards to be accounted for in another fund.

Basis of Accounting

The Foundation will follow the accrual basis of accounting.

Cash and Cash Equivalents

Highly liquid temporary cash investments with a maturity of three months or less when purchased are considered to be cash and cash equivalents. However, cash investments with a maturity of three months or less that were purchased with the intent to be maintained as an investment are classified as investments.

Investments

According to the Foundation's Investment Policy Statement adopted by the Board of Directors, the Foundation may invest in any of the following broad asset classes: global equity; private equity; absolute return; real assets; fixed income; and cash.

Prepaid Assets

Expenses incurred for services not yet provided are recorded as prepaid and amortized over the service period. For Prepaid Assets, the Foundation will use a threshold of $2,500 and a service period of 12 months or greater.

Fixed Assets

Purchases of property, plant and equipment with a cost equal to or greater than $1,000 will be capitalized. Depreciation will be provided using the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from five years for computers and equipment to 40 years for buildings.

Grants Payable

The Foundation records grants payable when all eligibility requirements are met and grants are approved by the Board of Directors. After a liability has been recognized it may become apparent that (a) eligibility requirements are no longer met or (b) the recipient will not satisfy conditions on the release of funds, comply with the purpose restrictions, implement the project within the specified time limit (which may be extended from time to time), or may not receive some or all of the grant funding awarded for some other reason. In those circumstances, if the Foundation will not make initial or additional grant disbursements (as the case may be) or will require the recipient to return all or part of the funds already disbursed, the Foundation should recognize a decrease in grants payable and a revenue (grants rescinded or grants returned) for the amount that is expected to cancel or reclaim.

Accounts Payable and Accrued Liabilities

An accrual will be recorded at month-end for liabilities over $500 that have been incurred but not paid as of the last day of the month.

An accrual will be recorded at month-end for any procurement card charges, regardless of amount, incurred but not paid as of the last day of the month.

Net Position

Net position may be restricted to a specific purpose by legislative action, legal responsibility, or third-party requirement. This portion of net position is reported as restricted in the financial statements. Funds received from the North Carolina State Specific Account are unrestricted but are invested as directed by the Board of Directors, with the income from investment being used for operating expenses and to fund grants.

Revenue Recognition

Revenues are recognized when they become measurable and available to finance expenditures of the current period.

Expenditure / Expense Recognition

Expenditures/expenses generally are recognized when the related liability is incurred. An expenditure/expense is considered to be incurred if goods or services have been received. The following may be used to determine the amount of a liability:

Invoice
Vendor Estimate
Contract / Purchase Order
Subsequent Payment (e.g., salary accrual)

Expenditures/expenses for grants meet the definitions in GASB Statement No. 33 of voluntary nonexchange transactions. GASB Statement No. 33 requires that entities recognize expenses and liabilities when all applicable eligibility requirements are met. The Foundation recognizes grant expense and the related liability when all eligibility requirements are met and grants are approved by the Board of Directors.

Paragraph 26 of GASB Statement No. 33 provides guidance on the contravention of provider stipulations. After a nonexchange transaction has been recognized in the financial statements, it may become apparent that (a) eligibility requirements are no longer met or (b) the recipient will not comply with the purpose restrictions within the specified time limit. In those circumstances, if it is probable that the provider will not provide the resources or will require the recipient to return all or part of the resources already received, the provider should recognize a decrease in liabilities (or an increase in assets) and a revenue for the amount that is expected to cancel or reclaim.

VI. CASH RECEIPT PROCEDURES FOR GRANTS AND MISCELLANEOUS RECEIPTS

	Description of Procedures	Performed By
1.	Opens mail. Logs cash or check receipts in Cash Receipts Log. Forwards cash or checks to Accounting Specialist.	Administrative Assistant
2.	Notifies President and VP of Finance of significant cash and check receipts. Also notifies Grant Administration Specialist of any grant funds returned from grantees for proper recording in the grants database.	Accounting Specialist
3.	Stamps endorsement "For Deposit Only" on back of all checks. Makes a copy of checks and files with any other supporting documentation.	Accounting Specialist
4.	Prepares deposit slip in duplicate (for non-remote deposit items).	Accounting Specialist
5.	Takes cash and checks with deposit slips to bank for deposit within one business day of receipt, if reasonably practical. The bank validates the deposit slip and returns one copy to the depositor for filing.	VP of Finance or Administrative Assistant
	Alternatively, Accounting Specialist may deposit checks via Remote Deposit Capture option and produce a deposit confirmation report.	Accounting Specialist
6.	Files validated deposit slip or deposit confirmation report with check copies. Codes deposit by revenue source and records in the general ledger.	Accounting Specialist
7.	During monthly close-out, performs a reconciliation of cash received per the Cash Receipts Log to recorded cash receipts. The following procedures should be performed in preparing this reconciliation.	VP of Finance
	a. Run deposit detail report from QuickBooks.	

	b. Agree deposit detailed entries to validated deposit slips or deposit reports.	
	c. Agree entries on deposit detail to Cash Receipts Log.	
	d. Investigate discrepancies, if any.	
8.	Reconciles bank statements in accordance with Section XIV of this manual.	VP of Finance

VII. Cash Receipt Procedures for Tobacco Manufacturers' Payments

	Description of Procedures	Performed By
1.	Receives notification of transfer of annual appropriation from the North Carolina Office of State Controller.	VP of Finance
2.	Confirms that direct deposit was received in operating account.	VP of Finance
3.	Completes wire transfer to investment custodian cash account (required to be in-person at a bank branch where operating account is held).	President or Senior Vice President
4.	Directs how funds received are to be invested.	Investment Committee of the Board of Directors
5.	Instructions on investment of funds are given to custodian bank and investment managers.	VP of Investments
6.	Reviews custodian statements to ensure that cash receipts postings agree with information communicated by the North Carolina Office of State Controller's office and subsequent investment transactions agree with Investment Committee decisions.	VP of Finance

VIII. PURCHASING POLICIES AND PROCEDURES

Purchasing Policies

Materials and supplies comprise all commodities acquired by contract or other form of purchase which are ordinarily consumed or expended within one (1) year after they are put into use / or generally cost less than $1,000 per unit. This category includes pencils, paper, calendar pads, notebooks, unprinted envelopes, copyholders, desk trays and other property of little monetary value.

The Administrative Assistant will be responsible for the ordering of office supplies with a cost of less than $250 per unit. The Director of Operations will be responsible for the ordering of office supplies with a cost of $250 or more per unit. The Administrative Assistant will be responsible for the distribution of the supplies and for maintaining the office supply inventory. The interest of the Foundation must be kept in mind during any procurement process.

The President must approve all purchases of equipment and nonrecurring purchases of supplies or services with a cost of more than $1,000. All procurement in excess of $50,000 must receive prior approval from the Board of Directors. For multi-year and recurring contracts, e.g., contracts that renew automatically, the contract amount for purposes of this policy will be the amount that cannot be canceled. For new nonrecurring purchases of supplies or services exceeding $10,000, an effort to solicit at least three bids for the supplies or services will be required prior to the purchase.

Adequate documentation for the purchase of goods and services must be maintained.

All purchases and payments made by ACH are required to be approved by both the President/CEO and the Senior Vice President/General Counsel for amounts over $10,000. All purchases and payments made by check are required to have two (2) signatures for amounts over $10,000.

The Foundation will make positive efforts to utilize small businesses, minority-owned firms and women's businesses as appropriate.

Procurement Card Policy

The procurement card is a credit card issued by the banking institution at which the Foundation holds its Operating Account. The card provides a cost-efficient, alternative method for purchasing items. The card is to be used only for official Foundation purchases.

The procurement card will enable the Foundation to purchase commodities, by telephone or in person, directly from vendors. Some of the items that can be charged on the procurement card are office supplies, registration fees, shipping costs, and travel costs.

All purchases made with the procurement card must adhere to the purchasing policies stated above.

Cardholder Responsibilities

The Cardholder must:

- Ensure the procurement card is used only for legitimate Foundation business purposes.
- Maintain the procurement card in a secure location at all times.
- Adhere to the purchase limits and restrictions of the procurement card.
- Obtain all sales slips, register receipts, and/or procurement card slips and provide them to the Accounting Specialist for reconciliation and account coding purposes.
- Not accept cash, gift cards, or merchandise credits in lieu of a credit to the procurement card account.
- Immediately report a lost or stolen card to the Commercial Card Service Center at the Operating Bank.
- Immediately notify the VP of Finance of a lost or stolen procurement card at the first opportunity during business hours.
- Return the procurement card to the VP of Finance upon terminating employment with the Foundation.

Misuse of the card will subject Cardholder to disciplinary action.

Accounting Specialist Responsibilities

The Accounting Specialist will:

- Collect vendor receipts and procurement card receipts from cardholders and reconcile to credit card billing statements.
- Retain all charge slips and receipts for audit by external auditors.
- Attempt to resolve disputes or billing errors directly with the vendor and notify credit card services if the dispute or billing error is not satisfactorily resolved.
- Ensure that an appropriate credit for the reported disputed item(s) or billing error appears on a subsequent statement.
- Notify President and VP of Finance of any lost or stolen cards.

VP of Finance Responsibilities

The VP of Finance will:

- Act as liaison with credit card services.

- Request cancellation of a cardholder's card upon termination or loss of procurement card privileges.
- Collect cancelled cards from cardholders.
- Ensure individual card limits are reasonable and are monitored regularly. Changes to card limits should be approved by the President.
- Review all transactions on the monthly statement for reasonableness and agree to supporting documentation.
- Review account coding for transactions.
- Approve statement for payment.

Cardholder Liability

The procurement card is a corporate credit card which will not affect the cardholder's personal credit; however, it is the Cardholder's responsibility to ensure that the card is used within stated guidelines of the Foundation's policies and procedures relating to the expenditure of Foundation funds. Ultimate responsibility for use / misuse of cards rests with the Cardholder. Failure to comply with the program guidelines may result in permanent revocation of the card, and further disciplinary measures may include termination.

Erroneous Declines

Should the credit card be erroneously declined by a vendor, the Cardholder should immediately contact the Accounting Specialist for assistance. If purchase is being made outside of normal business hours, the Cardholder must find an alternative payment method or terminate the purchase.

	Description of Procedures	Performed By
Office Supplies		
1.	Determines the need for office supplies.	Administrative Assistant and Director of Operations
2.	Makes the purchase by ACH or credit card for office supplies.	Administrative Assistant or Director of Operations
Furniture and Equipment		

	Description of Procedures	Performed By
1.	Determines the need for furniture and equipment.	Director of Operations and President
2.	Makes the purchase of furniture and equipment by ACH or credit card with approval of President or Board of Directors, in accordance with the purchasing policy.	Director of Operations

Other

1.	Determines the need for purchase.	Director-level or above
2.	Makes the purchase by ACH or credit card with approval of President, if needed.	Director-level or above

IX. Cash Disbursement Procedures for Administrative Expenditures

	Description of Procedures	Performed By
1.	Opens mail. Receives all invoices from vendors. Forwards invoices to Accounting Specialist. Accounting Specialist scans the invoice to the shared network folder for processing. If the invoice is received electronically, then the invoice is saved to a shared network folder for processing. The original email is saved in folder within the email system.	Administrative Assistant / Accounting Specialist
2.	Examines invoices for accuracy. Matches invoices with receiving document(s), and/or contracts on file. Researches any old or unusual invoices. Electronically initials and dates invoices as approved expenditures. Determines account classification and method of payment. Invoices should be paid by ACH credit, unless ACH credits are not accepted by vendor.	VP of Finance
3.	Prepares payments in QuickBooks. Imports ACH payments from QuickBooks into ACH Universal software. Creates ACH batch file ("NACHA" file) and assigns ACH numbers to payments in QuickBooks using ACH Universal software.	Accounting Specialist
4.	Prepares list of payments (ACH, online, draft and check) and creates a Docusign envelope with a list of payments and all electronic invoices for approval by President and Senior Vice President (if payments are less than $10k, President alone can approve, unless it is President's reimbursement).	Accounting Specialist
5.	Reviews all invoices and supporting documentation and approves list of payments via Docusign. (This authority is not delegable.)	President and/or Senior Vice President *If > $10k, two approvals are necessary. The Board

	Chair and/or Board Treasurer may also serve as approvers.

6. Payment Processing after Approvals

ACH

Uploads ACH batch (“NACHA” file) to bank web portal.	Accounting Specialist
Sends automated email to vendor to advise of scheduled ACH credit.	ACH Universal
Forwards batch information and supporting documentation to VP of Finance.	Accounting Specialist
Reviews ACH batch on bank web portal and agrees payment details to list of approved payments and banking information provided by vendors.	VP of Finance
Saves evidence of batch approval with list of approved payments and supporting documentation to shared network folder.	VP of Finance
The invoices and ACH batch detail are filed by ACH batch date in a shared network folder. For any paper invoices, these are filed by vendor in a file cabinet. Invoices are cancelled by marking “Paid” and including ACH number.	Accounting Specialist

Online

Logs into web portal and enters payment information. Forwards payment receipt to Accounting Specialist.	VP of Finance
The invoices and batch detail are filed by batch date in a shared network folder. For any paper invoices, these are filed by vendor in a file cabinet. Invoices are cancelled by marking “Paid” and including paid date.	Accounting Specialist

Check

Reviews all checks and supporting documentation and manually signs checks. (One signature required for all checks $10,000 and under. *Dual signatures are required for all checks over $10,000). This authority is not delegable.	President and/or Senior Vice President. The Board Chair and/or Board Treasurer may also sign checks.
Checks, check stubs and supporting documentation are distributed as follows: a. Original check and copy one (1) of invoice transmitted to vendor. b. The check stub, along with the invoice and other supporting documentation, are filed by vendor in a file cabinet. Invoices are cancelled by marking "Paid" and including check number.	Accounting Specialist

X. CASH DISBURSEMENT PROCEDURES FOR GRANT EXPENDITURES

	Description of Procedures	Performed By
1.	Grantee submits disbursement request through Fluxx (Grant Database). Fluxx automatically notifies Grant Administration Specialist, who performs initial review of disbursement request. If valid, Grant Administration Specialist forwards disbursement requests to the Program Officer, Director of Programs, or Senior Vice President assigned to the grant.	Grant Administration Specialist
2.	Reviews disbursement for grant payments. Determines that grantee is eligible to receive payment.	Program Officer
3.	Authorizes payment and forwards all supporting documentation to the Grant Administration Specialist (within Fluxx).	Senior Vice President or Directors of Programs
4.	Prepares list of grant payments and forwards along with supporting documentation to the Accounting Specialist.	Grant Administration Specialist
5.	Prepares payments in QuickBooks. Imports payments from QuickBooks into ACH Universal software. Creates ACH batch file ("NACHA" file) and assigns ACH numbers to payments in QuickBooks using ACH Universal software.	Accounting Specialist
6.	Forwards list of grant payments in ACH batch along with approved disbursement requests to President and Senior Vice President for approval. Also, forwards list of grant payments to Board Chair for informational purposes (if desired by current Board Chair). If batch includes a disbursement request from a grantee managed by Senior Vice President, then	Accounting Specialist

	Description of Procedures	Performed By
	VP of Finance will perform additional review and note approval on the request.	
7.	Reviews list of grant payments and supporting documentation and approves payment. Two approvals required. This authority is not delegable.	President and Senior Vice President. The Board Chair and/or Board Treasurer may also serve as approvers.
8.	Uploads ACH batch ("NACHA" file) to bank web portal.	Accounting Specialist
9.	Sends automated email to grantee to advise of scheduled ACH credit.	ACH Universal
10.	Forwards batch information and supporting documentation to VP of Finance.	Accounting Specialist
11.	Reviews ACH batch on bank web portal and agrees payment details to list of approved payments and agrees banking information to information provided by grantees. Authorizes ACH batch on bank web portal.	VP of Finance
12.	Forwards list of grant payments and disbursement requests to Grant Administration Specialist. Forwards evidence of batch approval and other supporting documentation to Accounting Specialist for filing.	VP of Finance
13.	Enters payments in grant database.	Grant Administration Specialist
14.	Files copy of list of grant payments and disbursement request in grant file.	Accounting Specialist

XI. TRAVEL POLICIES AND PROCEDURES

Travel Expense Policies

The Foundation reimburses directors and employees for certain expenses incurred while performing work on behalf of the Foundation. Directors and employees must adequately account to the Foundation for these expenses and must return any excess reimbursements within a reasonable time.

Director Travel Expenses

The Foundation will reimburse its directors for certain expenses incurred by its directors in connection with attendance at a regular or special meeting of the board of directors, attendance at a regular or special meeting of a committee of the board of directors, or the performance of other work on behalf of the Foundation. See Exhibit B for the Policy on Reimbursement of Certain Expenses Incurred by Directors.

Employee Travel Expenses

The Foundation will reimburse for expenses incurred by an employee in connection with travel away from home while on business of the Foundation using the lesser of actual expenses incurred or rates established in the Travel Expense Reimbursement Policy for Employees. See Exhibit D for the Travel Expense Reimbursement Policy for Employees.

	Description of Procedures	Performed By
1.	Prepares Expense Reimbursement Form, attaches required documentation and signs (Exhibit C or E) and transmits form to Accounting Specialist for processing.	Board of Director or Employee
2.	After initial review, scans Expense Reimbursement Form and all supporting documentation to shared network folder for weekly processing.	Accounting Specialist
3.	Reviews Expense Reimbursement Form for accuracy and completeness. Signs form as authorization for payment. Payment is processed in accordance with procedures described in Section IX. Cash Disbursement Procedures for Administrative Expenditures.	VP of Finance

XII. PAYROLL PROCEDURES

	Description of Procedures	Performed By
A.	Employee Additions or Payroll Information Changes	
	1. Prepares Employment Letter.	VP/Chief of Staff or VP of Finance
	2. Reviews and signs.	President
	3. Completes payroll withholding forms and submits to VP of Finance, including address changes.	Employee
	4. Submits any employee informational changes to ADP electronically.	VP of Finance
B.	Bi-Weekly Payroll – ending on Friday	
	1. Prepares information for payroll by pay period. Computes gross pay, deductions and net pay for each employee.	VP of Finance & ADP
	2. Prepares direct deposit based upon payroll information.	ADP
	3. Prepares payroll reports and makes them available for download by the Foundation.	ADP
	4. Makes pay stub available for download by employees.	ADP
	5. Files payroll reports in three-ring binder by pay period. Also, stores an electronic, detailed payroll report on shared network folder by pay period.	Accounting Specialist

Notes

- A separate file should be established for each employee. This file should include federal and state withholding forms, salary authorizations, other deduction authorizations, resumes, evaluations, etc.

- Documenting forms required are as follows:
  1. Tax Information Forms
  2. Bi-Weekly Timesheets
  3. ADP Payroll statements
  4. Change of Employee Pay Status
  5. Form I-9
- Timesheets are used to record the hours all non-exempt employees work. Time and leave are recorded on a bi-weekly spreadsheet maintained by the employee. Non-exempt employees must have prior management approval before working overtime hours. Overtime worked by non-exempt employees is limited to emergency situations or pre-planned and approved overtime for peak work periods. Overtime is defined as work that is required beyond 40 hours in the workweek.

XIII. FIXED ASSET POLICIES AND PROCEDURES

Capitalization Policy

A capitalized fixed asset is property, such as land, buildings and equipment, with a cost equal to or greater than $1,000 and a useful life of two or more years. Capitalized fixed assets are acquired for use in normal operations and are not for resale. These assets may be subject to depreciation. All capitalized assets should be entered into the fixed asset records. The Foundation will at all times maintain records to account for and safeguard non-expendable personal property. To further this goal, the records must include the following information:

a. The description of the equipment.

b. Manufacturer's serial number or other identification number.

c. Titleholder.

d. Acquisition date.

e. Source of equipment and unit cost.

f. Location and condition of the equipment.

g. Disposition action / data.

Assets costing less than $1,000 are expensed; they are not capitalized or depreciated for financial reporting purposes. Costs incurred to keep a fixed asset in its normal operating condition, which do not extend the original useful life of the asset or increase the asset's future service potential, are not capitalized. These costs are expensed as repairs/ maintenance.

Fixed assets containing separate physical parts (i.e. CPU, monitor and keyboard) are not considered one asset having one or more component parts. Each separate physical part is considered to be a separate asset and is individually evaluated according to the capitalization threshold to determine if it should be recorded as a fixed asset.

According to generally accepted accounting principles, fixed assets should be recorded at historical cost or estimated historical cost. Cost includes purchase price or cost of construction plus any other charges incurred to place the asset in its intended location and condition for use.

Donated assets should be recorded at their fair market value on the date donated. The fair market value is the estimated amount at which the asset would be exchanged between a willing buyer and seller when neither is forced into the exchange. Both parties should have knowledge of all facts and consider it an equitable exchange.

Once fixed assets are recorded, any adjustment to the values or useful lives requires authorization by the President.

Depreciation Policy

Depreciation is the allocation of the total acquisition cost of a fixed asset over its estimated useful life.

Land, certain land improvements, and construction-in-progress are not depreciated. Land is considered to have an unlimited useful life and its salvage value is unlikely to be less than its acquisition cost. Certain land improvements may be considered to have an unlimited useful life and therefore not be depreciated.

Depreciation will be calculated using the straight-line method, with an assumed salvage value of zero. Depreciation for partial periods will be computed on the basis of the nearest full month. Straight-line depreciation is calculated by dividing total asset cost by estimated useful life in years. Total asset cost includes purchase price or cost of construction plus any other charges incurred to place the asset in its intended location and condition for use. Donated assets are valued at their fair market value at date of acquisition. The estimated useful life of a depreciable asset is the period over which services are expected to be rendered by the asset. See table for estimated useful life guidelines.

Useful Life Guidelines

Buildings	40 Years
Building Additions/Renovations	15 Years
Building Improvements	10 Years
Furniture and Office Equipment	7 Years
Computer Equipment	5 Years

Tagging

Maintaining a positive identification of assets is the primary purpose of tagging. Tagging is important to:

- Provide an accurate method of identifying individual assets,
- Aid in the taking of physical inventory,
- Control the location of all physical assets,
- Aid in the maintenance of fixed assets, and
- Provide a common ground of communication for both the accounting function and the assets' users.

Generally, all fixed assets are tagged. The tag number is entered in the asset record at the point of tagging. Some assets such as land and buildings are not tagged. The asset number is still recorded in the system, but not physically attached to the asset. A description of the property is recorded, including address and plat location found in the Register of Deeds.

Asset tags will be consistently placed in the same location on each similar type asset. For example, personal laptops computers should be tagged consistently on the left-hand side on the bottom of the laptop. To aid in taking inventory, tags should be placed where the number can be seen easily and identified without disturbing the operation of the item.

Physical Inventory Policy

A physical inventory of capitalized fixed assets will be taken annually to verify that assets recorded in the fixed asset records are physically located.

Someone who does not have responsibility for receiving, checking in, tagging, and recording the assets will take the inventory.

If a capitalized asset is missing at inventory, the reason for the missing asset will be documented and forwarded to the President.

	Description of Procedures	Performed By
1.	Receives assets, checks them in and forwards receiving documents to the Accounting Specialist.	Administrative Assistant
2.	Records additions to fixed assets in the general ledger when payment for asset is made.	Accounting Specialist
3.	Notifies VP of Finance of any fixed asset disposals, which must be approved by the President.	Director of Operations
4.	Updates fixed asset records for fixed asset additions and disposals.	VP of Finance
5.	Tags the assets and records the tag numbers in the fixed asset records.	VP of Finance
6.	Performs annual physical inventory of assets. Researches any missing assets.	Accounting Specialist
7.	Approves physical inventory worksheets.	VP of Finance
8.	Makes any necessary changes to the fixed asset records.	VP of Finance

XIV. BANK RECONCILIATION

	Description of Procedures	Performed By
1.	Receives bank statements and opens. Forwards statement to VP of Finance.	Administrative Assistant
2.	Prepares bank reconciliations and prepares required adjusting entries when all bank statements have been received. The following procedures should be performed in preparing the bank reconciliations:	VP of Finance

a. Determine if previous month's outstanding checks have cleared.

b. Compare the checks with the cash disbursements journal as to number, date, payee and amount.

c. Examine signatures and endorsements.

d. Examine voided checks.

e. Account for check numbers.

f. Compare the dates and amounts of daily deposits as shown on the mail log with the bank statement.

The bank reconciliations should be prepared in the following format:

a. Balance per bank statement.

b. Plus deposits in transit.

c. Less outstanding checks.

d. Balance per general ledger.

Determine that cash balances per the reconciliations agree with the corresponding amounts in the general ledger accounts. Any difference should be reconciled and required adjusting entries prepared and entered into QuickBooks.

3.	Prepares a reconciliation package via Docusign envelope, including the reconciliations and bank statements, and routes to the President and Senior Vice President for approval.	VP of Finance
4.	Reviews / approves bank reconciliations within Docusign. Agrees to general ledger.	President and Senior Vice President
5.	Once approved within Docusign, download the approved reconciliation package and store on the shared network drive.	VP of Finance

XV. JOURNAL ENTRY PREPARATION PROCEDURES

	Description of Procedures	Performed By
1.	Prepares adjusting entries.	VP of Finance
2.	Enters adjusting entries into the books.	VP of Finance or Accounting Specialist
3.	Records bi-weekly payroll data in general journal including salaries, payroll liabilities, personnel expenses (taxes), and operating account entries.	Accounting Specialist
4.	Reviews and approves adjusting entries.	President and Senior Vice President

XVI. BUDGET DEVELOPMENT AND APPROVAL PROCEDURES

	Description of Procedures	Performed By
1.	Meet to discuss requirements for upcoming annual budget (grant, administrative and capital).	President, Senior Vice President, VP/Chief of Staff, VP of Finance, and Director of Operations
2.	Prepare preliminary annual budget and review with President and Senior Vice President.	VP of Finance
3.	Review preliminary budget with Chair of the Finance Committee and other Board members as directed by the President.	President and VP of Finance
4.	Approve annual budget.	Board of Directors
5.	Enter monthly operating budget into QuickBooks.	VP of Finance
6.	Present preliminary annual budget to the Joint Legislative Commission on Governmental Operations (GovOps) (if required)	VP/Chief of Staff

Budget Modifications

In consultation with the Chair of the Finance Committee, the President is authorized to reallocate up to $25,000 in funds amongst budget categories within the administrative/capital budget. The President is not authorized to increase the overall administrative/capital budget without approval of the Board of Directors.

XVII. FINANCIAL REPORTING

- Monthly financial statements will be prepared by the VP of Finance by the 15th business day following month-end, or as soon as practicable. See Exhibit G for the monthly closing checklist and list of reports to be prepared.

- Monthly financial reporting packages will be approved via Docusign by the President and Senior Vice President and stored in a shared network folder.

- The Foundation is required to prepare various other financial reports. See Exhibit H for a list of reports, responsible parties and dates to be completed.

XVIII. SYSTEM SECURITY POLICIES

The issue of security and confidentiality of protected and account information is of great importance in the use of the computer network system. To guard against unauthorized access and disclosure of privileged information, the following measures must be followed, in addition to the Foundation's overall IT Policy and Procedures.

1. Access to accounting and protected information must be limited to those areas relating to the staff duties. To further this goal, employee log-in information has been specifically designed to permit access to only those functions related to the employee's duties.

2. No information will be left on the computer screen when the authorized user is not present.

3. Under no circumstance will log-in information be given to unauthorized personnel.

4. If a breach of security occurs or is suspected, the employee must immediately notify the Director of Operations.

5. Printed information (hard copies) must be properly secured.

XIX. COMMUNITY BANK CD PROGRAM

Golden LEAF Foundation has established a Community Bank CD Program to provide needed deposits to community banks throughout North Carolina. The certificate of deposit (CD) accounts also help foster Golden LEAF's relationships with these community banks. The program does not primarily seek investment returns and it is not governed by the Foundation's Investment Policy Statement. Initial and ongoing eligibility criteria is as follows:

1. Community bank that does substantial business in a Tier 1 or Tier 2 county in North Carolina.
2. Total assets less than two billion dollars.

Until this Program is terminated by the Board of Directors, the Foundation will hold CDs in up to 10 community banks in denominations up to the current FDIC insurance limit.

The VP of Finance will periodically review the banks in which the Foundation holds its CDs to determine if the banks meet the criteria for participation in the Community Bank CD Program. When a bank no longer meets the eligibility criteria, the President of the Foundation has the authority to redeem the CD at its next maturity date and place the deposit at another banking institution that meets the eligibility criteria. The President will have discretion to choose the new banking institution as long as it meets the eligibility criteria.

The VP of Finance may be a signatory on the Community Bank CD accounts for administrative purposes. The Community Bank CDs will be included in reconciliation reports reviewed by the President and the Senior Vice President of the Foundation and the Foundation will take steps to ensure proper segregation of duties as it pertains to the Community Bank CD program reconciliation and management review.

<u>Accounting and Reporting</u>
The Foundation will hold CDs that have durations in varying lengths, generally six months to 18 months; as such, these CDs are considered "investments" to the Foundation. These CDs will be held separately from the main investment portfolio of the Foundation.

If possible, interest will be paid to the Foundation at each renewal instead of capitalized. Once interest is received by the Foundation, Management will record the interest as "Investment interest income – other" on the General Ledger.

Management will provide an update regarding the Community Bank CD Program to the Board of Directors at the June meeting each year.

EXHIBITS

THE GOLDEN L.E.A.F., INC.
Account Listing
May 22, 2026

Account	Type
First Citizens Bank	Bank
PNC	Bank
Truist	Bank
Truist - FDAP	Bank
Accounts Receivable	Accounts Receivable
CD - M&F Bank (ST)	Other Current Asset
FDAP Receivable (from State)	Other Current Asset
Prepaids	Other Current Asset
Prepaids:Prepaid Insurance	Other Current Asset
Prepaids:Prepaid Other	Other Current Asset
Sales Tax Refund Receivable	Other Current Asset
Fixed Assets	Fixed Asset
Fixed Assets:Accumulated Depreciation	Fixed Asset
Fixed Assets:Buildings	Fixed Asset
Fixed Assets:Computer Equipment	Fixed Asset
Fixed Assets:Furniture	Fixed Asset
Fixed Assets:Land	Fixed Asset
Fixed Assets:Land Improvements	Fixed Asset
Fixed Assets:Office Equipment	Fixed Asset
Investments	Other Asset
Investments:CD - Farmers & Merchants Bank	Other Asset
Investments:CD - First Federal Bank	Other Asset
Investments:CD - LifeStore Bank	Other Asset
Investments:CD - Lumbee Guaranty Bank	Other Asset
Investments:CD - Morganton Savings Bank	Other Asset
Investments:CD - Nantahala Bank	Other Asset
Investments:CD - Peoples Bank	Other Asset
Investments:CD - Providence Bank	Other Asset
Investments:CD - Uwharrie Bank	Other Asset
Investments:Northern Trust COVID-19 Relief	Other Asset
Investments:Northern Trust Custodial Acct	Other Asset
Note Receivable	Other Asset
Accounts Payable	Other Current Liability
Accrued Int/Fee Payable on LOC	Other Current Liability
Accrued Payroll	Other Current Liability
Grants Payable	Other Current Liability
Grants Payable:Grants Payable-Y/E 6/30/15	Other Current Liability
Grants Payable:Grants Payable-Y/E 6/30/16	Other Current Liability
Grants Payable:Grants Payable-Y/E 6/30/17	Other Current Liability
Grants Payable:Grants Payable-Y/E 6/30/18	Other Current Liability
Grants Payable:Grants Payable-Y/E 6/30/19	Other Current Liability
Grants Payable:Grants Payable-Y/E 6/30/20	Other Current Liability
Grants Payable:Grants Payable-Y/E 6/30/21	Other Current Liability
Grants Payable:Grants Payable-Y/E 6/30/22	Other Current Liability
Grants Payable:Grants Payable-Y/E 6/30/23	Other Current Liability
Grants Payable:Grants Payable-Y/E 6/30/24	Other Current Liability
Grants Payable:Grants Payable-Y/E 6/30/25	Other Current Liability
Grants Payable:Grants Payable-Y/E 6/30/26	Other Current Liability
Payroll Liabilities	Other Current Liability
Unearned Revenue - State Aid	Other Current Liability
Net Assets	Equity
Opening Bal Equity	Equity
Grant Revenue	Income
Miscellaneous Income	Income
Proceeds - State Appropriation	Income
Proceeds from State Settlement	Income
State Aid - Coronavirus Relief	Income
Board of Director Expenses	Expense
Board of Director Expenses:Bd of Directors Expenses	Expense
Board of Director Expenses:Bd of Directors Per Diem	Expense
Board of Director Expenses:Board Meetings	Expense
Depreciation Expense	Expense
Insurance	Expense
Insurance:BusinessOwners Insurance	Expense
Insurance:Directors & Officer's Liability	Expense
Insurance:Workers Comp Insurance	Expense
Miscellaneous & Bank Charges	Expense
Occupancy Expenses	Expense

THE GOLDEN L.E.A.F., INC.
Account Listing
May 22, 2026

Account	Type
Occupancy Expenses:Maintenance	Expense
Occupancy Expenses:Maintenance:Maintenance - Nonroutine	Expense
Occupancy Expenses:Utilities	Expense
Office Operations Expenses	Expense
Office Operations Expenses:Equipment Rental	Expense
Office Operations Expenses:Office Supplies	Expense
Office Operations Expenses:Postage and Freight	Expense
Personnel Expenses	Expense
Personnel Expenses:Employee Insurance & Benefits	Expense
Personnel Expenses:Employee Insurance & Benefits:Dental Insurance	Expense
Personnel Expenses:Employee Insurance & Benefits:Disability Insurance	Expense
Personnel Expenses:Employee Insurance & Benefits:Life Insurance	Expense
Personnel Expenses:Employee Insurance & Benefits:Medical Insurance	Expense
Personnel Expenses:Employee Insurance & Benefits:Retirement	Expense
Personnel Expenses:Employee Insurance & Benefits:Vision Insurance	Expense
Personnel Expenses:Salaries	Expense
Personnel Expenses:Salary Reserve	Expense
Personnel Expenses:Salary Reserve:Temporary and Personnel Reserve	Expense
Personnel Expenses:Staff Development	Expense
Personnel Expenses:Staff Development:Staff Meals & Events	Expense
Personnel Expenses:Taxes - Payroll	Expense
Personnel Expenses:Temporary/contract staffing exp	Expense
Personnel Expenses:Travel & Meetings	Expense
Personnel Expenses:Travel & Meetings:Meals	Expense
Personnel Expenses:Travel & Meetings:Travel	Expense
Professional Fees	Expense
Professional Fees:Audit & Tax Return	Expense
Professional Fees:Dues & Memberships	Expense
Professional Fees:External Affairs	Expense
Professional Fees:External Affairs:Contracted Services	Expense
Professional Fees:External Affairs:Event Hosting	Expense
Professional Fees:External Affairs:Events/Collateral/Other	Expense
Professional Fees:External Affairs:General	Expense
Professional Fees:External Affairs:Scholarship Program	Expense
Professional Fees:Legal Fees	Expense
Professional Fees:Legal Fees:General Representation	Expense
Professional Fees:Legal Fees:Special Matters	Expense
Professional Fees:Other Consulting & Recruit Exp	Expense
Professional Fees:Payroll Services	Expense
Professional Fees:Retirement Plan Admin & Consult	Expense
Professional Fees:Technical Consulting	Expense
Reconciliation Discrepancies	Expense
Technology	Expense
Technology:Computer Installation & Repairs	Expense
Technology:Maintenance	Expense
Technology:Maintenance:Maintenance - Tech Projects	Expense
Technology:Software Expense	Expense
Technology:Telephone and Data	Expense
Admin Alloc for Shell Bldg Prgm	Other Income
Appropriations for FDAP	Other Income
Funds returned to State & RRLP	Other Income
Investment Income and Expense	Other Income
Investment Income and Expense:Dividend/Int Income-Inv Accts	Other Income
Investment Income and Expense:Gain/Loss of Sale of Investment	Other Income
Investment Income and Expense:Interest Income	Other Income
Investment Income and Expense:Interest Income - COVID-19	Other Income
Investment Income and Expense:Management Fees	Other Income
Investment Income and Expense:Other Income	Other Income
Investment Income and Expense:Unrealized Gain/Loss in Investm	Other Income
G/L on Sale of Fixed Assets	Other Expense
Other Expenses	Other Expense
Other Expenses:Line of Credit expenses	Other Expense
Program Expenses	Other Expense
Program Expenses:Contract Expenses	Other Expense
Program Expenses:Food Dist. Assistance Program	Other Expense
Program Expenses:Food Dist. Assistance Program:FDAP Grant Expenditures	Other Expense
Program Expenses:Food Dist. Assistance Program:FDAP Personnel Expenses	Other Expense
Program Expenses:Food Dist. Assistance Program:FDAP Personnel Expenses:FDAP - C...	Other Expense

THE GOLDEN L.E.A.F., INC.
Account Listing
May 22, 2026

Account	Type
Program Expenses:Food Dist. Assistance Program:FDAP Personnel Expenses:Life & Dis...	Other Expense
Program Expenses:Food Dist. Assistance Program:FDAP Personnel Expenses:Medical ...	Other Expense
Program Expenses:Food Dist. Assistance Program:FDAP Personnel Expenses:Payroll T...	Other Expense
Program Expenses:Food Dist. Assistance Program:FDAP Personnel Expenses:Retireme...	Other Expense
Program Expenses:Food Dist. Assistance Program:FDAP Personnel Expenses:Salaries -...	Other Expense
Program Expenses:Food Dist. Assistance Program:FDAP Personnel Expenses:Travel & ...	Other Expense
Program Expenses:Grants	Other Expense
Program Expenses:Grants:Grants Awarded	Other Expense
Program Expenses:Grants:Grants Rescinded	Other Expense
Program Expenses:Grants:Grants Returned	Other Expense
Program Expenses:Shell Building Prgm - Tech Cons	Other Expense
Unrelated Business Income Tax	Other Expense

The Golden LEAF Foundation

Policy on Reimbursement of Certain Expenses Incurred by Directors

Adopted by the Board of Directors on January 19, 2001; Amended on September 3, 2009

The Foundation will reimburse its directors for certain expenses incurred by its directors in connection with attendance at a regular or special meeting of the board of directors, attendance at a regular or special meeting of a committee of the board of directors, or the performance of other work on behalf of the Foundation. Such reimbursements will not be considered a part of the director's compensation to the extent that the director complies with the following requirements:

1. A director who has used a motor vehicle owned or leased by the director in travel on business of the Foundation will be reimbursed for such use at the mileage rate then allowed to North Carolina state employees or employees of the federal government, whichever is less. The director must substantiate the expense by providing the Foundation with the following information: the actual miles driven in connection with the business of the Foundation, the date of the travel, and the destination or destinations.

2. A director who has used an alternative means of transportation on business of the Foundation will be reimbursed the cost of such alternative means of transportation; provided, however, that in such cases the amount of reimbursement shall not exceed the amount that the director would have been reimbursed for mileage had the director used a motor vehicle owned or leased by the director. The director must substantiate the expense by providing the Foundation with a copy of the airline or train ticket, a rental car receipt, or comparable records. It is provided, however, that in circumstances where the presence of a director is required by the Chair of the Board, the Chair may approve other transportation in excess of the mileage reimbursement to permit the attendance of that director in a timely manner to ensure fairness and avoid unfairness that would otherwise occur.

3. In the event that the business of the Foundation lasts more than one business day, the director is entitled to receive reimbursement for actual expenses incurred for lodging, meals, and other necessary and reasonable travel expenses (e.g., parking fees). The director shall seek to obtain the state government rate for lodging when feasible, and staff of the Foundation shall use best efforts to obtain the state government rate when making arrangements for lodging for directors. Reimbursement for expenses for meals shall be limited to the North Carolina state government rate. The director must substantiate such expenses by providing to the Foundation: (1) an explanation of the business purpose of the expenses

and (2) a receipt for any item in excess of $30.00 (receipts for items of $30.00 or less are not required if the director submits information showing the amount, time, place, and business purpose of the item).

4. Requests for reimbursement meeting the above substantiation requirements must be submitted to the Foundation not later than 120 days of the date the expense was incurred by the director.

"Business of the Foundation," as used in this policy, shall mean meetings of the Foundation's board of directors, meetings of committees of the Foundation's board of directors, and other work on behalf of the Foundation. "Other work on behalf of the Foundation," as used in this policy, shall include, but shall not be limited to:

a. Publicly announced events involving the Foundation, including but not limited to:

    i. Ceremonial check presentations;

    ii. Media appearances, including press events with public officials where the appearance or event is related to a program of the Foundation or a project funded by the Foundation; and

    iii. Community Assistance Initiative meetings more than ten (10) miles from the director's residence or place of business.

b. Appearances required by public officials because the individual required to appear is a director of the Foundation.

c. Unofficial (without public notice) meetings required or appropriate in connection with the individual's role as a director of the Foundation, including meetings with prospective, past or current grantees, and meetings with other citizens having an interest in the Foundation; provided, however, that in such cases the director shall be required to obtain prior approval from the chair of the board of directors in order to be eligible to receive reimbursement in accordance with the provisions of this policy, and further provided that such approval shall be given only in extraordinary circumstances where denial of reimbursement would result in undue hardship or manifest unfairness.

The Golden L.E.A.F. Foundation
Expense Reimbursement Form
2026

(Effective January 1, 2026)

Name (print): ______________________________

Date Prepared: ______________________________

Date	Reason for Trip & Location	Mileage				Lodging	Meals	Other Expenses		Per Diem
		To	From	Miles	x 0.725			Description	Amount	$104/day
					$ -					
					$ -					
					$ -					
					$ -					
					$ -					
					$ -					
					$ -					
					$ -					
					$ -					
					$ -					
					$ -					
					$ -					
					$ -					
					$ -					
Totals of Individual Expense Categories:					**$ -**	**$ -**	**$ -**		**$ -**	**$ -**

Total Due Claimant: **-**

Certified as correct (Claimant) ______________________________

Approval for payment ______________________________

Notes:
(1) All signatures must be original.
(2) Original receipts are required for all expense reimbursements.
(3) Requests for reimbursement must be submitted within 120 days following the end of the travel period.

Appendix III

The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc.
Travel Expense Reimbursement Policy for Employees

Purpose

The purpose of this policy is to document travel expenses that are eligible for reimbursement by The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc. (Golden LEAF) (Foundation). It also includes additional reference information that may be useful to employees when preparing requests for expense reimbursement.

Any exceptions to this policy must be approved by the President.

Employee Responsibility

Employees of the Golden LEAF Foundation are expected to act in a prudent manner when incurring expenses while traveling on Foundation business. Unnecessary, unjustified expenses or expenses incurred for the convenience or personal preference of the employee are not allowed. In order to receive reimbursement for allowable travel expenses, the employee must submit a request for reimbursement within 30 days following the end of the travel period on the Foundation's approved Employee Expense Reimbursement Form. All expenses submitted by the employee for reimbursement must be accompanied by a valid receipt and a brief explanation of the expense. Receipts must be itemized. Credit card statements will not be accepted as evidence of a receipt for reimbursement without prior approval of the President or Senior Vice President.

Travel Expenses

The Foundation will reimburse by direct deposit for expenses incurred by an employee in connection with travel away from home while on business of the Foundation using the lesser of actual expenses incurred or rates established herein.

Lodging

Employees are expected to use sound and reasonable judgment about hotels they reserve, being cognizant of limited administrative dollars. In-state hotel rooms shall not exceed the lodging rate set forth in the Annual Benefits and Travel Reimbursement Summary provided each year to employees. Out-of-state hotel room rates are subject to the approval of the President and shall be consistent with prevailing rates in the area.

Authorization for in-state lodging rates in excess of the lodging rate must be obtained in advance from the President or Senior Vice President. Excess lodging rates may be allowed when the employee is in a high-cost area and unable to secure lodging within the current allowance, when the employee's personal safety or security is unattainable within the current allowance, or when the lodging is the preferred lodging for a conference or other event the employee is attending.

Meals

Employees may be reimbursed for meals when traveling on Foundation business. Alcohol is not a reimbursable expense. Employees will not be reimbursed for meals that are reasonably available to them at no cost, e.g., when meals are available at a conference, or when a hotel provides a free breakfast. Meal reimbursement rates are set forth in the Annual Benefits and Travel Reimbursement Summary provided each year to employees. Meal reimbursement rates are inclusive of all taxes and tips.

Employees may be reimbursed for meals in the following circumstances:

- Breakfast: The morning after spending the night away from home on Foundation business

- Lunch: depart Foundation office or home prior to 11:00 a.m. and return after 2:00 p.m.
- Dinner: depart Foundation office or home prior to 5:00 p.m. and either return after 8:00 p.m. or spend the night away from home on business

Transportation

By Common Carrier

Reimbursement for travel by air, rail or bus is limited to actual coach fare and must be substantiated by receipt.

By Car

When more than one employee is traveling to the same destination, every effort should be made to reduce costs by carpooling.

By Rental Car

It is the intent of this policy to encourage the use of rental cars when it will be less expensive for the Foundation than if the employee drives a personal vehicle. Exemptions may only be made by the President.

The Foundation has a corporate contract with a local rental car company. When renting a car, employees should use this company unless availability or extenuating circumstances dictate otherwise. Compact, midsize or full-size cars should be rented. Employees should elect insurance coverage for collision only and not for general liability which is covered under the Foundation's general liability insurance policy unless collision coverage is provided through the agreement with the Foundation's credit card issuer. Rental cars should be returned to the original rental location in order to avoid costly drop-off charges. Cars must be returned without incurring additional charges for gas due to failure to bring back the tank on full or as otherwise required. An employee may rent a car whenever the daily mileage to be driven is greater than 150 miles. When on a multi-day business trip without returning to home or the office, an employee may rent a car for the entire trip if the miles to be driven on any day of the trip exceeds 150. An employee who plans to make two trips each of 150 miles or more on days that are not consecutive may keep a rental car for up to one intervening day between those trips, or over a weekend if the trips fall on a Friday and Monday. An employee may also rent a car whenever the employee reasonably determines that the cost of the rental car plus gas (calculated at the excess mileage rate in the Annual Benefits and Travel Reimbursement Summary) is expected to be equal to or less than the mileage reimbursement the employee would receive if the employee used a personal car.

Employees should not use rental cars for personal business or travel except as reasonably necessary.

By Personal Vehicle

Actual mileage is reimbursable. Mileage is measured from the closer of the Foundation office or point of departure to destination (and return). The business standard mileage rate set annually by the Internal Revenue Service will be paid when the daily mileage does not exceed 150 miles. If the employee chooses to use a personal vehicle versus a rental car for daily mileage exceeding 150 miles, the employee will be reimbursed at the business standard rate for the first 150 miles, then the excess mileage rate for any daily mileage over 150 miles. The business standard mileage rate and the excess mileage rate are set forth in the Annual Benefits and Travel Reimbursement Summary provided each year to employees. The excess mileage rate will be calculated as the average cost of one regular-grade gallon of gasoline divided by 25 miles per gallon (based on average car). This rate will be calculated and effective in coordination with changes in the IRS business standard rate. Exemptions may be only made on approval by the President.

No reimbursement shall be made for the use of a personal vehicle in commuting from an employee's home to the Foundation office.

Other Travel Expenses

Parking

Parking fees and tolls are reimbursable when accompanied by a receipt.

Tips and Gratuity

Reasonable tips and gratuity are reimbursable. The following guidelines should be considered when calculating a tip. Tips for meals should not exceed 20%. Tips for taxi drivers should not exceed 15% of the fare. Tips for handling of bags should be $1 - $2 per bag. The Foundation will not reimburse for tips provided for housekeeping services at hotels.

The Golden L.E.A.F. Foundation

2025 Employee Expense Reimbursement Form

Effective January 1, 2026

Name (print): ____________________

Date Prepared: ____________________

		Personal Auto Mileage								Other Expenses (i.e. gas for rental car)	
		From	To		Total Mileage	Mileage Rate					
Date	Reason for Trip / Business Purpose	FROM Address	TO Address	Mileage by trip	Total Daily Mileage (sum mileage by day)	x $0.725/$0.11 (automatically calculates)	Lodging	Employee Travel Meals (meals while traveling)	Business Meeting Meals (must include purpose and attendees on receipt)	Description	Amount
						-					
						-					
						-					
						-					
						-					
						-					
						-					
						-					
						-					
						-					
						-					
						-					
						-					
						-					
						-					
						-					
						-					
						-					
Totals of Individual Expense Categories:						$ -	$ -	$ -	$ -		$ -

Total Due Claimant: -

I certify that the expenses listed above were incurred by me while on official Foundation business, and I am eligible for reimbursement in accordance with the Foundation's Travel Reimbursement Policy for Employees.

Certified as correct (Claimant) ____________________

Approval for payment ____________________

(1) All signatures must be original.
(2) Valid, itemized receipts are required for ALL expense reimbursements.
(3) Requests for reimbursement must be submitted within 30 days following the end of the travel period.
(4) Mileage is measured from the closer of the Golden LEAF office or point of departure to destination (and return). Daily mileage not exceeding 150 miles will be reimbursed at the IRS business standard mileage rate of $0.725 per mile. Daily mileage exceeding 150 miles will be reimbursed at the $0.725 per mile for the first 150 miles, then $0.11 for each mile over 150 miles.

(5) Meal rates	Breakfast	Lunch	Dinner
In-State	$ 14.00	$ 16.00	$ 29.00
Out-of-State	$ 14.00	$ 16.00	$ 29.00

Form **W-4**

Department of the Treasury
Internal Revenue Service

Employee's Withholding Certificate

Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.
Give Form W-4 to your employer.
Your withholding is subject to review by the IRS.

OMB No. 1545-0074

2026

Step 1: Enter Personal Information

(a) First name and middle initial	Last name	(b) Social security number
Address		**Does your name match the name on your social security card?** If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to *www.ssa.gov*.
City or town, state, and ZIP code		

(c) ☐ **Single** or **Married filing separately**
☐ **Married filing jointly** or **Qualifying surviving spouse**
☐ **Head of household** (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)

Caution: To claim certain credits or deductions on your tax return, you (and/or your spouse if married filing jointly) are required to have a social security number valid for employment. See page 2 for more information.

TIP: Consider using the estimator at *www.irs.gov/W4App* to determine the most accurate withholding for the rest of the year if you: are completing this form after the beginning of the year; expect to work only part of the year; or have changes during the year in your marital status, number of jobs for you (and/or your spouse if married filing jointly), dependents, other income (not from jobs), deductions, or credits. Have your most recent pay stub(s) from this year available when using the estimator. At the beginning of next year, use the estimator again to recheck your withholding.

Complete Steps 2–4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, and when to use the estimator at *www.irs.gov/W4App*.

Step 2: Multiple Jobs or Spouse Works

Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.

Do **only one** of the following.

(a) Use the estimator at *www.irs.gov/W4App* for the most accurate withholding for this step (and Steps 3–4). If you or your spouse have self-employment income, use this option; **or**

(b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below; **or**

(c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is generally more accurate than Step 2(b) if pay at the lower paying job is more than half of the pay at the higher paying job. Otherwise, Step 2(b) is more accurate . . . . ☐

Complete Steps 3–4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3–4(b) on the Form W-4 for the highest paying job.)

Step 3: Claim Dependent and Other Credits

If your total income will be $200,000 or less ($400,000 or less if married filing jointly):				
(a) Multiply the number of qualifying children under age 17 by $2,200	**3(a)**	$		
(b) Multiply the number of other dependents by $500 . . .	**3(b)**	$		
Add the amounts from Steps 3(a) and 3(b), plus the amount for other credits. Enter the total here			**3**	$

Step 4: Other Adjustments

(a) Other income (not from jobs). If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income	**4(a)**	$
(b) Deductions. Use the Deductions Worksheet on page 4 to determine the amount of deductions you may claim, which will reduce your withholding. (If you skip this line, your withholding will be based on the standard deduction.) Enter the result here . .	**4(b)**	$
(c) Extra withholding. Enter any additional tax you want withheld each **pay period** . .	**4(c)**	$

Exempt from withholding

I claim exemption from withholding for 2026, and I certify that I meet **both** of the conditions for exemption for 2026. See *Exemption from withholding* on page 2. I understand I will need to submit a new Form W-4 for 2027 . ☐

Step 5: Sign Here

Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.

Employee's signature (This form is not valid unless you sign it.) **Date**

Employers Only

Employer's name and address	First date of employment	Employer identification number (EIN)

NCDOR
Web
10-25

NC-4
Employee's Withholding Allowance Certificate

PURPOSE - Complete Form NC-4 so your employer can withhold the correct amount of State income tax from your wages. **If you do not submit Form NC-4 to your employer, your employer must withhold as if your filing status is "Single" with no allowances.**

FORM NC-4 EZ - You may use Form NC-4 EZ if you plan to claim the N.C. standard deduction, plan to claim the N.C. child deduction amount (but no other N.C. deductions), do not plan to claim N.C. tax credits, or qualify to claim exempt status.

FORM NC-4 NRA - If you are a nonresident alien, you must use Form NC-4 NRA. In general, a nonresident alien is an alien (not a U.S. citizen) who has not passed the green card test or the substantial presence test. *(For more information on the green card test and the substantial presence test, see Publication 519, U.S. Tax Guide for Aliens.)*

FORM NC-4 GENERAL INSTRUCTIONS - Complete the **NC-4 Allowance Worksheet**. The worksheet will help you determine your withholding allowances based on federal and N.C. adjustments to income, the N.C. child deduction amount, N.C. itemized deductions, and N.C. tax credits. However, you may claim fewer allowances than you are entitled to if you wish to increase the amount of State income tax withheld during the tax year. If your withholding allowances decrease, you must file a new NC-4 with your employer within 10 days after the change occurs. **Exception:** When an individual ceases to be "Head of Household" after maintaining the household for the major portion of the year, a new NC-4 is not required until the first day of the first pay period that ends on or after January 1 of the following calendar year.

TWO OR MORE JOBS - If you have more than one job, determine the total number of allowances you are entitled to claim on all jobs using one NC-4 Allowance Worksheet. Your withholding will usually be most accurate when all allowances are claimed on the NC-4 filed for the higher paying job and zero allowances are claimed for the other. You should also refer to the "Multiple Jobs Table" to determine any additional amount to be withheld on Form NC-4, Line 2 *(See page 4)*.

NONWAGE INCOME - If you receive nonwage income, such as interest or dividends, you may be required to make estimated income tax payments using **Form NC-40, Individual Estimated Income Tax**, to avoid owing interest on the underpayment of estimated income tax. Form NC-40 is available on the Department's website at ncdor.gov.

HEAD OF HOUSEHOLD - Generally, you may claim "Head of Household" filing status if you are unmarried or considered unmarried on the last day of the year, paid more than half of the cost of keeping up a home for the year, and had a qualifying person live with you in the home for more than half the year.

SURVIVING SPOUSE - Generally, you may claim "Surviving Spouse" filing status only if your spouse died in either of the two preceding tax years and you meet the following requirements:

1. Your home is maintained as the main household of a child or stepchild whom you can claim as a dependent; and
2. You were entitled to file a joint return with your spouse for the year your spouse died.

MARRIED TAXPAYERS - For married taxpayers, both spouses must agree as to whether they will complete the NC-4 Allowance Worksheet based on the filing status, "Married Filing Jointly" or "Married Filing Separately."

- Married taxpayers who complete the worksheet based on the filing status, "Married Filing Jointly" should consider the sum of both spouses' income, federal and N.C. adjustments to income, the N.C. child deduction amount, N.C. itemized deductions, and N.C. tax credits to determine the number of allowances.
- Married taxpayers who complete the worksheet based on the filing status, "Married Filing Separately" should consider only his or her portion of income, federal and N.C. adjustments to income, the N.C. child deduction amount, N.C. itemized deductions, and N.C. tax credits to determine the number of allowances.

CAUTION: All NC-4 forms are subject to review by the North Carolina Department of Revenue. Your employer may be required to send this form to the Department. If you furnish your employer with an Employee's Withholding Allowance Certificate that contains information which has no reasonable basis and results in a lesser amount of State income tax being withheld than would have been withheld had you furnished reasonable information, you are subject to a penalty of 50% of the amount not properly withheld.

Cut here and give this certificate to your employer. Keep the top portion for your records.

NCDOR
Web
11-24

NC-4
Employee's Withholding Allowance Certificate

1. **Total number of allowances you are claiming**
   (Enter zero (0), or the number of allowances from Page 2, Line 17 of the NC-4 Allowance Worksheet)
2. **Additional amount, if any, you want withheld from each pay period** *(Enter whole dollars)* .00

Social Security Number

Filing Status
- Single or Married Filing Separately
- Head of Household
- Married Filing Jointly or Surviving Spouse

First Name *(USE CAPITAL LETTERS FOR YOUR NAME AND ADDRESS)* M.I. Last Name

Address County *(Enter first five letters)*

City State Zip Code *(5 Digit)* Country *(If not U.S.)*

Employee's Signature Date

I certify, under penalties provided by law, that I am entitled to the number of withholding allowances claimed on Line 1 above.

Employment Eligibility Verification

Department of Homeland Security

U.S. Citizenship and Immigration Services

USCIS Form I-9
OMB No.1615-0047
Expires 05/31/2027

START HERE: Employers must ensure the form instructions are available to employees when completing this form. Employers are liable for failing to comply with the requirements for completing this form. See below and the Instructions.

ANTI-DISCRIMINATION NOTICE: All employees can choose which acceptable documentation to present for Form I-9. Employers cannot ask employees for documentation to verify information in **Section 1**, or specify which acceptable documentation employees must present for **Section 2** or Supplement B, Reverification and Rehire. Treating employees differently based on their citizenship, immigration status, or national origin may be illegal.

Section 1. Employee Information and Attestation:
Employees must complete and sign Section 1 of Form I-9 no later than the **first day of employment**, but not before accepting a job offer.

Last Name (Family Name)	First Name (Given Name)	Middle Initial (if any)	Other Last Names Used (if any)

Address (Street Number and Name)	Apt. Number (if any)	City or Town	State	ZIP Code

Date of Birth (mm/dd/yyyy)	U.S. Social Security Number	Employee's Email Address	Employee's Telephone Number

I am aware that federal law provides for imprisonment and/or fines for false statements, or the use of false documents, in connection with the completion of this form. I attest, under penalty of perjury, that this information, including my selection of the box attesting to my citizenship or immigration status, is true and correct.

Check one of the following boxes to attest to your citizenship or immigration status (See page 2 and 3 of the instructions.):

- ☐ 1. A citizen of the United States
- ☐ 2. A noncitizen national of the United States (See Instructions.)
- ☐ 3. A lawful permanent resident (Enter USCIS or A-Number.)
- ☐ 4. An alien authorized to work until (exp. date, if any)

If you check **Item Number 4.**, enter one of these:

USCIS A-Number	OR	Form I-94 Admission Number	OR	Foreign Passport Number and Country of Issuance

Signature of Employee	Today's Date (mm/dd/yyyy)

If a preparer and/or translator assisted you in completing Section 1, that person MUST complete the Preparer and/or Translator Certification on Page 3.

Section 2. Employer Review and Verification:
Employers or their authorized representative must complete and sign **Section 2** within three business days after the employee's first day of employment, and must physically examine, or examine consistent with an alternative procedure authorized by the Secretary of DHS, documentation from List A OR a combination of documentation from List B and List C. Enter any additional documentation in the Additional Information box; see Instructions.

	List A	OR	List B	AND	List C
Document Title 1					
Issuing Authority					
Document Number (if any)					
Expiration Date (if any)					
Document Title 2 (if any)			**Additional Information**		
Issuing Authority					
Document Number (if any)					
Expiration Date (if any)					
Document Title 3 (if any)					
Issuing Authority					
Document Number (if any)					
Expiration Date (if any)			☐ Check here if you used an alternative procedure authorized by DHS to examine documents.		

Certification: I attest, under penalty of perjury, that (1) I have examined the documentation presented by the above-named employee, (2) the above-listed documentation appears to be genuine and to relate to the employee named, and (3) to the best of my knowledge, the employee is authorized to work in the United States.

First Day of Employment (mm/dd/yyyy):

Last Name, First Name and Title of Employer or Authorized Representative	Signature of Employer or Authorized Representative	Today's Date (mm/dd/yyyy)

Employer's Business or Organization Name	Employer's Business or Organization Address, City or Town, State, ZIP Code

For reverification or rehire, complete Supplement B, Reverification and Rehire on Page 4.

The Golden L.E.A.F., Inc.
Month-End Closing Checklist
April 30, 2026

Description of Procedure	Completed
1. Reconcile bank statements and record journal entries for interest earned, service charges, tax deposit drafts and ADP service charges.	
2. Determine total cash received per Cash Receipts Log. Determine total cash received per Mail Log. Run cash receipts report from Quickbooks Pro. Compare reports; investigate discrepancies, if any.	
3. Analyze prepaids and record amortization.	
4. Reconcile investments and record activity in general ledger.	
5. Analyze fixed assets and record depreciation.	
6. Reverse prior month accruals. - Account payable and accrued liabilities - Salary accrual	
7. Review invoices >$500 paid or received subsequent to month-end and record appropriate accruals. Record LOC accrual, if needed.	
8. Analyze salaries and benefits and record appropriate accruals, including retirement accruals.	
9. Prepare grant rollforward and compare to reports from FLUXX. Record any grant awards or rescissions. Record FDAP receivable, if any.	
10. Compare payroll journal entries to ADP reports.	
11. Review general ledger for proper account classification.	
12. Prepare financial reports.	
13. Forward financial reports to Senior Vice President and President for review.	

Exhibit G

The Golden L.E.A.F., Inc.
Monthly Financial Package
For the Month Ended March 31, 2026

Documents Included

Statements of Net Assets
Statements of Activities
Budget Report
Budget to Actual Variance Explanations
Balance Sheet
Current Month and YTD Profit & Loss Statement
Current Month Profit & Loss Statement - Budget vs. Actual
YTD Profit & Loss Statement - Budget vs. Actual
Current Month General Ledger
Current Month Journal

Prepared By: ______________________ Date: ______________________

Reviewed By: ______________________ Date: ______________________

Reviewed By: ______________________ Date: ______________________

The Golden LEAF, Inc.
Other Financial Reports

Name of Report	Submitted to	Deadline
Financial Information for Inclusion in the Comprehensive Annual Financial Report for the State of North Carolina	NC Office of State Controller	August 26
Annual Audited Financial Statements	NC Office of State Controller/ NC Office of State Auditor	September 30

Attachment D
Revised Section 125 Cafeteria Plan

THE GOLDEN L.E.A.F., INC.

CAFETERIA PLAN

(As Amended and Restated Effective July 1, 2026)

TABLE OF CONTENTS

THE GOLDEN L.E.A.F., INC. CAFETERIA PLAN

INTRODUCTION

The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc. (the "Foundation") hereby amends this The Golden L.E.A.F., Inc. Cafeteria Plan (the "Plan") effective July 1, 2026. The Plan was originally adopted effective July 1, 2008 to provide Employees a choice between cash compensation and optional employee benefits so that Employees can select the benefits they wish to receive in a manner which will meet their particular needs.

The intention of the Foundation is that the Plan qualify as a "Cafeteria Plan" within the meaning of Section 125 of the Internal Revenue Code of 1986, as amended (the "Code"), and that the benefits which an Employee elects to receive under the Plan be excludable from the Employee's income under Section 125(a) and other applicable sections of the Code. The Health Flexible Spending Account is intended to qualify as a self-insured medical reimbursement plan under Code Section 105.

ARTICLE I
DEFINITIONS

1.1 **"Administrator"** means the Foundation unless another person or entity has been designated by the Foundation pursuant to Section 10.1 to administer the Plan on behalf of the Foundation. If the Foundation is the Administrator, the Foundation may appoint any person, including, but not limited to, its Employees, to perform the duties of the Administrator. Any person so appointed shall signify acceptance by filing written acceptance with the Foundation. Upon the resignation or removal of any individual performing the duties of the Administrator, the Employer may designate a successor.

1.2 **"Affiliated Employer"** means the Foundation and any corporation which is a member of a controlled group of corporations (as defined in Code Section 414(b)) which includes the Employer; any trade or business (whether or not incorporated) which is under common control (as defined in Code Section 414(c)) with the Foundation; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Foundation; and any other entity required to be aggregated with the Foundation pursuant to Treasury regulations under Code Section 414(o).

1.3 **"Benefit" or "Benefit Options"** means any of the optional benefit choices available to a Participant as outlined in Section 4.1.

1.4 **"Cafeteria Plan Benefit Dollars"** means the amount available to Participants to purchase Benefit Options as provided under Section 4.1. Each dollar contributed to this Plan shall be converted into one Cafeteria Plan Benefit Dollar.

1.5 **"Code"** means the Internal Revenue Code of 1986, as amended or replaced from time to time.

1.6 **"Compensation"** means the amounts received by the Participant from the Employer during a Plan Year.

1.7 **"Dependent"** means (a) for purposes of accident or health coverage (to the extent funded under the Premium Expense Reimbursement Account, and for purposes of the Health Flexible Spending Account), (1) a dependent as defined Code Section 105(b), (2) any child (as defined in Code Section 152(f)(1)) of the Participant who as of the end of the taxable year has not attained age 27, and (3) any child of the Participant to whom IRS Revenue Procedure 2008-48 applies (regarding certain children of divorced or separated parents who receive more than half of their support for the calendar year from one or both parents and are in the custody of one or both parents for more than half of the calendar year). Notwithstanding the foregoing, the Health Flexible Spending Account will provide benefits in accordance with the applicable requirements of any qualified medical child support order under ERISA Section 609, even if the child does not meet the definition of Dependent.

1.8 **"Effective Date"** means July 1, 2026, the effective date of this amendment and restatement. The Plan was initially effective July 1, 2008.

1.9 **"Election Period"** means the period immediately preceding the beginning of each Plan Year established by the Administrator, such period to be applied on a uniform and nondiscriminatory basis for all Employees and Participants. However, an Employee's initial Election Period shall be determined pursuant to Section 5.1.

1.10 **"Eligible Employee"** means any Employee who has satisfied the provisions of Section 2.1.

1.11 **"Employee"** means an individual that the Employer classifies as a common-law employee and who is on the Employer's W-2 payroll, but does not include the following: (a) any leased employee (including but not limited to those individuals defined as leased employees in Code Section 414(n)) or individual classified by the Employer as an independent contractor for the period during which such individual is so classified, whether or not any such individual is on the Employer's W-2 payroll or is determined by the IRS or others to be a common-law employee of the Employer; (b) any individual who performs services for the Employer but who is paid by a temporary or other employment or staffing agency for the period during which such individual is paid by such agency, whether or not such individual is determined by the IRS or others to be a common-law employee of the Employer; (c) any self-employed individual; (d) any partner in a partnership; and (e) any more-than-2% shareholder in a Subchapter S corporation. The term Employee does include former Employees for the limited purpose of allowing continued eligibility for benefits under the Plan for the remainder of the Plan Year in which an Employee ceases to be employed by the Employer, but only to the extent specifically provided elsewhere under this Plan.

1.12 **"Employer"** means the Foundation and any Affiliated Employer that adopts this Plan with the approval of the Foundation.

1.13 **"Employer Discretionary Contribution"** means an amount, not to exceed $500 per Plan Year, credited by the Employer to a Participant's Health FSA Account, as determined by the Employer in its sole discretion, and not pursuant to any salary reduction agreement.

1.14 **"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended from time to time.

1.15 **"Foundation"** means The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc. and any successor which shall maintain this Plan; and any predecessor which has maintained this Plan.

1.16 **"Insurance Contract"** means any contract issued by an Insurer underwriting a Benefit.

1.17 **"Insurer"** means any insurance company that underwrites a Benefit under this Plan or, with respect to any self-funded benefits, the Employer.

1.18 **"Key Employee"** means an Employee described in Code Section 416(i)(1) and the Treasury regulations thereunder.

1.19 **"Participant"** means any Eligible Employee who elects to become a Participant pursuant to Section 2.3 and has not for any reason become ineligible to participate further in the Plan.

1.20 **"Plan"** means this instrument, including all amendments thereto.

1.21 **"Plan Year"** means the twelve (12) month period beginning July 1 and ending June 30 of the subsequent year. The Plan Year shall be the coverage period for the Benefits provided for under this Plan. In the event a Participant commences participation during a Plan Year, then the initial coverage period shall be that portion of the Plan Year commencing on such Participant's date of entry and ending on the last day of such Plan Year.

1.22 **"Premium Expenses"** or **"Premiums"** mean the Participant's cost for the Benefits described in Section 4.1 (including self-funded Benefits, if any, as well as those that are insured).

1.23 **"Premium Expense Reimbursement Account"** means the account established for a Participant pursuant to this Plan to which part of his Cafeteria Plan Benefit Dollars may be allocated and from which Premiums of the Participant may be paid or reimbursed. If more than one type of insured or self-funded Benefit is elected, sub-accounts shall be established for each type of insured or self-funded Benefit.

1.24 **"Salary Redirection"** means the contributions made by the Employer on behalf of Participants pursuant to Section 3.1. These contributions shall be converted to Cafeteria Plan Benefit Dollars and allocated to the funds or accounts established under the Plan pursuant to the Participants' elections made under ARTICLE V.

1.25 **"Salary Redirection Agreement"** means an agreement between the Participant and the Employer under which the Participant agrees to reduce his Compensation or to forego all or part of the increases in such Compensation and to have such amounts contributed by the Employer to the Plan on the Participant's behalf. The Salary Redirection Agreement shall apply only to Compensation that has not been actually or constructively received by the Participant as of the date of the agreement (after taking this Plan and Code Section 125 into account) and, subsequently does not become currently available to the Participant.

1.26 "**Spouse**" means an individual who is treated as a spouse for federal tax purposes.

ARTICLE II
PARTICIPATION

2.1 ELIGIBILITY

Any Eligible Employee shall be eligible to participate hereunder as of the date he satisfies the eligibility conditions for the applicable Benefit Options, the provisions of which are specifically incorporated herein by reference. Eligibility for certain Benefit Options may be subject to the additional requirements, if any, specified in the applicable Insurance Contract.

Regardless of the preceding, an Eligible Employee who performs services for the Employer at least thirty (30) hours per week shall be eligible to participate hereunder with respect to the Health Flexible Spending Account following 30 consecutive calendar days of employment with the Employer (the "waiting period"). However, any Eligible Employee who was a Participant in the Plan on the Effective Date shall continue to be eligible to participate in the Plan.

The Employer offers health insurance options that qualify as high-deductible health plans under Code Section 223(c)(2), and options that are not high-deductible health plans. Regardless of the preceding paragraph, Eligible Employees who choose to participate in the high-deductible health plan option for a Plan Year and who are otherwise "eligible individuals" under Code Section 223 are eligible to participate in the Health Savings Account Benefit specified in Section 4.7 for that Plan Year, and are not eligible to participate in the General Purpose Health Flexible Spending Account Benefit specified in Section 4.2 (subject, however, to ARTICLE V governing participant elections and change in status). Eligible Employees who (a) choose to participate in the health insurance option that is not a high-deductible health plan option for a Plan Year, or (b) choose to participate in the high-deductible health plan option for a Plan Year but are otherwise not "eligible individuals" under Code Section 223, are eligible to participate in the General Purpose Health Flexible Spending Account Benefit specified in Section 4.2 for that Plan Year, and are not eligible to participate in the Health Savings Account Benefit specified in Section 4.8 (subject, however, to ARTICLE V governing participant elections and change in status).

2.2 EFFECTIVE DATE OF PARTICIPATION

An Eligible Employee shall become a Participant effective as of the day following completion of the waiting period, in accordance with Section 2.1.

2.3 APPLICATION TO PARTICIPATE

Once an Employee has met the Plan's eligibility requirements, set forth in Section 2.1, the Employee may elect coverage effective as of the next day, or for any subsequent Plan Year, in accordance with the procedures described in Article V. The election shall be irrevocable until the end of the applicable Plan Year unless the Participant is entitled to change his Benefit elections pursuant to Section 5.4 hereof.

2.4 TERMINATION OF PARTICIPATION

A Participant shall no longer participate in this Plan upon the occurrence of any of the following events:

(a) **Termination of employment.** The Participant's termination of employment, subject to the provisions of Section 2.6;

(b) **Change in employment status.** The end of the Plan Year during which the Participant became a limited Participant because of a change in employment status pursuant to Section 2.5;

(c) **Death.** The Participant's death, subject to the provisions of Section 2.7; or

(d) **Termination of the Plan.** The termination of this Plan, subject to the provisions of Section 11.2.

2.5 CHANGE OF EMPLOYMENT STATUS

If a Participant ceases to be eligible to participate because of a change in employment status or classification (other than through termination of employment), the Participant shall become a limited Participant in this Plan for the remainder of the Plan Year in which such change of employment status occurs. As a limited Participant, no further Salary Redirection may be made on behalf of the Participant, and, except as otherwise provided herein, all further Benefit elections shall cease, subject to the limited Participant's right to continue coverage under any Insurance Contracts. Subject to the provisions of Section 2.6, if the limited Participant later becomes an Eligible Employee, then the limited Participant may again become a full Participant in this Plan, provided he otherwise satisfies the participation requirements set forth in this ARTICLE II as if he were a new Employee and made an election in accordance with Section 5.1.

2.6 TERMINATION OF EMPLOYMENT

If a Participant's employment with the Employer is terminated for any reason other than death, his participation in the Benefit Options provided under Section 4.1 shall be governed in accordance with the following:

(a) **Insurance Benefit.** With regard to Benefits provided under Section 4.1(2), the Participant's participation in the Plan shall cease, subject to the Participant's right to continue coverage under any Insurance Contract or self-funded benefit, if any, for which premiums have already been paid.

(b) **Health Flexible Savings Accounts.** Subject to an eligible individual's valid election for COBRA coverage (see paragraph (c) below), with regard to the Health Flexible Spending Account, the Participant's participation in the Plan shall cease as of the day the Participant terminates employment with the Employer, and no further Salary Redirection contributions shall be made. However, such Participant may submit claims for reimbursement of Medical Expenses incurred through the last day of employment provided such claim is submitted by September 30 following the close of the Plan Year.

(c) **COBRA applicability.** With regard to the Health Flexible Spending Account, the Participant may submit claims for expenses that were incurred during the portion of the Plan Year before the end of the period for which payments to the Health Flexible Spending Account have already been made. Thereafter, the health benefits under this Plan including the

Health Flexible Spending Account shall be applied and administered consistent with such further rights a Participant and his Dependents may be entitled to pursuant to Code Section 4980B and Section 11.13 of the Plan. Specifically, such individuals will be eligible for COBRA continuation coverage only if, under Section 6.6, they have a positive Health Flexible Spending Account balance at the time of a COBRA qualifying event (taking into account all claims submitted before the date of the qualifying event). Such individuals will be notified if they are eligible for COBRA continuation coverage. If COBRA is elected, it will be available only for the remainder of the Plan Year in which the qualifying event occurs; such COBRA coverage for the Health Flexible Spending component will cease at the end of the Plan Year and cannot be continued for the next Plan Year, except that qualified beneficiaries who continue coverage through the end of the Plan Year may carry over up to the maximum carryover amount of unused Health Flexible Spending Account amounts remaining at the end of such Plan Year in accordance with the Plan's provisions regarding Health Flexible Spending Account carryovers (see Section 6.4(d)). Such continuation coverage shall be subject to all conditions and limitations under COBRA.

2.7 DEATH

If a Participant dies, his participation in the Plan shall cease. However, such Participant's Spouse or Dependents may submit claims for expenses or benefits for the remainder of the Plan Year or until the Cafeteria Plan Benefit Dollars allocated to each specific benefit are exhausted. In no event may reimbursements be paid to someone who is not a Spouse or Dependent. If the Plan is subject to the provisions of Code Section 4980B, then those provisions and related regulations shall apply for purposes of the Health Flexible Spending Account.

ARTICLE III
CONTRIBUTIONS TO THE PLAN

3.1 SALARY REDIRECTION

Benefits under the Plan shall be financed by Salary Redirections sufficient to support Benefits that a Participant has elected hereunder and to pay the Participant's Premium Expenses. The salary administration program of the Employer shall be revised to allow each Participant to agree to reduce his pay during a Plan Year by an amount determined necessary to purchase the elected Benefit Options. The amount of such Salary Redirection shall be specified in the Salary Redirection Agreement and shall be applicable for a Plan Year. Notwithstanding the above, for new Participants, the Salary Redirection Agreement shall only be applicable from the first day of the pay period following the Employee's entry date up to and including the last day of the Plan Year. These contributions shall be converted to Cafeteria Plan Benefit Dollars and allocated to the funds or accounts established under the Plan pursuant to the Participants' elections made under ARTICLE V.

Any Salary Redirection shall be determined prior to the beginning of a Plan Year (subject to initial elections pursuant to Section 5.1) and prior to the end of the Election Period and shall be irrevocable for such Plan Year. However, a Participant may revoke a Benefit election or a Salary Redirection Agreement after the Plan Year has commenced and make a new election with respect to the remainder of the Plan Year, if both the revocation and the new election are on account of and consistent with a change in status and such other permitted events as determined under

ARTICLE V of the Plan and consistent with the rules and regulations of the Department of the Treasury. Salary Redirection amounts shall be contributed on a pro rata basis for each pay period during the Plan Year. All individual Salary Redirection Agreements are deemed to be part of this Plan and incorporated by reference hereunder.

3.2 APPLICATION OF CONTRIBUTIONS

As soon as reasonably practical after each payroll period, the Employer shall apply the Salary Redirection to provide the Benefits elected by the affected Participants. Any contribution made or withheld for the Health Flexible Spending Account shall be credited to such fund or account. Amounts designated for the Participant's Premium Expense Reimbursement Account shall likewise be credited to such account for the purpose of paying Premium Expenses.

3.3 PERIODIC CONTRIBUTIONS

Notwithstanding the requirement provided above and in other Articles of this Plan that Salary Redirections be contributed to the Plan by the Employer on behalf of an Employee on a level and pro rata basis for each payroll period, the Employer and Administrator may implement a procedure in which Salary Redirections are contributed throughout the Plan Year on a periodic basis that is not pro rata for each payroll period. However, with regard to the Health Flexible Spending Account, the payment schedule for the required contributions may not be based on the rate or amount of reimbursements during the Plan Year.

ARTICLE IV
BENEFITS

4.1 BENEFIT OPTIONS

Each Participant may elect any one or more of the following optional Benefits:

(1) Health Flexible Spending Account Benefit

(2) Insurance Premium Payment Plan

- (i) Health Insurance Benefit
- (ii) Dental Insurance Benefit
- (iii) Vision Insurance Benefit

(3) Health Savings Account Benefit

4.2 HEALTH FLEXIBLE SPENDING ACCOUNT BENEFIT

The Health Flexible Spending Account Benefit consists of two options: the General Purpose Health Flexible Spending Account and the Limited Purpose Health Flexible Spending Account.

Each Participant who (a) chooses to participate in the health insurance option that is not a high-deductible health plan option for a Plan Year, or (b) chooses to participate in the high-deductible health plan option for a Plan Year but is otherwise not an "eligible individual" under Code Section 223 may elect to participate in the General Purpose Health Flexible Spending Account.

Otherwise, the Participant may elect to enroll in the Limited Purpose Health Flexible Spending Account Benefit for that Plan Year, and unused amounts remaining in the Participant's General Purpose Health Flexible Spending Account Benefit at the end of the preceding Plan Year that are available for carryover as provided in Article VI, if any, will be automatically carried over to that Limited Purpose Health Flexible Spending Account.

In each case, ARTICLE VI shall apply.

4.3 HEALTH INSURANCE BENEFIT

(a) **Coverage for Participant and Dependents.** Each Participant may elect to be covered under a health Insurance Contract for the Participant, his or her Spouse, and his or her Dependents.

(b) **Employer selects contracts.** The Employer may select suitable health Insurance Contracts for use in providing this health insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated**, **by reference.** The rights and conditions with respect to the benefits payable from such health Insurance Contract shall be determined therefrom, and such health Insurance Contract shall be incorporated herein by reference.

4.4 DENTAL INSURANCE BENEFIT

(a) **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's dental Insurance Contract. In addition, the Participant may elect either individual or family coverage under such dental Insurance Contract.

(b) **Employer selects contracts.** The Employer may select suitable dental Insurance Contracts for use in providing this dental insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such dental Insurance Contract shall be determined therefrom, and such dental Insurance Contract shall be, incorporated herein by reference.

4.5 VISION INSURANCE BENEFIT

(a) **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's vision Insurance Contract. In addition, the Participant may elect either individual or family coverage.

(b) **Employer selects contracts.** The Employer may select suitable vision Insurance Contracts for use in providing this vision insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such vision Insurance Contract shall be determined therefrom, and such vision Insurance Contract shall be incorporated herein by reference.

4.6 HEALTH SAVINGS ACCOUNT BENEFIT

Each Participant that chooses to participate in the health insurance option that is a high-deductible health plan option for a Plan Year and who is otherwise an "eligible individual" under Code Section 223 may elect to have a portion of his Salary Redirections contributed to a Health Savings Account, as defined in Code Section 223, in which case Article VII shall apply. The amounts contributed shall be subject to the terms of the Health Savings Account as established.

Health Savings Account Benefits cannot be elected with the Health Flexible Spending Account Benefits unless the Limited Purpose Health Flexible Spending Account option is selected. In other words, the Health Savings Account Benefit cannot be selected with the General Purpose Health Flexible Spending Account Benefit.

4.7 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Plan to provide benefits to a classification of employees which the Secretary of the Treasury finds not to be discriminatory in favor of the group in whose favor discrimination may not occur under Code Section 125.

(b) **Twenty-five percent (25%) concentration test.** It is the intent of this Plan not to provide qualified benefits as defined under Code Section 125 to Key Employees in amounts that exceed twenty-five percent (25%) of the aggregate of such Benefits provided for all Eligible Employees under the Plan. For purposes of the preceding sentence, qualified benefits shall not include benefits which (without regard to this paragraph) are includible in gross income.

(c) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to Key Employees or a group of employees in whose favor discrimination may not occur in violation of Code Section 125, it may, but shall not be required to, reject any election or reduce contributions or non-taxable Benefits in order to assure compliance with this Section 4.9. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any election or reduce contributions or non-taxable Benefits, it shall be done in the following manner. First, the non-taxable Benefits of the affected Participant (either an employee who is highly compensated or a Key Employee, whichever is applicable) who has the highest amount of non-taxable Benefits for the Plan Year shall have his non-taxable Benefits reduced until the discrimination tests set forth in this Section are satisfied or until the amount of his non-taxable Benefits equals the non-taxable Benefits of the affected Participant who has the second highest amount of non-taxable Benefits. This process shall continue until the nondiscrimination tests set forth in this Section are satisfied. With respect to any affected Participant who has had Benefits reduced pursuant to this Section, the reduction shall be made proportionately among Health Flexible Spending Account Benefits and Dependent Care Flexible Spending Account Benefits, and once all these Benefits are expended, proportionately among self-funded Benefits. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and deposited into the benefit plan surplus.

ARTICLE V
PARTICIPANT ELECTIONS

5.1 INITIAL ELECTIONS

An Employee who meets the eligibility requirements of Section 2.1 on the first day of, or during, a Plan Year may elect to participate in this Plan for all or the remainder of such Plan Year, provided he elects to do so on or before his effective date of participation pursuant to Section 2.2.

5.2 SUBSEQUENT ANNUAL ELECTIONS

During the Election Period prior to each subsequent Plan Year, each Participant shall be given the opportunity to elect, on an election of benefits form to be provided by the Administrator, which Benefit options he wishes to select. Any such election shall be effective for any Benefit expenses incurred during the Plan Year which follows the end of the Election Period. With regard to subsequent annual elections, the following options shall apply:

(a) A Participant or Employee who failed to initially elect to participate may elect different or new Benefits under the Plan during the Election Period;

(b) A Participant may terminate his participation in the Plan by notifying the Administrator in writing during the Election Period that he does not want to participate in the Plan for the next Plan Year, or by not electing any Benefit Options;

(c) An Employee who elects not to participate for the Plan Year following the Election Period will have to wait until the next Election Period before again electing to participate in the Plan, except as provided for in Section 5.4.

5.3 FAILURE TO ELECT

For any Participant failing to complete an election of benefits form pursuant to Section 5.2 by the end of the applicable Election Period, such failure to complete shall be deemed to be an election to not participate and to discontinue participation in such benefit option provided hereunder. In other words, participation requires an affirmative election to participate or to continue participation.

5.4 CHANGE IN STATUS

(a) **Change in status defined.** Any Participant may change a Benefit election after the Plan Year (to which such election relates) has commenced and make new elections with respect to the remainder of such Plan Year if, under the facts and circumstances, the changes are necessitated by and are consistent with a change in status which is acceptable under rules and regulations adopted by the Department of the Treasury, the provisions of which are incorporated by reference. Notwithstanding anything herein to the contrary, if the rules and regulations conflict with the provisions of the Plan, then such rules and regulations shall control.

In general, a change in election is not consistent if the change in status is the Participant's divorce, annulment or legal separation from a Spouse, the death of a Spouse or Dependent, or a Dependent ceasing to satisfy the eligibility requirements for coverage, and the Participant's election under the Plan is to cancel accident or health insurance coverage for any individual other than the one involved in such event. In addition, if the Participant, Spouse or Dependent gains or loses eligibility for coverage, then a Participant's election under the Plan to cease or decrease coverage for that individual under the Plan corresponds with that change in status only if coverage for that individual becomes applicable or is increased under the family member plan.

Regardless of the consistency requirement, if the individual, the individual's Spouse, or Dependent becomes eligible for continuation coverage under the Employer's group health plan as provided in Code Section 4980B or any similar state law, then the individual may elect to increase payments under this Plan in order to pay for the continuation coverage. However, this does not apply for COBRA eligibility due to divorce, annulment or legal separation.

Any new election shall be effective at such time as the Administrator shall prescribe, but not earlier than the first pay period beginning after the election form is completed and returned to the Administrator. For the purposes of this subsection, a change in status shall only include the following events or other events permitted by Treasury regulations:

(1) Legal Marital Status: events that change a Participant's legal marital status, including marriage, divorce, death of a Spouse, legal separation or annulment;

(2) Number of Dependents: Events that change a Participant's number of Dependents, including birth, adoption, placement for adoption, or death of a Dependent;

(3) Employment Status: Any of the following events that change the employment status of the Participant, Spouse, or Dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, or a change in worksite. In addition, if the eligibility conditions of this Plan or other employee benefit plan of the Employer of the Participant, Spouse, or Dependent depend on the employment status of that individual and there is a change in that individual's employment status with the consequence that the individual becomes (or ceases to be) eligible under the plan, then that change constitutes a change in employment under this subsection;

(4) Dependent satisfies or ceases to satisfy the eligibility requirements: An event that causes the Participant's Dependent to satisfy or cease to satisfy the requirements for coverage due to attainment of age, student status, or any similar circumstance; and

(5) Residency: A change in the place of residence of the Participant, Spouse or Dependent, that would lead to a change in status (such as a loss of HMO coverage).

For the Dependent Care Flexible Spending Account, a Dependent becoming or ceasing to be a "Qualifying Dependent" as defined under Code Section 21(b) shall also qualify as a change in status.

Notwithstanding anything in this Section to the contrary, the gain of eligibility or change in eligibility of a child, as allowed under Code Sections 105(b) and 106, and IRS Notice 2010-38, shall qualify as a change in status.

(b) **Special enrollment rights.** Notwithstanding subsection (a), a Participant may change an election for accident or health coverage during a Plan Year and make a new election that corresponds with the special enrollment rights provided in Code Section 9801(f), including those authorized under the provisions of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA); provided that such Participant meets the sixty (60) day notice requirement imposed by Code Section 9801(f) (or such longer period as may be permitted by the Plan and communicated to Participants). Such change shall take place on a prospective basis, unless otherwise required by Code Section 9801(f) to be retroactive.

(c) **Qualified Medical Support Order.** Notwithstanding subsection (a), in the event of a judgment, decree, or order (including approval of a property settlement) ("order") resulting from a divorce, legal separation, annulment, or change in legal custody (including a qualified medical child support order defined in ERISA Section 609) which requires accident or health coverage for a Participant's child (including a foster child who is a Dependent of the Participant):

(1) The Plan may change an election to provide coverage for the child if the order requires coverage under the Participant's plan; or

(2) The Participant shall be permitted to change an election to cancel coverage for the child if the order requires the former Spouse to provide coverage for such child, under that individual's plan and such coverage is actually provided.

(d) **Medicare or Medicaid.** Notwithstanding subsection (a), a Participant may change elections to cancel accident or health coverage for the Participant or the Participant's Spouse or Dependent if the Participant or the Participant's Spouse or Dependent is enrolled in the accident or health coverage of the Employer and becomes entitled to coverage (i.e., enrolled) under Part A or Part B of the Title XVIII of the Social Security Act (Medicare) or Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928 of the Social Security Act (the program for distribution of pediatric vaccines). If the Participant or the Participant's Spouse or Dependent who has been entitled to Medicaid or Medicare coverage loses eligibility, that individual may prospectively elect coverage under the Plan if a benefit package option under the Plan provides similar coverage.

(e) **Cost increase or decrease.** If the cost of a Benefit provided under the Plan increases or decreases during a Plan Year, then the Plan shall automatically increase or decrease, as the case may be, the Salary Redirections of all affected Participants for such Benefit. Alternatively, if the cost of a benefit package option increases significantly, the Administrator shall permit the affected Participants to either make corresponding changes in their payments or revoke their elections and, in lieu thereof, receive on a prospective basis coverage under another benefit package option with similar coverage, or drop coverage prospectively if there is no benefit package option with similar coverage.

A cost increase or decrease refers to an increase or decrease in the amount of elective contributions under the Plan, whether resulting from an action taken by the Participants or an action taken by the Employer.

(f) **Loss of coverage.** If the coverage under a Benefit is significantly curtailed or ceases during a Plan Year, affected Participants may revoke their elections of such Benefit and, in lieu thereof, elect to receive on a prospective basis coverage under another plan with similar coverage, or drop coverage prospectively if no similar coverage is offered.

(g) **Addition of a new benefit.** If, during the period of coverage, a new benefit package option or other coverage option is added, an existing benefit package option is significantly improved, or an existing benefit package option or other coverage option is eliminated, then the affected Participants may elect the newly-added option, or elect another option if an option has been eliminated prospectively and make corresponding election changes with respect to other benefit package options providing similar coverage. In addition, those Eligible Employees who are not participating in the Plan may opt to become Participants and elect the new or newly improved benefit package option.

(h) **Loss of coverage under certain other plans.** A Participant may make a prospective election change to add group health coverage for the Participant, the Participant's Spouse or Dependent if such individual loses group health coverage sponsored by a governmental or educational institution, including a state children's health insurance program under the Social Security Act, the Indian Health Service or a health program offered by an Indian tribal government, a state health benefits risk pool, or a foreign government group health plan.

(i) **Change of coverage due to change under certain other plans.** A Participant may make a prospective election change that is on account of and corresponds with a change made under the plan of a Spouse's, former Spouse's or Dependent's employer if (1) the cafeteria plan or other benefits plan of the Spouse's, former Spouse's or Dependent's employer permits its participants to make a change; or (2) the cafeteria plan permits participants to make an election for a period of coverage that is different from the period of coverage under the cafeteria plan of a Spouse's, former Spouse's or Dependent's employer.

(j) **Health Flexible Spending Account cannot change due to insurance change.** A Participant shall not be permitted to change an election to the Health Flexible Spending Account as a result of a cost or coverage change under any health insurance benefits.

(k) **Health Savings Account changes.** With regard to the Health Savings Account Benefit specified in Section 4.6, a Participant who has elected to make elective contributions under such arrangement may modify or revoke the election prospectively, provided such change is consistent with Code Section 223 and the Treasury regulations thereunder.

(l) **Exchange Enrollment (Applies Only to Premium Expense benefits for the Health Insurance Benefit)**. If one or more of a Participant's related individuals are eligible to enroll for coverage in a government-sponsored Exchange (Marketplace) during an Exchange special or annual open enrollment period, the Participant may prospectively revoke an election for health insurance plan coverage for the individual or individuals (and switch to self-only coverage or family coverage including one or more other related individuals), provided that the Participant certifies that the individuals whose coverage is being revoked have enrolled or intend to enroll in new Exchange coverage that is effective no later than the day immediately following the last day of their health insurance plan coverage.

ARTICLE VI
HEALTH FLEXIBLE SPENDING ACCOUNT

6.1 ESTABLISHMENT OF PLAN

The Health Flexible Spending Account is intended to qualify as a medical reimbursement plan under Code Section 105 and shall be interpreted in a manner consistent with such Code Section and the Treasury regulations thereunder. Participants who elect to participate in the Health Flexible Spending Account may submit claims for the reimbursement of Medical Expenses. All amounts reimbursed shall be periodically paid from amounts allocated to the Health Flexible Spending Account. Periodic payments reimbursing Participants from the Health Flexible Spending Account shall in no event occur less frequently than monthly.

6.2 DEFINITIONS

For the purposes of this Article, the terms below have the following meaning:

(a) **"Health Flexible Spending Account"** means the account established for Participants pursuant to this Plan to which part of their Cafeteria Plan Benefit Dollars may be allocated and from which all allowable Medical Expenses incurred by a Participant, his or her Spouse and his or her Dependents may be reimbursed.

(b) **"Highly Compensated Participant"** means, for the purposes of this ARTICLE VI and determining discrimination under Code Section 105(h), a Participant who is:

(1) one of the five (5) highest paid officers;

(2) a shareholder who owns (or is considered to own applying the rules of Code Section 318) more than ten percent (10%) in value of the stock of the Employer; or

(3) among the highest paid twenty-five percent (25%) of all Employees (other than exclusions permitted by Code Section 105(h)(3)(B) for those individuals who are not Participants).

(c) **"Medical Expenses"** will vary depending on which Health Flexible Spending Account option the Participant has elected.

For purposes of the General Purpose Health Flexible Spending Account option, "Medical Expenses" means any expense for medical care within the meaning of the term "medical care" as defined in Code Section 213(d) and the rulings and Treasury regulations thereunder, and not otherwise used by the Participant as a deduction in determining his tax liability under the Code. "Medical Expenses" can be incurred by the Participant, his or her Spouse and his or her Dependents. "Incurred" means, with regard to Medical Expenses, when the Participant is provided with the medical care that gives rise to the Medical Expense and not when the Participant is formally billed or charged for, or pays for, the medical care.

A Participant may not be reimbursed for the cost of other health coverage such as premiums paid under plans maintained by the employer of the Participant's Spouse or individual policies maintained by the Participant or his Spouse or Dependent.

A Participant may not be reimbursed for "qualified long-term care services" as defined in Code Section 7702B(c).

Unless otherwise prohibited by law, notwithstanding any other provision in the Plan to the contrary, medicines or drugs that are sold lawfully without a prescription need not be prescribed to qualify as Medical Expenses reimbursable under the Plan's Health Flexible Spending Account. In addition, expenses for menstrual care products incurred by the Participant or his or her Spouse or Dependents, unless otherwise prohibited by law, shall qualify as Medical Expenses. For this purpose, menstrual care product means a tampon, pad, liner, cup, sponge, or similar product used by individuals with respect to menstruation or other genital-tract secretions

For purposes of the Limited Purpose Health Flexible Spending Account option, Medical Expenses means expenses incurred by a Participant or his or her Spouse or Dependents for medical care as defined in Code Section 213(d) and as further described under the General Purpose Health Flexible Spending Account option provided, however, that such expenses are for vision care, dental care, or preventive care (as defined in Code Section 223(c)) only.

(d) The definitions of ARTICLE I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of the Health Flexible Spending Account.

6.3 FORFEITURES

Except as otherwise provided in Section 6.4, the amount in the Health Flexible Spending Account as of the end of any Plan Year (and after the processing of all claims for such Plan Year pursuant to Section 6.6 hereof) shall be forfeited and credited to the benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason, subject to Section 8.2.

6.4 LIMITATION ON ALLOCATIONS

(a) Notwithstanding any provision contained in the Health Flexible Spending Account to the contrary, the maximum amount that may be allocated to the Health Flexible Spending Account by a Participant in or on account of any Plan Year shall be the lesser of:

(1) the maximum Health Flexible Spending Account amount limit established by the Employer as set forth in enrollment materials communicated to Employees during the applicable Election Period; or

(2) the statutory limit as established under Code Section 125(i).

(b) **Cost of Living Adjustment.** In no event shall the amount of salary redirections on the Health Flexible Spending Account exceed $3,400 (for 2026) as adjusted by law. Such amount shall he adjusted for increases in the cost-of-living in accordance with Code Section 125(i)(2). The cost-of-living adjustment in effect for a calendar year applies to any Plan Year beginning with or within such calendar year. The dollar increase in effect on January 1 of any calendar year shall be effective for the Plan Year beginning with or within such calendar year. For any short Plan Year, the limit shall be an amount equal to the limit for the calendar year in which the Plan Year begins multiplied by the ratio obtained by dividing the number of full months in the short Plan Year by twelve (12).

(c) **Participation in Other Plans.** All employers that are treated as a single employer under Code Sections 414(b), (c), or (m), relating to controlled groups and affiliated service groups, are treated as a single employer for purposes of the $3,400 (for 2026) limit. If a Participant participates in multiple cafeteria plans offering health flexible spending accounts maintained by members of a controlled group or affiliated service group, the Participant's total Health Flexible Spending Account contributions under all of the cafeteria plans are limited to $3,400 (for 2023) (as adjusted). However, a Participant employed by two or more employers that are not members of the same controlled group may elect up to $3,400 (for 2026) (as adjusted) under each employer's Health Flexible Spending Account.

(d) **Carryovers.** Notwithstanding any other provision of the Plan to the contrary, unused amounts (including Employer Discretionary Contributions) of up to $680 remaining in a Participant's Health Flexible Spending Account at the end of a Plan Year can be carried over and used to reimburse the Participant for Medical Expenses that are incurred during the next Plan Year, subject to the following conditions:

(1) For Plan Years beginning after 2026, the maximum carryover amount may be changed by the Plan Administrator and shall be communicated to Employees through enrollment materials, provided that the maximum carryover amount shall not exceed 20% of the maximum amount permitted under Code Section 125(i). Carryover amounts may not be cashed out or converted to any other taxable or nontaxable benefit, and will not county toward the maximum dollar limit under Sections 6.4(a), (b) and (c) above.

(2) A Participant who is otherwise eligible for the Health Flexible Spending Account for a Plan Year but does not make a Health Flexible Spending Account election for that Plan Year may use any carryovers from the preceding Plan Year for Medical

Expenses incurred in the current or preceding Plan Year (as further provided herein). However, an Employee or other individual must be a participant in the Health Flexible Spending Account as of the last day of a Plan Year in order to carry over unused amounts to the next Plan Year. Termination of employment and cessation of eligibility will result in a loss of carryover eligibility unless a COBRA election is made (see Section 2.6(c)).

(3) A Participant who chooses to participate in the high-deductible health plan option for a Plan Year and who is otherwise an "eligible individual" under Code Section 223 is eligible to participate in the Health Savings Account Benefit specified in Section 4.7 for that Plan Year, and is not eligible to participate in the General Purpose Health Flexible Spending Account Benefit specified in Section 4.2. Unused amounts remaining in such Participant's General Purpose Health Flexible Spending Account at the end of the preceding Plan Year that are available for carryover, if any, will be automatically carried over to that Limited Purpose Health Flexible Spending Account. However, the Participant may continue to submit claims for general-purpose Medical Expenses incurred during the preceding Plan Year until September 30 of the following Plan Year, to be reimbursed from the Participant's available General Purpose Health Flexible Spending Account amounts for the preceding Plan Year. In addition, a Participant may elect prior to the beginning of a Plan Year to waive the carryover from the preceding Plan Year in accordance with procedures established by the Plan Administrator, if any. A Participant who waives the carryover may continue to submit claims for Medical Care Expenses incurred during the preceding Plan Year until September 30 of the following Plan Year, to be reimbursed from the Participant's available Health Flexible Spending Account amounts.

(4) Medical Expenses incurred during a Plan Year will be reimbursed first from a Participant's unused amounts credited for that Plan Year and then from amounts carried over from the preceding Plan Year. Carryovers that are used to reimburse a current Plan Year expense will reduce the amount available to pay the Participant's preceding Plan Year expenses, cannot exceed the maximum carryover amount, and will count against the maximum carryover amount.

(5) If unused Health Flexible Spending Account amounts remain for a Plan Year after all reimbursements have been made for that Plan Year in excess of the amount that can be carried over under this subsection (d), the Participant will forfeit all rights with respect to those amounts, which will be subject to the Plan's provisions regarding forfeitures in Section 6.3.

(e) **Employer Contribution.** For each Plan Year that a Participant (a) chooses to participate in the health insurance option that is not a high-deductible health plan option for a Plan Year or (b) chooses to participate in the high-deductible health plan option for a Plan Year but is otherwise not an "eligible individual" under Code Section 223, the Employer may, in its sole discretion, credit an Employer Discretionary Contribution of up to $500 to such Participant's General Purpose Health Flexible Spending Account as of the first day of the Plan Year (or as soon thereafter as administratively practicable).

(1) The Employer may determine the Employer Discretionary Contribution amount (if any) for a Plan Year, provided that the amount does not exceed $500 per Participant per Plan Year.

(2) For a Participant who becomes eligible for and enrolls in the General Purpose Health Flexible Spending Account after the first day of the Plan Year, the Employer Discretionary Contribution will be pro-rated based on the number of full months remaining in the Plan Year as of the Participant's effective date of coverage.

(3) No additional conditions or requirements apply to the receipt or use of the Employer Discretionary Contribution, except as expressly provided in this Section and otherwise under the terms of the Health Flexible Spending Account.

(4) The Employer retains sole and absolute discretion to determine the amount and timing of Employer Discretionary Contributions for any Plan Year, subject to the maximum limit and the pro-ration provisions described above.

(5) Under no circumstances may any unused Employer Discretionary Contribution be cashed out or converted to any other taxable or nontaxable benefit, nor may it be used for any purpose other than reimbursement of Code §213(d) medical care expenses in accordance with the Health Flexible Spending Account's terms.

6.5 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of the Health Flexible Spending Account not to discriminate in violation of the Code and the Treasury regulations thereunder.

(b) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination under the Health Flexible Spending Account, it may, but shall not be required to, reject any elections or reduce contributions or Benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any elections or reduce contributions or Benefits, it shall be done in the following manner. First, the Benefits designated for the Health Flexible Spending Account by the member of the group in whose favor discrimination may not occur pursuant to Code Section 105 that elected to contribute the highest amount to the fund for the Plan Year shall be reduced until the nondiscrimination tests set forth in this Section or the Code are satisfied, or until the amount designated for the fund equals the amount designated for the fund by the next member of the group in whose favor discrimination may not occur pursuant to Code Section 105 who has elected the second highest contribution to the Health Flexible Spending Account for the Plan Year. This process shall continue until the nondiscrimination tests set forth in this Section or the Code are satisfied. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and credited to the benefit plan surplus.

6.6 HEALTH FLEXIBLE SPENDING ACCOUNT CLAIMS

(a) **Expenses must be incurred during Plan Year.** All Medical Expenses incurred by a Participant, his or her Spouse and his or her Dependents during the Plan Year shall be reimbursed during the Plan Year for which a current election is in force, or for which Health Flexible Spending Account benefits are otherwise available as a result of a carryover as provided in Section 6.4(d). Medical Expenses are treated as having been incurred when the Participant is provided with the medical care that gives rise to the medical expenses, not when the Participant is formally billed or charged for, or pays for the medical care.

(b) **Reimbursement available throughout Plan Year.** The Administrator shall direct the reimbursement to each eligible Participant for all allowable Medical Expenses, up to a maximum of the amount designated by the Participant for the Health Flexible Spending Account for the Plan Year (increased by any carryovers as provided in Section 6.4(d)). Reimbursements shall be made available to the Participant throughout the year without regard to the level of Cafeteria Plan Benefit Dollars which have been allocated to the fund at any given point in time. Furthermore, a Participant shall be entitled to reimbursements only for amounts in excess of any payments or other reimbursements under any health care plan covering the Participant and/or his Spouse or Dependents.

(c) **Payments.** Reimbursement payments under this Plan shall be made directly to the Participant. However, in the Administrator's discretion, payments may be made directly to the service provider. The application for payment or reimbursement shall be made to the Administrator on an acceptable form within a reasonable time of incurring the debt or paying for the service. The application shall include a written statement from an independent third party stating that the Medical Expense has been incurred and the amount of such expense. Furthermore, the Participant shall provide a written statement that the Medical Expense has not been reimbursed or is not reimbursable under any other health plan coverage and, if reimbursed from the Health Flexible Spending Account, such amount will not be claimed as a tax deduction. The Administrator shall retain a file of all such applications.

(d) **Claims for reimbursement.** Claims for the reimbursement of Medical Expenses incurred in any Plan Year shall be paid as soon after a claim has been filed as is administratively practicable; provided however, that if a Participant fails to submit a claim by September 30 following the close of the Plan Year, those Medical Expense claims shall not be considered for reimbursement by the Administrator.

6.7 DEBIT AND CREDIT CARDS

Participants may, subject to a procedure established by the Administrator and applied in a uniform nondiscriminatory manner, use debit and/or credit (stored value) cards ("cards") provided by the Administrator and the Plan for payment of Medical Expenses, subject to the following terms:

(a) **Card only for medical expenses.** Each Participant issued a card shall certify that such card shall only be used for Medical Expenses. The Participant shall also certify that any Medical Expense paid with the card has not already been reimbursed by any other plan covering health benefits and that the Participant will not seek reimbursement from any other plan covering health benefits.

(b) **Card issuance.** Such card shall be issued upon the Participant's effective date of participation pursuant to Section 2.2 and reissued for each Plan Year the Participant remains a Participant in the Health Flexible Spending Account. Such card shall be automatically cancelled upon the Participant's death or termination of employment, or if such Participant has a change in status that results in the Participant's withdrawal from the Health Flexible Spending Account.

(c) **Maximum dollar amount available.** The dollar amount of coverage available on the card shall be the amount elected by the Participant for the Plan Year. The maximum dollar amount of coverage available shall be the maximum amount for the Plan Year as set forth in Section 6.4.

(d) **Only available for use with certain service providers**. The cards shall only be accepted by such merchants and service providers as have been approved by the Administrator following IRS guidelines.

(e) **Card use.** The cards shall only be used for Medical Expense purchases at these providers, including, but not limited to, the following:

(1) Co-payments for doctor and other medical care;

(2) Purchase of drugs prescribed by a health care provider, including, if permitted by the Administrator, over-the-counter medications as allowed under IRS regulations;

(3) Purchase of medical items such as eyeglasses, syringes, crutches, etc.

(f) **Substantiation.** Such purchases by the cards shall be subject to substantiation by the Administrator, usually by submission of a receipt from a service provider describing the service, the date and the amount. The Administrator shall also follow the requirements set forth in Revenue Ruling 2003-43 and Notice 2006-69. All charges shall be conditional pending confirmation and substantiation.

(g) **Correction methods.** If such purchase is later determined by the Administrator to not qualify as a Medical Expense, the Administrator, in its discretion, shall use one of the following correction methods to make the Plan whole. Until the amount is repaid, the Administrator shall take further action to ensure that further violations of the terms of the card do not occur, up to and including denial of access to the card.

(1) Repayment of the improper amount by the Participant;

(2) Withholding the improper payment from the Participant's wages or other compensation to the extent consistent with applicable federal or state law;

(3) Claims substitution or offset of future claims until the amount is repaid; and

(4) if subsections (1) through (3) fail to recover the amount, consistent with the Employer's business practices, the Employer may treat the amount as any other business indebtedness.

ARTICLE VII
HEALTH SAVINGS ACCOUNT BENEFIT

7.1 HEALTH SAVINGS ACCOUNT BENEFITS

An Eligible Employee can elect to participate in the Health Savings Account Benefit by electing to make contributions on a pre-tax basis to the account established and maintained outside the Plan by a trustee/custodian to which the Employer can forward contributions to be deposited (this funding feature constitutes the Health Savings Account Benefit offered under this Plan). As described in Section 5.4(l), such election can be modified or revoked prospectively, provided such change is consistent with Code Section 223 and the Treasury regulations thereunder.

Health Savings Account Benefits cannot be elected with the Health Flexible Spending Account Benefit unless the Limited Purpose Health Flexible Spending Account option is selected.

7.2 MAXIMUM LIMITS

The amount contributed to a Participant's Health Savings Account Benefit may not exceed the statutory maximum amount for Health Savings Account contributions applicable to the Participant's high-deductible health insurance option for the calendar year in which the contribution is made. An additional catch-up contribution of $1,000 may be made for Participants who are age 55 or older.

In addition, the maximum shall be:

(a) Reduced by any matching (or other) Employer contributions made on the Participant's behalf,

(b) Prorated for the number of months in which the Participant is a Health Savings Account eligible individual under Code Section 223.

7.3 RECORDING CONTRIBUTIONS FOR THE HEALTH SAVINGS ACCOUNT

The Administrator will maintain records to keep track of contributions to the Health Savings Account by a Participant, but it will not create a separate fund or otherwise segregate assets for this purpose. The Employer has no authority over the funds deposited in the Health Savings Account.

7.4 TAX TREATMENT OF HEALTH SAVINGS ACCOUNT CONTRIBUTIONS AND DISTRIBUTIONS

The federal income tax treatment of the Health Savings Account (including contributions and distributions) is governed by Code Section 223.

7.5 TRUST/CUSTODIAL AGREEMENT; HEALTH SAVINGS ACCOUNT NOT INTENDED TO BE AN ERISA PLAN

Health Savings Account Benefits under this Plan consist solely of the ability to make contributions to the Health Savings Account Benefit on a pre-tax Salary Redirection basis. Terms and conditions of coverage and benefits (e.g., eligible medical expenses, claims procedures, etc.) will be provided by and are set forth in the Health Savings Account, not this Plan.

The Health Savings Account is not an Employer-sponsored employee benefit plan. It is a savings account that is established and maintained by a Health Savings Account trustee/custodian outside this Plan to be used primarily for reimbursement of "qualified eligible medical expenses" as set forth in Code Section 223(d)(2). The Employer has no authority or control over the funds deposited in the Health Savings Account. Even though this Plan may allow pre-tax Salary Redirection contributions to a Health Savings Account, the Health Savings Account is not intended to be an ERISA benefit plan sponsored or maintained by the Employer.

ARTICLE VIII
ERISA PROVISIONS

8.1 CLAIM FOR BENEFITS

(a) **Insurance claims.** Any claim for Benefits underwritten by the Insurance Contract(s) shall be made to the Insurer. If the Insurer denies the claim, the Participant or beneficiary shall follow the Insurer's claim review procedure.

(b) **Appeal.** Within sixty (60) days after receipt of the above material, the claimant shall have a reasonable opportunity to appeal the claim denial to the Administrator for a full and fair review. The claimant or his duly authorized representative may:

(1) request a review upon written notice to the Administrator;

(2) review pertinent documents; and

(3) submit issues and comments in writing.

(c) **Review of appeal.** A decision on the review by the Administrator will be made not later than sixty (60) days after receipt of a request for review, unless special circumstances require an extension of time for processing (such as the need to hold a hearing), in which event a decision should be rendered as soon as possible, but in no event later than one hundred twenty (120) days after such receipt. The decision of the Administrator shall be written and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, with specific references to the pertinent Plan provisions on which the decision is based.

(d) **Health Flexible Spending Account claims.** If a Participant fails to submit a claim under the Health Flexible Spending Account by September 30 following the close of the Plan Year, those claims shall not be considered for reimbursement by the Administrator. Once a claim is submitted, the following timetable for claims and rules below apply:

Notification of whether claim is accepted or denied	30 days
Extension due to matters beyond the control of the Plan	15 days
Insufficient information on the Claim:	
Notification of	15 days
Response by Participant	45 days
Review of claim denial	60 days

The Administrator will provide written or electronic notification of any claim denial. The notice will state:

(1) The specific reason or reasons for the denial.

(2) Reference to the specific Plan provisions on which the denial was based.

(3) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary.

(4) A description of the Plan's review procedures and the time limits applicable to such procedures. This will include a statement of the right to bring a civil action under ERISA Section 502 following a denial on review.

(5) A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claim.

(6) If the denial was based on an internal rule, guideline, protocol, or other similar criterion, the specific rule, guideline, protocol, or criterion will be provided free of charge. If this is not practical, a statement will be included that such a rule, guideline, protocol, or criterion was relied upon in making the denial and a copy will be provided free of charge to the claimant upon request.

When the Participant receives a denial, the Participant shall have one hundred eighty (180) days following receipt of the notification in which to appeal the decision. The Participant may submit written comments, documents, records, and other information relating to the Claim. If the Participant requests, the Participant shall be provided, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claim.

The period of time within which a denial on review is required to be made will begin at the time an appeal is filed in accordance with the procedures of the Plan. This timing is without regard to whether all the necessary information accompanies the filing.

A document, record, or other information shall be considered relevant to a Claim if it:

(1) was relied upon in making the claim determination;

(2) was submitted, considered, or generated in the course of making the claim determination, without regard to whether it was relied upon in making the claim determination;

(3) demonstrated compliance with the administrative processes and safeguards designed to ensure and to verify that claim determinations are made in accordance with Plan documents and Plan provisions have been applied consistently with respect to all claimants; or

(4) constituted a statement of policy or guidance with respect to the Plan concerning the denied claim.

The review will take into account all comments, documents, records, and other information submitted by the claimant relating to the Claim, without regard to whether such information was submitted or considered in the initial claim determination. The review will not afford deference to the initial denial and will be conducted by a fiduciary of the Plan who is neither the individual who made the adverse determination nor a subordinate of that individual.

(e) **Forfeitures.** Subject to Section 6.4(d), any balance remaining in the Participant's Health Flexible Spending Account as of the end of the time for claims reimbursement for each Plan Year shall be forfeited and deposited in the benefit plan surplus of the Employer pursuant to Section 6.3, whichever is applicable, unless the Participant had made a claim for such Plan Year, in writing, which has been denied or is pending; in which event the amount of the claim shall be held in his account until the claim appeal procedures set forth above have been satisfied or the claim is paid. If any such claim is denied on appeal, the amount held beyond the end of the Plan Year shall be forfeited and credited to the benefit plan surplus.

8.2 APPLICATION OF BENEFIT PLAN SURPLUS

Any forfeited amounts credited to the benefit plan surplus by virtue of the failure of a Participant to incur a qualified expense or seek reimbursement in a timely manner may, but need not be, separately accounted for after the close of the Plan Year (or after such further time specified herein for the filing of claims) in which such forfeitures arose. In no event shall such amounts be carried over to reimburse a Participant for expenses incurred during a subsequent Plan Year for the same or any other Benefit available under the Plan; nor shall amounts forfeited by a particular Participant be made available to such Participant in any other form or manner, except as permitted by Treasury regulations. Amounts in the benefit plan surplus shall be used to defray any administrative costs and experience losses or used to provide additional benefits under the Plan. No amounts attributable to the Health Savings Account shall be subject to the benefit plan surplus.

8.3 NAMED FIDUCIARY

The Administrator shall be the named fiduciary pursuant to ERISA Section 402 and shall be responsible for the management and control of the operation and administration of the Plan.

8.4 GENERAL FIDUCIARY RESPONSIBILITIES

The Administrator and any other fiduciary under ERISA shall discharge their duties with respect to this Plan solely in the interest of the Participants and their beneficiaries and

(a) for the exclusive purpose of providing Benefits to Participants and their beneficiaries and defraying reasonable expenses of administering the Plan;

(b) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and

(c) in accordance with the documents and instruments governing the Plan insofar as such documents and instruments are consistent with ERISA.

8.5 NONASSIGNABILITY OF RIGHTS

The right of any Participant to receive any reimbursement under the Plan shall not be alienable by the Participant by assignment or any other method, and shall not be subject to the rights of creditors, and any attempt to cause such right to be so subjected shall not be recognized, except to such extent as may be required by law.

ARTICLE IX
ADMINISTRATION

9.1 PLAN ADMINISTRATION

The Foundation shall be the Administrator, unless the Foundation elects otherwise. The Foundation may appoint any person, including, but not limited to, the Employees, to perform the duties of the Administrator. Any person so appointed shall signify acceptance by filing written acceptance with the Employer. Upon the resignation or removal of any individual performing the duties of the Administrator, the Foundation may designate a successor.

If the Foundation elects, the Foundation shall appoint one or more Administrators. Any person, including, but not limited to, the Employees of the Employer, shall be eligible to serve as an Administrator. Any person so appointed shall signify acceptance by filing written acceptance with the Foundation. An Administrator may resign by delivering a written resignation to the Foundation or be removed by the Foundation by delivery of written notice of removal, to take effect at a date specified therein, or upon delivery to the Administrator if no date is specified. The Foundation shall be empowered to appoint and remove the Administrator from time to time as it deems necessary for the proper administration of the Plan to ensure that the Plan is being operated for the exclusive benefit of the Employees entitled to participate in the Plan in accordance with the terms of ERISA, the Plan and the Code.

The operation of the Plan shall be under the supervision of the Administrator. It shall be a principal duty of the Administrator to see that the Plan is carried out in accordance with its terms, and for the exclusive benefit of Employees entitled to participate in the Plan. The Administrator shall have full power and discretion to administer the Plan in all of its details and determine all questions arising in connection with the administration, interpretation, and application of the Plan. The Administrator may establish procedures, correct any defect, supply any information, or reconciles any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan. The Administrator shall have all powers necessary or appropriate to accomplish the Administrator's duties under the Plan. The Administrator shall be charged with the duties of the general administration of the Plan as set forth under the Plan, including, but not limited to, in addition to all other powers provided by this Plan:

(a) To make and enforce such procedures, rules and regulations as the Administrator deems necessary or proper for the efficient administration of the Plan;

(b) To interpret the provisions of the Plan, the Administrator's interpretations thereof in good faith to be final and conclusive on all persons claiming benefits by operation of the Plan;

(c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan and to receive benefits provided by operation of the Plan;

(d) To reject elections or to limit contributions or Benefits for certain highly compensated participants if it deems such to be desirable in order to avoid discrimination under the Plan in violation of applicable provisions of the Code;

(e) To provide Employees with a reasonable notification of their benefits available by operation of the Plan and to assist any Participant regarding the Participant's rights, benefits or elections under the Plan;

(f) To keep and maintain the Plan documents and all other records pertaining to and necessary for the administration of the Plan;

(g) To review and settle all claims against the Plan, to approve reimbursement requests, and to authorize the payment of benefits if the Administrator determines such shall be paid if the Administrator decides in its discretion that the applicant is entitled to them. This authority specifically permits the Administrator to settle disputed claims for benefits and any other disputed claims made against the Plan;

(h) To establish and communicate procedures to determine whether a medical child support order is qualified under ERISA Section 609; and

(i) To appoint such agents, counsel, accountants, consultants, and other persons or entities as may be required to assist in administering the Plan.

Any procedure, discretionary act, interpretation or construction taken by the Administrator shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to comply with the terms of Code Section 125 and the Treasury regulations thereunder.

9.2 EXAMINATION OF RECORDS

The Administrator shall make available to each Participant, Eligible Employee and any other Employee such records as pertain to their interest under the Plan for examination at reasonable times during normal business hours.

9.3 PAYMENT OF EXPENSES

Any reasonable administrative expenses shall be paid by the Employer unless the Employer determines that administrative costs shall be borne by the Participants under the Plan or by any Trust Fund which may be established hereunder. The Administrator may impose reasonable conditions for payments, provided that such conditions shall not discriminate in favor of highly compensated employees.

9.4 INSURANCE CONTROL CLAUSE

In the event of a conflict between the terms of this Plan and the terms of an Insurance Contract of an independent third party Insurer whose product is then being used in conjunction with this Plan, the terms of the Insurance Contract shall control as to those Participants receiving coverage under such Insurance Contract. For this purpose, the Insurance Contract shall control in defining the persons eligible for insurance, the dates of their eligibility, the conditions which must be satisfied to become insured, if any, the benefits Participants are entitled to and the circumstances under which insurance terminates.

9.5 INDEMNIFICATION OF ADMINISTRATOR

The Employer agrees to indemnify and to defend to the fullest extent permitted by law any Employee serving as the Administrator or as a member of a committee designated as Administrator (including any Employee or former Employee who previously served as Administrator or as a member of such committee) against all liabilities, damages, costs and expenses (including attorney's fees and amounts paid in settlement of any claims approved by the Employer) occasioned by any act or omission to act in connection with the Plan, if such act or omission is in good faith.

ARTICLE X
AMENDMENT OR TERMINATION OF PLAN

10.1 AMENDMENT

The Foundation, at any time or from time to time, may amend any or all of the provisions of the Plan without the consent of any other Employer, Employee or Participant. No amendment shall have the effect of modifying any benefit election of any Participant in effect at the time of such amendment, unless such amendment is made to comply with Federal, state or local laws, statutes or regulations.

10.2 TERMINATION

The Foundation reserves the right to terminate this Plan, in whole or in part, at any time. In the event the Plan is terminated, no further contributions shall be made. Benefits under any Insurance Contract shall be paid in accordance with the terms of the Insurance Contract.

No further additions shall be made to the Health Flexible Spending Account or Dependent Care Flexible Spending Account, but all payments from such fund shall continue to be made according to the elections in effect until ninety (90) days after the termination date of the Plan. Any amounts remaining in any such fund or account as of the end of such period shall be forfeited and deposited in the benefit plan surplus after the expiration of the filing period.

ARTICLE XI
MISCELLANEOUS

11.1 PLAN INTERPRETATION

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner. This Plan shall be read in its entirety and not severed except as provided in Section 11.11.

11.2 GENDER AND NUMBER

Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

11.3 WRITTEN DOCUMENT

This Plan, in conjunction with any, separate written document which may be required by law, is intended to satisfy the written Plain requirement of Code Section 125 and any Treasury regulations thereunder relating to cafeteria plans.

11.4 EXCLUSIVE BENEFIT

This Plan shall be maintained for the exclusive benefit of the Employees who participate in the Plan.

11.5 PARTICIPANT'S RIGHTS

This Plan shall not be deemed to constitute an employment contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant, or Employee at any time regardless of the effect which such discharge shall have upon him as a Participant of this Plan.

11.6 ACTION BY THE EMPLOYER

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

11.7 NO GUARANTEE OF TAX CONSEQUENCES

Neither the Administrator nor the Employer makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under the Plan will be excludable from the Participant's gross income for federal or state income tax purposes, or that any other federal or state tax treatment will apply to or be available to any Participant. It shall be the obligation of each Participant to determine whether each payment under the Plan is excludable from the Participant's gross income for federal and state income tax purposes, and to notify the Employer if the Participant has reason to believe that any such payment is not so excludable. Notwithstanding the foregoing, the rights of Participants under this Plan shall be legally enforceable.

11.8 INDEMNIFICATION OF EMPLOYER BY PARTICIPANTS

If any Participant receives one or more payments or reimbursements under the Plan that are not for a permitted Benefit, such Participant shall indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal or state income tax or Social Security tax from such payments or reimbursements. However, such indemnification and reimbursement shall not exceed the amount of additional federal and state income tax (plus any penalties) that the Participant would have owed if the payments or reimbursements had been made to the Participant as regular cash compensation, plus the Participant's share of any Social Security tax that would have been paid on such compensation, less any such additional income and Social Security tax actually paid by the Participant.

11.9 FUNDING

Unless otherwise required by law, contributions to the Plan need not be placed in trust or dedicated to a specific Benefit, but may instead be considered general assets of the Employer. Furthermore, and unless otherwise required by law, nothing herein shall be construed to require the Employer or the Administrator to maintain any fund or segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in, any fund, account or asset of the Employer from which any payment under the Plan may be made.

11.10 GOVERNING LAW

This Plan is governed by the Code and the Treasury regulations issued thereunder (as they might be amended from time to time). In no event shall the Employer guarantee the favorable tax treatment sought by this Plan. To the extent not preempted by Federal law, the provisions of this Plan shall be construed, enforced and administered according to the laws of the State of North Carolina.

11.11 SEVERABILITY

If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.

11.12 CAPTIONS

The captions contained herein are inserted only as a matter of convenience and for reference, and in no way define, limit, enlarge or describe the scope or intent of the Plan, nor in any way shall affect the Plan or the construction of any provision thereof.

11.13 CONTINUATION OF COVERAGE (COBRA)

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan subject to the continuation coverage requirement of Code Section 4980B becomes unavailable, each Participant will be entitled to continuation coverage as prescribed in Code Section 4980B, and related regulations. This Section shall only apply if the Employer employs at least twenty (20) employees on more than fifty percent (50%) of its typical business days in the previous calendar year.

11.14 FAMILY AND MEDICAL LEAVE ACT (FMLA)

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan becomes subject to the requirements of the Family and Medical Leave Act and regulations thereunder, this Plan shall be operated in accordance with Regulation 1.125-3.

11.15 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

Notwithstanding anything in this Plan to the contrary, this Plan shall be operated in accordance with HIPAA and regulations thereunder.

11.16 UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA)

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with the Uniform Services Employment And Reemployment Rights Act (USERRA) and the regulations thereunder.

11.17 COMPLIANCE WITH HIPAA PRIVACY STANDARDS

(a) **Application.** If any benefits under this Plan are subject to the Standards for Privacy of Individually Identifiable Health Information (45 CFR Part 164, the “Privacy Standards”), then this Section shall apply.

(b) **Disclosure of PHI.** The Plan shall not disclose Protected Health information to any member of the Employer’s workforce unless each of the conditions set out in this Section are met. “Protected Health Information” shall have the same definition as set forth in the Privacy Standards but generally shall mean individually identifiable information about the past, present or future physical or mental health or condition of an individual, including genetic information and information about treatment or payment for treatment.

(c) **PHI disclosed for administrative purposes.** Protected Health Information disclosed to members of the Employer’s workforce shall be used or disclosed by them only for purposes of Plan administrative functions. The Plan’s administrative functions shall include all

Plan payment functions and health care operations. The terms “payment” and “health care operations” shall have the same definitions as set out in the Privacy Standards, but the term “payment” generally shall mean activities taken to determine or fulfill Plan responsibilities with respect to eligibility, coverage, provision of benefits, or reimbursement for health care. Genetic information will not be used or disclosed for underwriting purposes.

(d) **PHI disclosed to certain workforce members.** The Plan shall disclose Protected Health Information only to members of the Employer’s workforce who are designated and authorized to receive such Protected Health Information, and only to the extent and in the minimum amount necessary for that person to perform his or her duties with respect to the Plan. “Members of the Employer’s workforce” shall refer to all employees and other persons under the control of the Employer. The Employer shall keep an updated list of those authorized to receive Protected Health Information.

(1) An authorized member of the Employer’s workforce who receives Protected Health Information shall use or disclose the Protected Health Information only to the extent necessary to perform his or her duties with respect to the Plan.

(2) In the event that any member of the Employer’s workforce uses or discloses Protected Health Information other than as permitted by this Section and the Privacy Standards, the incident shall be reported to the Plan’s privacy official. The privacy official shall take appropriate action, including:

(i) investigation of the incident to determine whether the breach occurred inadvertently, through negligence or deliberately; whether there is a pattern of breaches; and the degree of harm caused by the breach;

(ii) appropriate sanctions against the persons causing the breach which, depending upon the nature of the breach, may include oral or written reprimand, additional training, or termination of employment;

(iii) mitigation of any harm caused by the breach, to the extent practicable; and

(iv) documentation of the incident and all actions taken to resolve the issue and mitigate any damages.

(e) **Certification.** The Employer must provide certification to the Plan that it agrees to:

(1) Not use or further disclose the information other than as permitted or required by the Plan documents or as required by law;

(2) Ensure that any agent or subcontractor, to whom it provides Protected Health Information received from the Plan, agrees to the same restrictions and conditions that apply to the Employer with respect to such information;

(3) Not use or disclose Protected Health Information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer;

(4) Report to the Plan any use or disclosure of the Protected Health Information of which it becomes aware that is inconsistent with the uses or disclosures permitted by this Section, or required by law;

(5) Make available Protected Health Information to individual Plan members in accordance with Section 164.524 of the Privacy Standards;

(6) Make available Protected Health Information for amendment by individual Plan members and incorporate any amendments to Protected Health Information in accordance with Section 164.526 of the Privacy Standards;

(7) Make available the Protected Health Information required to provide an accounting of disclosures to individual Plan members in accordance with Section 164.528 of the Privacy Standards;

(8) Make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the Plan available to the Department of Health and Human Services for purposes of determining compliance by the Plan with the Privacy Standards;

(9) If feasible, return or destroy all Protected Health Information received from the Plan that the Employer still maintains in any form, and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and

(10) Ensure the adequate separation between the Plan and members of the Employer's workforce, as required by Section 164.504(f)(2)(iii) of the Privacy Standards and set out in (d) above.

11.18 COMPLIANCE WITH HIPAA ELECTRONIC SECURITY STANDARDS

Under the Security Standards for the Protection of Electronic Protected Health Information (45 CFR Part 164.300 et. seq., the "Security Standards"):

(a) **Implementation.** The Employer agrees to implement reasonable and appropriate administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of Electronic Protected Health Information that the Employer creates, maintains or transmits on behalf of the Plan. "Electronic Protected Health Information" shall have the same definition as set out in the Security Standards, but generally shall mean Protected Health Information that is transmitted by or maintained in electronic media.

(b) **Agents or subcontractors shall meet security standards.** The Employer shall ensure that any agent or subcontractor to whom it provides Electronic Protected Health

Information shall agree, in writing, to implement reasonable and appropriate security measures to protect the Electronic Protected Health Information.

(c) **Employer shall ensure security standards**. The Employer shall ensure that reasonable and appropriate security measures are implemented to comply with the conditions and requirements set forth in Section 11.17.

11.19 MENTAL HEALTH PARITY AND ADDICTION EQUITY ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Mental Health Parity and Addiction Equity Act and ERISA Section 712.

11.20 GENETIC INFORMATION NONDISCRIMINATION ACT (GINA)

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Genetic Information Nondiscrimination Act.

11.21 WOMEN'S HEALTH AND CANCER RIGHTS ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Women's Health and Cancer Rights Act of 1998.

11.22 NEWBORNS' AND MOTHERS' HEALTH PROTECTION ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Newborns' and Mothers' Health Protection Act.

IN WITNESS WHEREOF, this Plan is hereby executed this ___ day of June, 2026.

THE GOLDEN L.E.A.F, INC.

By____

Attachment E
Revised Employee Handbook

Golden LEAF Foundation

Golden LEAF Employee Handbook

Adopted by the Golden LEAF Board of Directors.
[INSERT DATE], 2026

GoldenLEAF.org

Table of Contents

Employment Practices

Employment Relationship

The Employee Handbook of The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc. (referred to as the "Foundation" or the "Golden LEAF Foundation") provides you with information regarding our policies, procedures, and benefits. We ask that you read this handbook carefully and then place it in a safe place so that you can refer to it when questions arise.

This Employee Handbook is intended only as a summary of certain of the Foundation's employment policies, procedures and benefits in place at the time of the general distribution of the Handbook. Employees of the Foundation are employees at will, and the Foundation's policies, procedures, and benefits, whether or not contained in the Employee Handbook, are neither an employment contract nor terms of an employment contract. Other than the employment "at-will" relationship, these policies, procedures, and benefits will change from time to time as authorized by the Board or the President, as appropriate. The Foundation will try to keep you advised of such changes, but policies, procedures, and benefits may be modified at any time without notice and without revising the Employee Handbook or other policy statements. This Handbook supersedes any prior policy or benefit statements or memoranda that are inconsistent with the policies described here.

Finally, please note that the Foundation is committed to complying with all applicable laws. To that end, nothing in this Handbook is intended in any way to interfere with, coerce, or restrain any employee from exercising their rights under any state or federal labor laws, including the National Labor Relations Act. If you have questions about Foundation policies, procedures, or benefits, please feel free to ask your supervisor.

For more details about implementation of this Handbook, see Golden LEAF Foundation Employee Guidelines.

Employment-At-Will

Employment with the Foundation is at the mutual consent of you and the Foundation. Either you or the Foundation can terminate the employment relationship at will -- at any time, for any reason, or for no reason, except as prohibited by law. In most circumstances, the termination date will be the last day worked.

This at-will disclaimer does not, and is not intended to, interfere with, limit or relinquish your right to join with others to work toward altering the terms or conditions of your employment, including at-will status.

Equal Employment Opportunity

The Foundation is an Equal Opportunity Employer. The Foundation always attempts to employ the best qualified individuals. It is our policy to make certain all employees and job applicants are considered based upon individual qualifications regardless of race (including hair texture and protective hairstyles), color, religion, sex, pregnancy (including childbirth, recovery from childbirth, and related conditions), sexual orientation, gender identity or expression, age, disability, marital status, citizenship, national origin, genetic information or testing (including family medical history), sickle cell or hemoglobin C trait, HIV or AIDS status, military status, status as a crime victim, use of lawful products (such as tobacco) outside of work, ancestry, arrest or conviction record under certain circumstances, honesty testing, declining to attend a meeting or participate in communication about religious or political matters, or any other characteristic protected by law.

Discrimination and Harassment Policy

The Foundation is committed to a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits discriminatory practices, including harassment. Therefore, the Foundation expects all relationships among persons in the workplace will be business-like and free of bias, prejudice, and harassment.

The Foundation prohibits any form of sexual and other unlawful harassment involving any of its employees in the employment relationship. Sexual and other unlawful harassment is a violation of Title VII of the Civil Rights Act of 1964 (Title VII), as amended, as well as applicable state law. Harassment based on a characteristic protected by law, such as race (including hair texture and protective hairstyles), color, religion, sex, pregnancy (including childbirth, recovery from childbirth, and related conditions), sexual orientation, gender identity or expression, age, disability, marital status, citizenship, national origin, genetic information or testing (including family medical history), sickle cell or hemoglobin C trait, HIV or AIDS status, military status, status as a crime victim, use of lawful products (such as tobacco) outside of work, ancestry, arrest or conviction record under certain circumstances, honesty testing, declining to attend a meeting or participate in communication about religious or political matters, or any other characteristic protected by law, is prohibited. Harassment based on an individual's request for an accommodation (including religious accommodation, pregnancy-related accommodation, or accommodation due to disability) is also prohibited.

<u>Definition of Unlawful Harassment</u>
"Unlawful harassment" is conduct that has the purpose or effect of creating an intimidating, hostile, or offensive work environment, has the purpose or effect of substantially and unreasonably interfering with an individual's work performance, or otherwise adversely affects an individual's employment opportunities because of the individual's membership in a protected class.

Unlawful harassment includes, but is not limited to: epithets; slurs; jokes; mimicking; intrusive questions; pranks; innuendo; comments; written or graphic material; stereotyping; or other threatening, hostile, or intimidating acts based on race (including hair texture and protective hairstyles), color, religion, sex, pregnancy (including childbirth, recovery from childbirth, and related conditions), sexual orientation, gender identity or expression, age, disability, marital status, citizenship, national origin, genetic information or testing (including family medical history), sickle cell or hemoglobin C trait, HIV or AIDS status, military status, status as a crime victim, use of lawful products (such as tobacco) outside of work, ancestry, arrest or conviction record under certain circumstances, honesty testing, declining to attend a meeting or participate in communication about religious or political matters, or any other characteristic protected by law. Harassment can also result from behavior that is intended to embarrass or belittle a person because of their legally protected status or behavior that is unintentionally offensive, such as asking intrusive questions or making stereotypical comments based on a protected characteristic. Facially neutral offensive conduct motivated by legally protected status may also constitute harassment.

<u>Definition of Sexual Harassment</u>
Sexual harassment constitutes discrimination and is illegal under federal, state, and local laws. For the purposes of this policy, sexual harassment is defined, as in the Equal Employment Opportunity Commission guidelines, as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when, for example:

i. submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
ii. submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
iii. such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Other sexually oriented conduct, whether intended or not, that is unwelcome and has the effect of creating a work environment that is hostile, offensive, intimidating, or humiliating to workers may also constitute sexual harassment.

While it is not possible to list all those additional circumstances that may constitute sexual harassment, the following are some examples of conduct that may constitute sexual harassment, depending on the totality of the circumstances, including the severity of the conduct and its pervasiveness:

- Unwanted sexual advances or requests for sexual favors, whether they involve physical touching or not;
- Sexual epithets, jokes and innuendo, written or oral references to sexual conduct, gossip regarding an employee's sex life, verbal abuse of a sexual nature;
- Commentary about an individual's body, sexual prowess, or sexual deficiencies;
- Unwelcome leering, catcalls, touching, whistling, or brushing up against the body;
- Insulting or obscene comments or gestures;
- Display or circulation in the workplace of sexually suggestive objects, pictures, or cartoons (including through email or smartphone);
- Inquiries into one's sexual experiences and discussion of one's sexual activities; and
- Other physical, verbal, or visual conduct of a sexual nature.

Individuals and Conduct Covered
The Foundation will not tolerate any unlawful harassment or discrimination and strictly prohibits sexual and other unlawful harassment or discrimination in any form. These policies apply to all applicants and employees and prohibit harassment, discrimination, and retaliation whether engaged in by fellow employees, by a supervisor or manager, or by someone not directly connected to the Foundation (e.g., an outside vendor, consultant, or customer). Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings, and business-related social events.

Retaliation Is Prohibited
The Foundation prohibits retaliation against any individual who reports discrimination or harassment or participates in an investigation of such reports. Retaliation against an individual for reporting harassment or discrimination or for participating in an investigation of a claim of harassment or discrimination is a serious violation of this policy and, like harassment or discrimination itself, will be subject to disciplinary action, up to and including an unpaid suspension or immediate termination of employment.

Reporting an Incident of Harassment, Discrimination or Retaliation
If an employee feels he/she has been unlawfully harassed, discriminated against, or retaliated against at work, or if an employee feels that a fellow employee is being unlawfully harassed, discriminated against, or retaliated against at work, the employee must immediately notify VP of Finance. The Foundation requests that notice be in writing (signed and dated), stating the date, place, time, nature of the harassment, and the name(s) and position(s) of the offending party and any witnesses to the alleged harassment, discrimination, or retaliation, but notification in writing is not required. If an employee feels that his/her supervisor is involved in the harassment, discrimination, or retaliation in any way, or believes that for some other reason his/her supervisor cannot be approached, then the employee should notify any member of management or the President (in that order). Individuals should not feel obligated to file their complaints with their immediate supervisor first before bringing the matter to the attention of one of the other Foundation-designated representatives identified above.

Important Notice to Employees
Employees who have experienced conduct they believe is contrary to this policy have an obligation to take advantage of this complaint procedure. An employee's failure to fulfill this obligation could affect his or her rights in pursuing legal action. Also, please note that federal, state, and local discrimination laws establish specific time frames for initiating a legal proceeding pursuant to those laws.

Early reporting and intervention have proven to be the most effective method of resolving actual or perceived incidents of harassment. Therefore, while no fixed reporting period has been established, the Foundation strongly urges the prompt reporting of complaints or concerns so that rapid and constructive action can be taken. The Foundation will make every effort to prevent and to stop alleged harassment, but can only do so with the cooperation of its employees.

The availability of this complaint procedure does not preclude individuals who believe they are being subjected to harassing conduct from promptly advising the offender that his or her behavior is unwelcome and requesting that it be discontinued.

The Investigation

Any reported allegations of harassment, discrimination, or retaliation will be investigated promptly, thoroughly, and impartially. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge. Confidentiality will be maintained throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action.

Responsive Action

Misconduct constituting harassment, discrimination, or retaliation will be dealt with promptly and appropriately. Responsive action may include, for example, training, referral to counseling, monitoring of the offender, and/or disciplinary action such as warning, reprimand, withholding of a promotion or pay increase, reduction of wages, demotion, reassignment, temporary suspension with or without pay, or termination, as the Foundation believes appropriate under the circumstances. Individuals who have questions or concerns about these policies should talk with a representative of management. Please refer to the Open-Door Policy below for additional information.

Finally, these policies should not, and may not, be used as a basis for excluding or separating individuals of a particular gender, or any other protected characteristic, from participating in business or work-related social activities or discussions in order to avoid allegations of harassment. The prohibitions against harassment, discrimination, and retaliation are intended to complement and further the Foundation's Equal Employment Opportunity policy, not to form the basis of an exception to it.

The Foundation requires all employees to fully comply with this policy.

Reasonable Accommodation Policy

The Foundation does not discriminate against qualified individuals with disabilities, and it provides reasonable accommodations to otherwise qualified applicants or employees with disabilities in all employment practices, including job application procedures, hiring, advancement, job assignments, leaves of absence, transfers, layoffs, demotions, discipline, discharge, compensation, fringe benefits and job training. Pursuant to the Pregnant Workers Fairness Act, the Foundation will also make reasonable accommodations to known limitations relating to the pregnancy, childbirth, or related medical conditions of an otherwise qualified employee or applicant, whether or not such condition rises to the level of a disability. Limitations "relating to pregnancy, childbirth, or related medical conditions" are very broadly defined to cover, without limitation: current pregnancy, past pregnancy, potential pregnancy, lactation (including pumping and breastfeeding), use of contraception, menstruation, infertility and fertility treatments, endometriosis, miscarriage, stillbirth, or having or choosing not have an abortion, among other conditions. It also includes pre-existing conditions that are exacerbated by pregnancy or childbirth.

Applicants and/or employees requiring a reasonable accommodation to perform the essential functions of their job should specifically request the necessary accommodation. When necessary, the Foundation will grant reasonable accommodations that will not impose an undue hardship or pose a direct threat to the health and/or safety of the requestor and/or others. To request a reasonable accommodation, an employee should submit a written statement to the Vice President of Finance that indicates the nature of the claimed disability (or medical condition relating to pregnancy or childbirth), the limitations the employee believes to exist, and the adjustment or change the employee requests. Appropriate management and the employee will then engage in an interactive process to determine whether the employee has a disability (or pregnancy-related limitation) and, if so, to evaluate whether the employee's requested accommodation, a different accommodation, or no accommodation is reasonable and will be granted.

The following are predictable accommodations for common pregnancy- and childbirth-related limitations, which should generally be de facto reasonable and will be granted unless the Foundation establishes that they impose an undue hardship under the circumstances:

- Allowing an employee to carry or keep water and drink, as needed, in or nearby the employee's work area;
- Allowing an employee to take additional restroom breaks, as needed;
- Allowing an employee whose work requires standing to sit, and vice versa, as needed; and
- Allowing an employee to take breaks, as needed, to eat and drink.

The Foundation may waive an essential function of the job for an otherwise qualified employee experiencing a known temporary limitation relating to pregnancy, childbirth, or related conditions, unless the temporary waiver of such function causes an undue hardship to the Foundation (for example, if the task is essential to the Foundation's business and it cannot be absorbed by another employee on a temporary basis).

The employee is expected to participate fully in the interactive process by disclosing any and all accommodations or adjustments he or she believes might be helpful, so that management may consider them. As part of this process, additional information, including medical information, may be required from the employee. Notwithstanding the foregoing, the Foundation will not require medical documentation relating to an accommodation for a temporary limitation due to pregnancy, childbirth, or related medical condition if the need for an adjustment is obvious, if the Foundation already has sufficient information to justify the request, when the request is for one of the four *de facto* reasonable accommodations listed above, when the request relates to lactation, or when the Foundation's policy would permit the accommodation without requiring supporting documentation.

At the conclusion of the interactive process, the employee will be notified of the decision regarding any reasonable accommodation. The Foundation may decide to allow the requested accommodation, may offer another reasonable accommodation, or may provide no accommodation, depending on the circumstances. The Foundation will not require an employee experiencing a limitation due to pregnancy, childbirth, or related medical conditions to take leave as an accommodation if another reasonable accommodation can be provided that would allow the employee to continue working.

An employee's medical information is confidential, and disclosure of that information is limited to situations where a manager or supervisor has a job-related need to know it.

In addition to the above, the Foundation also strives to provide reasonable accommodations for applicants' and employees' sincere religious beliefs and practices, so long as such accommodation does not impose an undue hardship on the Foundation. Each accommodation request will be handled on a case-by-case basis, and every reasonable effort will be made to grant it.

No employee will be subject to discrimination or retaliation with respect to any of the terms and conditions of the employment because the employee requested a reasonable accommodation for a disability (or pregnancy-related limitation) or because of a sincerely held religious belief or practice.

Open Door Policy
Good communication is very important to the Foundation. Our "Open Door Policy" simply means that you are free to discuss with management any problem at any time with no reluctance or hesitation. This is one of the most important benefits offered to you as a Foundation employee. You should discuss concerns with your manager, as most work-related problems are easily solved by a discussion between the staff member and manager.

It is our policy to promptly answer all inquiries by employees and to do what is reasonable to resolve complaints in a way that will be fair to all concerned.

For additional information, see Whistleblower Policy (Appendix VIII).

Communication
We cannot stress the importance of communication enough and we foster an environment of open communication.

Fraternization and Nepotism
Employees at the Foundation are expected to treat each other with respect and in a professional manner at all times. The Foundation is also committed to fostering an ethical work environment in which people are treated with integrity and honesty, and wishes to avoid perceptions of favoritism or impropriety.

Romantic, intimate, sexual, or dating relationships between a person in a direct or indirect supervisory role and a supervisee in the workplace are inherently problematic. Even among peers/colleagues, consenting romantic relationships in the workplace may at some point lead to unforeseen disruption, complications, and significant difficulties for all concerned. Additionally, the Foundation recognizes that hiring and retaining close relatives of present employees might raise questions regarding the objectivity or appearance of objectivity of work assignments, performance appraisals, and employee performance evaluations.

For the foregoing reasons:

- Romantic, intimate, sexual or dating relationships between a person in a direct or indirect supervisory role and a supervisee are strictly prohibited.

- The Foundation does not normally employ close relatives (spouse or significant other, parent/stepparent, child/stepchild, grandparent, grandchild, brother/brother-in-law, sister/sister-in-law, uncle, aunt, nephew, niece, first cousin, in-laws, or those whose relationship with a current employee is similar to that of persons who are related by blood or marriage), if such employment might result in one of these persons (employee or relative) having actual or perceived supervisory influence over the other's evaluation, progress, discipline, or pay, or the two persons would be working closely on work-related projects or tasks.

- Employees must disclose to their supervisor the existence of any relationship with a romantic/dating partner or close relative employed by or being considered for employment by the Foundation.

We expect all involved to use their best judgment and to disclose any relationship so that arrangements can be made to ensure that the workplace will not be adversely affected. Where problems or potential risks resulting from the relationship are identified, the Foundation will work with the parties involved to consider options for resolving the conflict and may take any action that it deems necessary in its sole discretion to resolve any issues.

The Foundation recognizes the imprecision of and the variety of meanings that can be given to the terms "romantic" and "intimate". We hope that the parties to such a relationship will appreciate the meaning of the term as it applies to them and as it relates to this policy. If doubt exists, the parties should disclose the relationship as set forth above to enable the Foundation to determine what, if any, steps are appropriate.

Hours, Pay, and Expectations

Business Hours and Attendance

Full-time employees are generally expected to work a five-day, 40-hour work week. The Foundation's core business hours are 9:00 a.m. – 5:00 p.m. (Eastern Time Zone), and employees are allowed a lunch break of up to one hour per day (which shall be unpaid for non-exempt employees provided they are completely relieved from duties during the lunch break). Employees are expected to work outside of the core business hours to reach the expected 40 hours per week. Supervisors will advise employees of their individual work schedules depending on staffing needs and operational demands. You must obtain your supervisor's approval in advance for any variations to your normal schedule. When you are going to be tardy or out of the office, make sure you give your supervisor advance notice. If it is not practical to provide advance notice because of emergency or similar circumstances, employees should provide their supervisor notice as soon as possible.

When an employee is hired at the Foundation, the employee accepts the responsibility to work every scheduled day. Supervisors have the discretion to approve absences by reviewing the facts of a specific situation and taking into consideration any extenuating circumstances. If an employee must be unavoidably absent from work (other than pre-approved annual leave or sick leave) it is the employee's responsibility to let their supervisor know as soon as possible on the first day of absence why the employee must be absent and when the employee expects to return. If the employee's anticipated return date changes, the employee should keep their supervisor informed. If the Foundation approves an absence that is not covered by a leave policy, it may do so as paid or unpaid, in the Foundation's discretion.

The Foundation reserves the right to require proof of illness, injury, or accident, including a doctor's statement or notice, as permitted by law. An employee who is absent without proper notice and/or authorization for three or more consecutive workdays may be considered to have abandoned his or her position and resigned from the organization.

Lunch and Rest Periods

Your lunch break is up to one hour at a time agreed upon by you and your supervisor, generally sometime between 11:00 a.m. and 2:00 p.m. Non-exempt employees must record their lunch break on their time record, and they should not perform any work activities during this time. Those responsible for answering the phones must ensure that adequate phone coverage is provided during the lunch break, which may be through the automated answering system.

Allowing rest breaks is within management's discretion. Non-exempt employees should not record breaks of less than 30 minutes on their time record because this time is generally considered "time worked" and is compensable. However, a non-exempt employee must record breaks of 30 minutes or more on their time records if the employee is fully relieved of all duties, because such breaks are not paid.

Working from Home/Flexible Work Hours

The Foundation strives for a balanced hybrid remote/in-office work schedule. All work schedules must be approved in advance by an employee's supervisor within the guidelines set by the President. Flexible scheduling may be available in some cases to allow employees to vary their starting and ending times each day within established limits. Regular alternative scheduling, for example, to accommodate approved outside activities, may be possible if a mutually agreeable schedule can be negotiated with your supervisor. Additionally, subject to prior approval by a supervisor, employees may be permitted to vary their daily work schedules on an ad hoc basis to allow them to attend to personal and/or family obligations during the workday and make up missed work time outside of normal hours.

Flexible or alternative work schedules may be approved by an employee's supervisor after taking into consideration the employee's roles and responsibilities at the Foundation. The Foundation may also consider the employee's performance and other relevant factors in granting an employee a flexible or alternative work schedule. Employees must be accessible by phone and email at all times during the workday. Approval of flexible or alternative hours will be formally documented in the employee's personnel file.

This policy does not apply to requests for work from home arrangements as a reasonable accommodation under the Americans with Disabilities Act (ADA) or the Pregnant Workers Fairness Act (PWFA). Such requests should be made in accordance with the reasonable accommodations policy.

Employee Classifications

Each employee is grouped into one or more of the following classifications. These classifications clarify potential eligibility for overtime, benefits and/or the calculation of wages.

Full-Time - Full-time employees work a minimum of 35 hours per week and are generally eligible for all Foundation-provided benefits as soon as waiting period and eligibility requirements are met.

Interns - Interns are defined as those employees holding jobs of limited duration generally related to their education or course of study. Interns are generally not eligible for Foundation-provided benefits.

Part-Time - Employees who regularly work less than 35 hours per week are considered part-time. Part-time employees working less than 1,000 hours annually are not eligible for most Foundation-provided benefits.

Exempt - Exempt employees include all employees who are classified as exempt from receiving overtime pay in compliance with the provisions of the Fair Labor Standards Act and any applicable state laws.

Non-Exempt - Non-exempt employees include all employees who are covered by the minimum wage and overtime provisions of the Fair Labor Standards Act or any applicable state laws. Employees in this category are paid time and one-half their regular rate of pay for work performed in excess of 40 hours in a workweek. Any overtime work must be authorized by their supervisor in advance.

Timekeeping

Accurately recording time worked is the responsibility of every employee. Federal and state laws require the Foundation to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

All non-exempt employees must record the time(s) they arrived and departed each day on their time records, as well as the beginning and ending time of each meal and rest period per the Lunch and Rest Periods policy in this handbook. They should also record the beginning and ending time of any split shift or departure from work for personal reasons. The time record must accurately reflect all regular and overtime hours worked (including spent outside of regular working hours on work phone calls, texts, emails or other work activities), any absences, late arrivals, early departures, and meal breaks. Each employee is responsible only for their own recordkeeping. Performing any work while you are not clocked in is strictly forbidden. Any employee who fails to report or inaccurately reports any hours worked will be subject to disciplinary action, up to and including discharge.

Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment. It is also a serious violation of Foundation policy for any employee or manager to instruct another employee to incorrectly or falsely report hours. If any manager or employee instructs an employee to: 1) incorrectly or falsely under- or over-report his or her hours worked; or 2) alter another employee's time records to inaccurately or falsely report that employee's hours worked, the employee should report it immediately to the President.

If for any reason an employee's own time records show any sort of disparity from the Foundation's time records or the workers' pay stubs, then the employee must report that disparity immediately to their supervisor and submit those records to the Foundation in order to ensure accurate wage payments.

Overtime

The general policy of the Foundation is to avoid non-exempt employees working overtime, but on some occasions (emergency situations or peak work periods) it may be necessary for you to work beyond your regular hours. We will try to advise employees of overtime needs as far in advance as possible. Overtime hours must be authorized in advance by your supervisor or another member of management prior to working over 40 hours in a workweek. You may not work overtime unless it is authorized.

For all non-exempt employees, overtime for hours worked in excess of 40 hours per workweek will be paid at one and one-half times the employee's regular rate of pay. Overtime will not be paid unless an employee has worked more than 40 hours in a workweek, even if the employee is regularly scheduled to work fewer than 40 hours. Annual leave, holidays, and other time away from work that is compensated by the Foundation will not be counted as hours worked for purposes of calculating overtime, unless an employee actually works on that day. Employees who are exempt from the overtime provisions of the Fair Labor Standards Act will not be paid for overtime, regardless of the number of hours worked in a workweek.

Compensatory time off in lieu of overtime pay is not available.

Safe Harbor Policy for Exempt Employees

Exempt employees receive a salary which is intended to compensate them for all hours worked for the Foundation. This salary will be established at the time of hire. While it may be subject to review and modification from time to time, the salary will be a predetermined amount that will not be subject to deductions for variations in the quantity or quality of the work you perform.

Under federal and state law, your salary is subject to certain deductions. For example, absent contrary state law requirements, your salary can be reduced for the following reasons:

- Full day absences for personal reasons.
- Full day absences for sickness or disability, if the deduction is made in accordance with a *bona fide* plan, policy or practice of providing compensation for salary lost due to illness.
- Full day disciplinary suspensions imposed in good faith for workplace conduct rule infractions or for infractions of safety rules of major significance.
- To offset amounts received as payment for jury and witness fees or military pay.

- The first or last week of employment in the event you work less than a full week.

Your salary may also be reduced for certain types of deductions such as your portion of health, dental or life insurance premiums; state, federal or local taxes, social security; or voluntary contributions to the Foundation's 403(b) plan.

In any work week in which you performed any work, your salary will not be reduced for any of the following reasons:

- Partial day absences for personal reasons, sickness or disability.
- Your absence on a day because your employer has decided to close a facility on a scheduled work day.
- Absences for jury duty, attendance as a witness, or military leave in any week in which you have performed any work.
- Any other deductions prohibited by state or federal law.

However, subject to state law, it is not an improper deduction to reduce an employee's accrued annual leave, personal or other forms of paid time off for full or partial day absences for personal reasons, sickness or disability.

The Foundation strictly prohibits improper payroll deductions. If you believe you have been subject to any improper deductions, you should immediately report the matter to the Controller. If the Controller is unavailable or if you believe it would be inappropriate to contact them (or if you have not received a prompt and fully acceptable reply), you should immediately contact the President.

Every report of improper deductions will be fully investigated and corrective action will be taken where appropriate, up to and including unpaid suspension or discharge of any employee(s) who violates this policy. In addition, the Foundation will not allow any form of retaliation against individuals who report alleged violations of this policy or who cooperate in the Foundation's investigation of such reports. Retaliation is unacceptable, and any form of retaliation in violation of this policy will result in disciplinary action, up to and including unpaid suspension or discharge.

Emergency or Weather Shutdown
Foundation operations may be suspended or altered due to weather conditions, physical damage, pandemic, or other emergency conditions that prevent normal operations. The decision to close the Foundation will be made by the President or the President's designee.

If the Foundation is closed due to weather or other emergency conditions, employees who are scheduled to work and are approved to work from home should do so. Employees who are approved to work from home but choose not to do so will be required to use annual leave. Employees who are scheduled to work but are unable to perform their job duties remotely will need to develop an alternate plan with their supervisor. If a staff member does not feel safe in commuting to the Foundation when the office is open, he/she may use annual leave for absences during the Foundation's hours of operation or, with the approval of his or her supervisor, may work from home if possible. Employees using unpaid leave for absences under this policy may—with the approval of the President—subsequently make up that absent time within the same pay period by working outside of normal work hours. No time worked prior to the date of the absence shall be counted toward making up such absent time. Exempt employees will be paid their full salary for weeks in which they perform any work.

Pay Day
You will be paid on a biweekly basis. Direct deposit of your pay to a financial institution is required for employees unless otherwise approved by the President or required by law.

You will have online access to your biweekly pay stub that will include a list of itemized deductions authorized by you and required by law.

The Foundation is required by law to make certain deductions from your paycheck, including the following:

- Federal and state withholding taxes
- Social Security/Medicare taxes

If you have not paid federal, state, city and county tax liens, child support or other debts authorized by the courts for garnishment, by law, these debts may also be deducted directly from your pay pursuant to court order.

Other deductions, such as retirement plan or health savings account contributions, may also be made from your check; however, these deductions must be requested and authorized by you.

The Foundation complies with all federal, state, and local laws governing compensation of employees, including but not limited to the Fair Labor Standards Act. Improper deductions from pay are prohibited. Employees who believe that a deduction has been made from their pay improperly should contact the VP of Finance to voice their concerns. The VP of Finance will investigate the matter and make a decision with respect to the deduction from pay. Employees will be reimbursed for any deduction determined to have been made improperly, and the Foundation will endeavor not to make the same mistake in the future. No employee shall be disciplined for voicing a concern in good faith regarding an error in calculation of his/her pay.

Each employee's payroll information is kept confidential by the Foundation. An employee should address any questions concerning payroll with management.

Travel Expenses
The Foundation will reimburse employees by direct deposit for approved expenses actually incurred by the employee in connection with travel away from home on Foundation business. See Appendix III for the Travel Expense Reimbursement Policy for Employees.

Business Meeting Meals
Meal expenses, including expenses for guests attending the meal to discuss Foundation business, may be paid or reimbursed by the Foundation provided they are reasonable, approved by the President, and substantiated by itemized receipts with information sufficient to verify the amount, date, time, place and business purpose. The Foundation will not pay or reimburse the costs applicable to spouses or companions.

Professional License Fees and Professional Development
License fees and other costs associated with designations or certifications or professional development that would be beneficial to the employee's job performance at the Golden LEAF Foundation may be paid by the Foundation upon prior approval by the President.

Membership Fees/Subscriptions
Memberships in trade organizations or subscriptions to certain publications that would be beneficial to the employee's job performance at the Golden LEAF Foundation may be paid by the Foundation upon prior approval by the President.

Performance and Conduct

Use of Phones and Electronic Devices
The Foundation's phones are to be used to conduct Foundation business. Personal calls should be limited and must not interfere with work performance.

Cell phones, smartphones, tablets, or other electronic devices may be provided to staff by the Foundation for business use. All such devices remain the property of the Foundation. While the Foundation does not prohibit occasional incidental use of such devices for personal reasons, they are provided primarily for business purposes. The Foundation recognizes that many employees have cell phones, smartphones, tablets, or other personal devices that they may bring to work. The use of such devices (whether issued by the Foundation or personal) must not interfere with the employee's duties or performance whether used for phone calls or for text messages, social media, or other online or electronic communications or activities. Employees may connect personal electronic devices to the Foundation's "guest" wireless internet only, and not to the Foundation's main network.

Employees should exercise appropriate safety precautions when using cell phones or other similar devices during business travel.

Smoking
The Foundation forbids smoking within any Golden LEAF Foundation facility including, but not limited to, offices, break rooms, or any other building owned or leased by the Foundation. Smoking is also prohibited on the Foundation's outdoor grounds and walkways.

Dress
You are expected to dress and behave to the highest standards of office professionalism whether in person or in virtual meetings. Employees should wear office attire when in the office during regular business hours, even if for a brief time, and on virtual meetings.

Performance Assessments
The Foundation strives to provide employees with a performance assessment at least once a year. Performance-based salary adjustments are at the discretion of the President and, if such adjustment is made, it would typically occur after a performance assessment. The President may also authorize performance awards, such as a bonus or additional annual leave, for employees at any time throughout the year. To earn a bonus, you must be employed with the Foundation on the date the bonus is paid. In no event will a bonus be earned or paid or be payable to you if you are not employed by the Foundation on that date, or if you have provided, or have been provided with, notice of termination of employment on or before that date. The Foundation may also approve cost of living adjustments for employees, typically at the turn of the calendar year.

Performance Improvement
Supervisors may use various strategies to address performance issues, including, but not limited to, performance review meetings and discontinuation of hybrid or remote working arrangements. Supervisors may develop performance improvement plans which set goals or milestones for employees to meet to avoid additional consequences. Poor performance may result in consequences up to and including termination. Whether to issue performance improvement plans or employ other strategies to address performance issues is at the discretion of the Foundation.

Disciplinary Action
Disciplinary action imposed by the Foundation may include, but is not limited to, a verbal warning or counseling, a written warning, retraining, suspension (paid or unpaid), or termination of employment. The level of discipline imposed is in the sole discretion of the Foundation, and the Foundation may choose to skip disciplinary levels as it deems appropriate based on the severity of the offense and/or the circumstances of a particular situation. At the Foundation's sole discretion, termination can occur without prior notice or corrective action. Both exempt and non-exempt employees are subject to unpaid disciplinary suspensions for violations of the Foundation's policies and conduct standards, in accordance with applicable law. In the case of exempt employees, the suspension will be for no less than a full day. This policy does not supersede the Foundation's Whistleblower Policy and, to the extent there is a conflict between the two, the Whistleblower Policy applies. The Whistleblower Policy is attached as Appendix VIII.

Drugs and Alcohol
The Golden LEAF Foundation considers drug and alcohol abuse a serious matter that will not be tolerated. The Foundation absolutely prohibits employees from using, selling, possessing, manufacturing, or being under the influence of illegal drugs, controlled substances, or prescription drugs not medically authorized while at their job, on Foundation property, or while on work time.

Therefore, it is Foundation policy that:

- Employees may not report to work under the influence of illegal drugs, controlled substances, or prescription drugs not medically authorized.

- Employees may not possess or use illegal drugs, controlled substances, or prescription drugs not medically authorized while on Foundation property or on Foundation business.

- Reasonable use of alcohol is permissible in business-related social settings. Employees may not misuse alcohol while at work or on Foundation property or report to work impaired by alcohol.

Employees are permitted to use and possess only legally prescribed or over-the-counter medications. Any employee who is undergoing medically prescribed treatment with a prescription drug that may affect the employee's ability to safely and satisfactorily perform their job must report this treatment to his or her supervisor prior to beginning work. Failure to report this to the supervisor will be grounds for disciplinary action, up to and including unpaid suspension or discharge.

Any employee who is found guilty of or pleads guilty or *nolo contendere* to the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance will be subject to appropriate disciplinary action, up to and including termination.

Federal Drug-Free Workplace Act
In addition to the above, the Foundation, in compliance with the federal Drug-Free Workplace Act of 1988, has adopted the following policy that must be adhered to as a condition of employment. The unlawful use, possession, manufacture, dispensation, or distribution of controlled substances in all work locations is prohibited. Adherence to this policy is a condition of continued employment by the Foundation, and employees violating this policy will be subject to disciplinary action, up to and including termination.

Any employee convicted of a criminal drug statute violation occurring in the workplace must notify his or her supervisor of the conviction within 5 calendar days after the conviction. As required by the federal Drug-Free Workplace Act of 1988, the Foundation must inform contracting or granting agencies of such convictions within 10 calendar days after receiving notification from the employee or otherwise receiving notice of a conviction. Upon receiving such notification, the Foundation will take all steps necessary to assure the proper conduct of sponsored projects and programs. If a decision is reached to allow the affected employee to continue employment, the employee must participate in and satisfactorily complete an approved drug abuse assistance or rehabilitation program.

Outside Activities/Employment

Full-time employees must devote their workday efforts to the job for which they were hired by the Foundation. Thus, some restrictions have been placed on outside activities (including, without limitation, outside employment or self-employment activities, school attendance, licensure/certification programs, or other significant activities).

You may be permitted to engage in outside activities that do not pose a conflict of interest or materially detract from or interfere with the full and timely performance of your job duties for the Foundation **if** such activities are properly disclosed and approved by the Foundation. Because of this, employees must review potential outside activities with their supervisor **before** agreeing to perform outside activities. Approval by the employee's immediate supervisor is required for outside activities that are short in duration and/or non-recurring. Approval by the Senior Vice President or President is required for significant or recurring outside activities. Decisions regarding outside activities/employment will be formally documented in the employee's personnel file.

Conflicts of Interest

Employees must avoid conflicts of interest. A conflict of interest exists when an employee places himself or herself in a position where the employee's private interests may affect or be perceived to affect how the employee conducts business, or when an employee's action results in direct or indirect detriment to the Foundation. If an employee has questions about a potential conflict of interest, the employee should discuss the matter with their Supervisor.

Officers and key employees are also subject to the Foundation's Conflict of Interest policy which is attached as Appendix IV.

Gifts

Employees should not accept any gift or gratuity from a grant applicant, grantee, vendor, or supplier that is more than de minimis in value or that may be construed as payment or an obligation to do business with that individual or company. A gift with a value of less than fifty dollars ($50.00) is considered to be de minimis. In no event may an employee accept a cash gift of any value from a grant applicant, grantee, vendor, or supplier.

Employees are subject to the Foundation's Gifts and Business Courtesies policy which is attached as Appendix V.

Records

Public Records

The Golden LEAF Foundation is subject to the North Carolina Public Records Act. The Act allows others to obtain copies of the Foundation's Public Records. "Public Record" means a document, paper, letter, map, book, photograph, film, sound recording, magnetic or other tape, electronic data-processing record, artifact, or other documentary material, regardless of physical form or characteristics, made or received in connection with the transaction of public business by the Foundation.

All written requests for Public Records should be submitted to the President with a copy to the Senior Vice President/General Counsel. Individuals who contact the Foundation to request a Public Record should be referred to the Vice President/Chief of Staff. Requests for Public Records must be in writing.

The Foundation receives certain confidential and/or trade secret information during the course of its business. Staff shall not disclose confidential or trade secret information. In addition, the public records law and other North Carolina statutes allow and/or require the Foundation to keep certain records that are in its custody confidential. Foundation staff shall honor that confidentiality. Any questions about whether information is confidential, a trade secret, or should not be disclosed to third parties shall be referred to the President. Responses to public records requests will be made following the Foundation's public records policy. See policy at Appendix VI.

Records Retention

Employees may not destroy or dispose of any records except in compliance with applicable state and federal laws and in compliance with the Foundation's Policy on Public Records which is attached as Appendix VI.

Safety and Security

Security

It is the goal of the Foundation to provide and maintain a safe and secure working environment. In support of that goal, keys issued to employees should not be copied nor shared and remain the property of the Foundation. Employees should immediately report to management and/or law enforcement any suspicious individuals or activity they observe while on Foundation property or Foundation business.

Workplace Violence and Prevention

The Foundation does not tolerate violence in the workplace and will make every reasonable effort to prevent violent incidents from occurring.

Workplace violence is defined as "violent acts (including physical assaults and threats of assaults) directed toward persons at work or on duty" (National Institute for Occupational Safety and Health). Workplace violence also includes actions or words that endanger or harm employees or result in others having a reasonable belief that they are in danger.

The Foundation prohibits possession of weapons of any type on its premises. This prohibition includes both visible and concealed weapons and applies even to those weapons for which the owner has obtained a valid permit. As used in the policy, "weapons" includes, without limitation, firearms, knives, explosives, and any other deadly weapon or object.

It is the responsibility of all employees immediately to report any acts of violence or violations of the prohibition on weapons to their direct supervisors, other member of management, or the President. All such reports will be investigated immediately, and any violations of this policy will subject the offender to disciplinary action up to and including unpaid suspension or termination of employment. Law enforcement may be notified. A failure to report violations of this policy may itself result in disciplinary action.

Building Maintenance

If you encounter any maintenance or security issues, contact the Director of Operations, as soon as possible. The Director of Operations may be reached after hours and/or during weekend hours at 252-955-6226.

In Case of Fire
Our fire alarm system is monitored 24 hours per day. In the event of a fire during business hours, it is important to know the locations of exits and fire extinguishers. If there is a fire, your safety and the safety of co-workers is the most important consideration. Therefore, if there is time:

- Evacuate from the building.
- Call the fire department.
- Use a fire extinguisher, if possible to do so without risk of personal injury.
- Move away from the building any cars that are parked close to the building.

Information Technology and Security
The Foundation is committed to a robust information security program that protects the mission of the Foundation and its employees. As part of its information security program, the Foundation has adopted the Internet and Email Policy at Appendix I and the Policy on Social Media and External Communication at Appendix II.

The Foundation has also adopted an IT Security Policy Handbook that is an integral part of every employee's job responsibility. Reference the full policy handbook on the Foundation's Staff Portal.

Visitors
Visitors to the Foundation should report to the reception area upon entering the office. Frequent personal visitors should be discouraged and should not disrupt our normal workflow or an employee's performance of job duties.

Benefits and Time Off

Employee Benefits
This handbook provides only general information about employee benefits. Eligibility and the terms and conditions of many of the benefits offered will be governed by benefit plan documents. Read those benefit plan documents carefully so that you are aware of all guidelines and requirements and take advantage of all the benefits provided. If a plan document provision conflicts with the information in this handbook, the benefit plan document will govern.

The Foundation reserves the right, in its sole discretion, to change, alter, amend, or discontinue its participation in any benefit and any benefit plan.

The benefits listed below are presently available to eligible full-time and part-time employees scheduled to work at least 20 hours per week (or 1,000 hours or more annually). At its discretion, rather than waiting until a part-time employee has worked 1,000 hours during the year to determine that employee is eligible for employee benefits, the Foundation may determine the employee's eligibility based on an estimate of how many hours the employee is scheduled to work during the year. The Foundation may reassess this determination throughout the year based on changes to or deviations from the employee's schedule and either allow the employee to receive benefits or discontinue benefits on a going-forward basis. Interns are generally not eligible for Foundation-provided benefits.

- Disability Insurance
- Group Term Life Insurance
- Other Benefits
- Paid Annual Leave
- Paid Sick Leave

- Paid Holidays
- Certain Leaves of Absence

Additionally, full-time and part-time employees working an average of 30 hours or more per week are eligible for the following benefits:

- Health insurance
- Dental insurance
- Vision insurance

Eligible employees of the Foundation may participate in the Foundation's 403(b) Retirement Plan.

Health, Dental, and Vision Insurance
After the 30th day of employment, full-time and part-time employees regularly working 30 hours or more each week are offered medical, dental, and vision insurance coverage for themselves and their dependents in accordance with the plans then in effect. Interns are not eligible for medical, dental, or vision insurance coverage. Information about these current plans is included in the Annual Benefits and Travel Reimbursement Summary provided each year to employees.

Employees will receive a group insurance plan booklet when they become eligible for this coverage. Your plan booklet gives a synopsis of the current policy coverage amounts as well as detailed information about the policy. Read this information carefully so that you are aware of all guidelines and requirements and take advantage of all the benefits provided. Eligibility and the terms and conditions of the Foundation's health insurance plan and any other plans in which the Foundation participates will be governed by such Plans.

The Foundation reserves the right, in its sole discretion, to change, alter, amend, or discontinue its participation in any such Plans.

Health, dental, and vision insurance becomes effective on the first day following day 30 of your employment and/or eligibility. Health, dental, and vision insurance will be terminated on the last day of your employment.

Retirement Plan - 403(b)
The Foundation maintains a defined contribution retirement plan for the benefit of its employees pursuant to Section 403(b) of the Internal Revenue Code (the "403(b) Plan"). Full-time employees and part-time employees working 1,000 hours or more annually (or part-time employees scheduled to regularly work at least 20 hours per week) are eligible to participate in the 403(b) Plan. Employees can defer and invest a portion of their compensation each year by electing to contribute to the 403(b) Plan.

The employee contribution reduces the employee's taxable income for the year so that the amount contributed (and any earnings on the contribution) will not be taxed for income tax purposes until distributed from the 403(b) Plan to the employee or the employee's beneficiary. The maximum amount that can be contributed is set each year by the IRS. The current IRS limits are set forth in the Annual Benefits and Travel Reimbursement Summary provided each year to employees.

In addition to offering employees the opportunity to defer a portion of their compensation into the 403(b) Plan, the Foundation currently contributes an amount equal to ten percent (10%) of each eligible employee's compensation into the 403(b) Plan each year, subject to IRS limitations on the amount of compensation that can be taken into account. These employer contributions, as well as the employee deferrals, are 100% vested when contributed to the Plan.

Please review the Summary Plan Description for the 403(b) Plan for further details about the 403(b) Plan and its operations.

Disability Insurance
A full-time employee or a part-time employee working 1,000 hours or more annually is provided with disability insurance at no cost to the employee. Employees eligible for disability benefits receive 60% of their monthly salary on the 91st day of disability as defined by the policy. The 60% calculation includes other compensation the employee is receiving from the Foundation, Social Security, and Workers' Compensation and is otherwise governed by the specific terms of the policy. Employees who sustain work-related injuries or illness must inform the supervisor immediately. The Foundation does not provide short-term disability coverage.

Disability insurance coverage becomes effective on the first day of the month following the date of hire.

Group Term Life Insurance
Our group term life insurance plan currently provides full-time employees and part-time employees working 1,000 hours or more annually with term life insurance coverage equal to three times the employee's annual salary at no cost to the employee with a maximum of $200,000 coverage for the employee.

Life insurance coverage is decreased to 65% of the amount equal to three times the employee’s annual salary once an employee turns 65 years of age, and continues to decrease until an employee reaches 90 years of age (at which point coverage is decreased by 90%).

Life insurance coverage becomes effective on the date of hire if it is the first day of the month; if the date of hire is not the first day of the month, life insurance coverage becomes effective on the first day of the month following the date of hire.

GINA
The Genetic Information Nondiscrimination Act of 2008 (GINA) prohibits employers and other entities covered by GINA Title II from requesting or requiring genetic information of an individual or family member of the individual, except as specifically allowed by this law. To comply with this law, we are asking that you not provide any genetic information when responding to any Foundation request for medical information. “Genetic information,” as defined by GINA, includes an individual’s family medical history, the results of an individual’s or family member’s genetic tests, the fact that an individual or an individual’s family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual’s family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services.

Annual Leave

Eligibility
Full-time employees and part-time employees scheduled to work at least 20 hours per week are eligible to accrue annual leave. Interns and part-time employees scheduled to work less than 20 hours per week are not eligible to accrue any annual leave.

Accrual
If eligible, annual leave accrues on each bi-weekly pay period, at a rate based on the employee’s years of service. The leave entitlements for full-time employees are as follows:
- First 3 years of service - 10 days per year (3.077 hours/pay period for full-time employees)
- Between 3 and 6 years of service - 15 days per year (4.615 hours/pay period for full-time employees)
- After 6 years of service - 20 days per year (6.154 hours/pay period for full-time employees)

Eligible part-time employees shall accrue annual leave on a pro rata basis. The pro-rata amount will be determined based on the percentage of time the part-time employee is scheduled to work. Employees may not use annual leave hours to receive pay for hours exceeding their normal work schedule. Annual leave does not accrue while an employee is out on unpaid leave.

Annual leave in addition to that set out in the schedule above may be granted at the discretion of the President for employee retention or recruitment purposes. For example, the President may offer a new employee more than ten days of annual leave as a recruitment incentive or may offer an employee more leave than the employee would be eligible for based on the schedule.

Scheduling Annual Leave

Employees must discuss their intent to use annual leave in advance with their supervisor and annual leave must be approved by the employee's supervisor. The timing and method of communication must meet the expectations of the supervisor. When setting expectations about timing of notice, supervisors will take into consideration the factors including the amount of leave to be scheduled, the employee's responsibilities, and the Foundation's needs. Use of leave may be denied for failure to provide adequate notice or if use of annual leave conflicts with the employee's responsibilities and the Foundation cannot reasonably accommodate the request. Annual leave may be scheduled in increments of no less than $^{1}/_{2}$ hour. Whenever annual leave requests among employees conflict, management will consider relevant factors including the date of the earliest request and length of service. Ultimately, if there is a conflict, all decisions to approve or deny annual leave requests are within the discretion of the President. To meet operational needs, the Foundation may limit the use of annual leave during specified times.

In certain circumstances, unearned annual leave may be advanced at the discretion of the President. Use of unearned leave must be approved in advance and, in the event the employee has a negative annual leave balance upon termination, the Foundation is entitled to deduct unearned annual leave from the employee's final paycheck, unless otherwise prohibited by law.

The Foundation's fiscal year ends June 30. Up to 5 days (40 hours for full-time employees and a pro-rata amount for part-time employees) of unused annual leave may be carried over into the next fiscal year. At the end of the fiscal year, any hours in excess of 5 days shall be forfeited. Exceptions may be made in rare circumstances at the discretion of the President.

Upon Termination

Upon termination from employment, the Foundation will pay eligible employees for any annual leave accrued but not used as of the date of termination; provided, however, unless required by law, (1) employees who resign their employment without providing at least 10 business days advance notice, (2) employees terminated for misconduct, and (3) employees who fail to promptly return any Foundation property in their possession or control following any termination of employment, shall not be paid for any annual leave accrued but not used as of the date of termination - all such annual leave will be forfeited. The President has the discretion to make exceptions. For purposes of this policy, "misconduct" includes but is not limited to habitual tardiness, excessive absenteeism, continued negligence in performance of duties, destruction of Foundation property, or other violations of Foundation policy. Payment of annual leave, if permitted, shall be based on the employee's regular base compensation at the time of termination.

Sick Leave

Accrual

Full-time employees accrue paid sick leave on a bi-weekly pay period basis at a rate of 3.692 hours up to a total of 96 hours per fiscal year. Part-time employees scheduled to work at least 20 hours per week accrue paid sick leave on a pro-rata basis. The pro-rata amount will be determined based on the percentage of time the part-time employee is scheduled to work. Part-time employees scheduled to work less than 20 hours per week and interns do not accrue any paid sick leave.

Employees may not use sick leave hours to receive pay for hours exceeding their normal work schedule. Sick leave does not accrue while an employee is out on unpaid leave.

Use

Employees may take paid sick leave for their own or a family member's diagnosis, care, or treatment of an existing health condition, for preventive care, or for other reasons approved by the employee's supervisor.

It is your responsibility to notify your supervisor of your need for sick leave as early as possible. The preferred manner of notification may vary based circumstances of the leave, your position, and your supervisor's practice, and may include verbal, written, or other means (for example, asking that leave be posted to the employee's Outlook calendar). If practical, for sick leave that is scheduled in advance, you should notify your supervisor at least 30 days prior to the leave and work with your supervisor to schedule such leave at a time that is least disruptive to the operation of the Foundation. For leave that cannot be scheduled in advance, you must notify your supervisor of your need to take sick leave as early as possible, and prior to the start of your scheduled shift, if practical. While you are out on sick leave, you must keep your supervisor updated as to your expected return date. Should your sick leave exceed three consecutive work days, the Foundation may require you to provide appropriate medical documentation supporting the need for sick leave.

Employees may schedule or take sick leave in increments of no less than $^{1}/_{2}$ hour. Additional paid sick leave may be granted at the discretion of the President.

Carryover

Unused sick leave may be carried over to the next fiscal year; provided, however, that the total amount of sick leave accrued cannot exceed 90 days (720 hours for full-time employees and a pro-rata amount for part-time employees) (any excess amount not carried over shall be forfeited).

Accrued Unused Sick Leave at Termination

Any unused sick leave is **forfeited** upon the end of employment (whether voluntary or involuntary), and no payment will be made to any employee for accrued but unused sick leave.

Holidays

All full-time employees and part-time employees scheduled to work at least 20 hours per week will receive a day off with pay on each of the following holidays:

New Year's Day	Labor Day
Martin Luther King Jr.'s Birthday	Veterans Day
Good Friday	Thanksgiving Day (2 days)
Memorial Day	Christmas Day (2 days)
Juneteenth	Floating Holiday
Independence Day	

When a scheduled holiday falls on Saturday or Sunday, it will be observed either Friday or Monday, as determined by the Foundation President. Holidays that occur during an employee's annual leave, will not be counted as an annual leave day.

Eligible part-time employees will receive holiday pay on a pro-rata pay basis. The pro-rata amount will be determined based on the percentage of time the part-time employee is scheduled to work. Employees may not use holiday hours to receive pay for hours exceeding their normal work schedule.

Employees are ineligible for holiday pay if the holiday occurs while they are on an unpaid leave of absence.

Parental Leave

Regular, full-time employees who have completed one year of service with the Foundation at the time of the birth or adoption of a child are eligible for paid parental leave. The Foundation will provide eligible employees with up to six (6) weeks of leave, paid at their normal pay rate. Employees eligible for annual leave, sick leave, or other leave may use such leave, as applicable, to supplement parental leave. The use of other leave to supplement parental leave will be subject to the terms and conditions of the relevant leave policy. If you and your spouse/co-parent both work for the Foundation, the combined paid parental leave benefit available to both parents under this policy is six (6) weeks. Parental leave must be taken in one-week (5 consecutive business days) increments and within six (6) months of the birth or adoption.

If the need for paid parental leave is foreseeable, you must provide at least 30 calendar days' notice before the leave begins by submitting your request for leave to your supervisor as soon as the approximate dates for a leave of absence are determined. If a 30-day advance notice is not practical, or its approximate timing is not foreseeable, you must provide notice as soon as it is practical (normally within one or two business days of learning of the need for parental leave).

The Foundation may require you to provide medical certification of the need for leave for the birth of a child or provide certification of adoption of a child.

Lactation Breaks

In accordance with applicable law, nursing mothers are allowed "reasonable break times" to express milk for up to one year after the child's birth. In general, "reasonable break times" include two to three breaks during the workday to express milk, lasting no longer than 30 minutes each. However, the Foundation will not deny reasonable break time to express milk any time it is needed, unless it creates an undue hardship for the Foundation. Break time includes the time that it takes to leave and return to your workstation. Employees will be relieved of all duties during lactation breaks.

The first three 30-minute breaks during the workday to express milk will be paid (but the lactation breaks will run concurrently with paid rest breaks and are not in addition to those breaks). If you need to take more than three 30-minute lactation breaks during the workday, such time will be unpaid. If needed, you may also use your unpaid meal break for this purpose. Notwithstanding the foregoing, exempt employees will be paid their full salary for weeks in which they perform any work.

The Foundation will provide a room other than a bathroom to ensure privacy and in order to avoid interruptions by other employees or the public. The Foundation may ask the employee to make reservations and schedules for use of the lactation room, with the understanding that the frequency and duration of breaks will vary depending on factors specific to each employee. Please check with your supervisor to discuss potential scheduling.

The Foundation strictly prohibits retaliation, harassment, or discrimination against an employee who chooses to express milk in the workplace.

Bereavement Leave

Employees may be absent for up to two days for each occurrence of death in their immediate families. Such bereavement leave shall be paid at the employee's normal rate of pay. Any additional required or requested time off will fall under the Annual Leave, Sick Leave, or other leave polices. Immediate family members include:

1. Spouse, and parents thereof;
2. Sons and daughters, and spouses thereof;
3. Parents, and spouses thereof;
4. Brothers and sisters, and spouses thereof;
5. Grandparents and grandchildren, and spouses thereof;
6. Aunts and uncles, and spouses thereof;
7. Domestic partner and parents thereof; including domestic partners of any individual in 1 through 6 of this definition; and
8. An individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.

To be approved for this leave, please submit to your supervisor the name of the deceased and your relationship to him or her. This leave may also be used for those activities related to the death (recording of the will, etc.) of the family member. Official documentation may be requested by your supervisor.

Leaves of Absence

Military Leave of Absence

The Foundation complies with the provisions of the Uniformed Services Employment and Reemployment Rights Act ("USERRA"). Employees whose service in the uniformed services requires them to be absent from work should notify their immediate supervisors of their need for leave of absence due to military duty as soon as the employee becomes aware of the need for leave.

As required by USERRA, a leave of absence will be granted to employees to attend scheduled drills or training or if called to active duty with the uniformed service. The "uniformed service" includes service in the Army, Navy, Air Force, Marines, Coast Guard, Army or Air Force National Guard, the commissioned corps of the Public Health Service, and any other category of persons designated by the President of the United States in time of war or national emergency.

The leave will generally be unpaid, unless otherwise required by law. However, employees may use any available annual leave for the absence.

Subject to the terms, conditions and limitations of the applicable plans for which the employee is otherwise eligible, health insurance benefits will be provided by the Foundation until the end of the first full month after military leave begins. At that time, employees will become responsible for the full costs of these benefits if they wish coverage to continue. When the employee returns from military leave, benefits will again be provided by the Foundation according to the applicable plans.

Annual leave, sick leave and holiday benefits will not accrue during a military leave of absence.

Employees with active-duty training assignments or inactive duty training drills for less than 31 days are required to return to work for the first regularly scheduled shift following completion of service, after the expiration of an eight hour "rest period" and reasonable travel time. Employees on longer military leave must apply for reemployment in accordance with all applicable state and federal laws.

Every reasonable effort will be made to return eligible employees to their previous position or a comparable one. Eligible employees covered by USERRA will be treated as though they were continuously employed for purposes of determining benefits based on length of service, such as the rate of annual leave accrual and any job seniority rights.

School Leave

The Foundation shall grant up to four (4) hours per year of unpaid leave to any employee who is a parent, guardian, or person standing in loco parentis to a school-aged child so that the employee may attend or otherwise be involved at that child's school. Please notify your supervisor and obtain approval in advance of this absence.

Parent Compliance with Juvenile Orders

Employees who are subject to juvenile court orders will be given unpaid time off to comply with properly issued court orders, as required by law.

Domestic Violence Leave

Employees who are victims of domestic violence will be given reasonable time off to seek relief under the domestic violence or civil no-contact laws, including, but not limited to, obtaining or attempting to obtain a civil no-contact order or domestic violence protective order, as required by law. The Foundation will not retaliate or tolerate retaliation against any employee who seeks or obtains leave under this policy.

Employees seeking time off under this policy must provide the Foundation with reasonable advance notice of the leave, unless an emergency prevents them from doing so. The Foundation may require documentation verifying that an emergency prevented an employee from providing proper notice, as well as other information verifying the reason for the absence. Time off under this policy will be unpaid.

State Military Leave

Employees who are members of the North Carolina National Guard are entitled to take a generally unpaid leave of absence when called into service of the state by the Governor. Employees will not be required to use accrued annual leave or other paid leave during the period of active service.

Upon honorable release from state duty, employees will be entitled to reinstatement to their previous position or a position of like seniority, status and salary, as long as they:

- Apply in writing for reemployment in accordance with the timing requirements set forth below;
- Are still qualified for employment; and
- The Foundation's circumstances have not changed such that reinstatement is unreasonable.

Employees must make written application for reemployment in accordance with the following timing requirements:

- For individuals whose period of service was less than 31 days, not later than the beginning of the first standard work period following the completion of the period of service, safe transport to the individual's residence and an additional eight-hour period;
- For individuals whose period of service was more than 30 days, not later than 14 days after the individual's release from state duty;
- For individuals hospitalized for, or convalescing from, an illness or injury incurred in or aggravated during the performance of state duty, not later than the end of the period of recovery (generally not to exceed two years).

Employees who are no longer qualified for their previous employment will be placed in another position for which they are qualified and that will provide appropriate seniority, status and salary, unless the Foundation's circumstances make such a placement unreasonable.

Employees who are members of another state's military may be entitled to leave for military service under different terms and conditions. Contact your supervisor for information about specific military leave entitlements that may be applicable to your situation.

Precinct Official Leave

Employees who are appointed as precinct officials or election officials will be allowed time off on Election Day to serve in that capacity for the entire 24-hour period of each Election Day. Employees wishing to take leave under this standard should notify their supervisor in writing at least 7 days in advance.

Employees will not be terminated or otherwise penalized or discriminated against for taking leave under this standard. Time off under this standard will be unpaid, except that exempt employees will be paid when required under applicable law.

Voting Leave

Employees are allowed up to 3 successive hours of leave to vote each election day. Employees wishing to take leave under this standard should notify their supervisor in writing in advance. Employees will not be terminated or otherwise penalized or discriminated against for taking voting leave. Time off for voting leave will be unpaid, except that exempt employees will be paid when required under applicable law.

Emergency Disaster Leave

Members of volunteer fire departments, rescue squads, or emergency medical services agencies called into service after the Governor or the General Assembly has proclaimed a state of disaster have the right to take leave without pay from civilian employment and cannot be forced to use annual leave or other available leave. In that event, the employee who needs the leave should submit a request to their supervisor by sending a letter requesting the services of the employee from the director of the Division of Emergency Management or by the head of a local emergency management agency. However, if the Foundation needs the services of the employee to address an on-going emergency or disaster relief activities, the Foundation may be exempted from the emergency leave law's provisions.

Emergency Response Leave

Employees serving as volunteer firefighters, emergency medical technicians, first responders, or ambulance drivers may take leave from work to perform such emergency worker services for emergencies that begin before they are required to report to work. Within 30 days after becoming an emergency responder, the employee must submit a written statement notifying the employer that the employee is a volunteer firefighter, emergency medical technician, first responder, or ambulance driver.

Employees must make every effort to give advance notice of an emergency-related absence. If advance notice is not possible, employees must, on request, give a written statement from the emergency response provider explaining why advance notice was not possible. Employees must provide, on employer request, a written statement from the emergency response provider that the employees' absence was because of a qualifying emergency response.

Court Attendance: Jury or Witness Duty

If you are summoned to appear as a witness in a legal proceeding, you will be granted up to two days' paid leave for the time required for such duty, in accordance with your regular rate of pay based on your normal scheduled hours of work. If the court appearance does not require your absence for the entire workday, you should return to work immediately upon release by the court. If the court appearance requires your absence for more than two days, any additional time off may be unpaid, except as otherwise required by applicable law (unless your testimony is regarding a crime against the Foundation or an incident involving your employment).

If you are requested to perform service as a juror, you shall be given off time while serving on the jury. If your jury service does not require your absence for the entire workday, you should return to work immediately upon release by the court. The Foundation will provide paid leave to all regular, full-time and part-time employees scheduled to work 20 hours or more a week that are called for jury duty, or as required by applicable law.

When taking leave under this standard, you must give your supervisor as much advance notice as possible and provide relevant documentation (jury service notice/summons or witness subpoena/notice), if requested.

Civil Air Patrol Leave

Members of the Civil Air Patrol may take leave from work if:

- The absence is necessary to perform duties incident to:
  - a mission authorized by the state, the governor, the U.S. Air Force, the relevant department of military affairs, any county or municipal government, or a federally recognized Native American tribe;
  - disaster relief or humanitarian services designated by the Federal Emergency Management Agency, the U.S. Air Force, the Civil Air Patrol national operations center, the governor, the relevant department of military affairs, any county or municipal government, or a federally recognized Native American tribe;
  - public health emergencies designated by the Department of Health Services or a local health department; or
  - operations to support the U.S. Air Force, as designated by the US Air Force or the Civil Air Patrol national operations center.
- The absence is for no more than 7 consecutive scheduled work days; and
- The employee's total absences in a calendar year do not exceed 15 scheduled work days.

The Foundation may require an employee taking leave under this standard to furnish a copy of their mission order. Subject to applicable law, the Foundation may be entitled to deny Civil Air Patrol leave if the leave would unduly disrupt the Foundation's operations.

Time off under this standard will be unpaid, except that exempt employees may receive compensation as required by applicable law. The Foundation will not retaliate or tolerate retaliation against any employee who seeks or obtains leave under this standard.

Personal Leave of Absence

Employees may be granted a personal leave of absence without pay under certain circumstances. The Foundation has complete discretion as to whether or not to grant this leave, and if so, the applicable terms of such leave. In exercising this discretion, these factors will be considered:

- The employee's needs and the needs of the Foundation
- The nature of the leave
- The anticipated length of the leave
- The employee's length of service and work record
- The nature of the employee's position
- The difficulty in finding a replacement or adaptation to the employee's absence
- The employee's attendance record and previous use of leave time

The decision as to whether or not to extend the employee's Foundation-paid insurance benefits during a personal leave of absence, and the terms under which they may be extended, are at the Foundation's sole discretion.

Working While On Leave
While on a leave of absence (other than an intermittent leave), you are completely relieved from duty and you may not perform work without authorization of management. This includes business-related phone calls, emails, or other work. If you perform work while on leave, with or without authorization, you must promptly contact your supervisor to report time worked. Use of the Foundation's email system for personal reasons does not constitute time worked.

As a general rule, a leave of absence from work shall be unpaid unless covered by one of the Foundation's paid leave standards, disability insurance, or workers' compensation. Notwithstanding this general rule, if you perform work while on leave, you shall be compensated in accordance with applicable law. Please note that performing work while on leave may jeopardize your entitlement to disability insurance and may require medical clearance from your health care provider.

Workers' Compensation
In compliance with state laws, the Foundation pays Workers' Compensation insurance benefits for all employees. If you are injured on the job or suffer a job-related illness, you may be entitled to certain Workers' Compensation benefits.

Employees are required to report any on-the-job injury or work-related illness immediately, no matter how minor.

End of Employment

Voluntary Resignation
If you find it necessary to resign, we ask that you give at least 10 business days advance notice in writing. Although this notice is not required, it is requested so that we will have the opportunity to locate a replacement and your responsibilities can be adequately covered before you leave. The 10-day notice should be 10 days of working time, and should not include time off. If you have pre-approved annual leave scheduled during a portion of your leave period, your supervisor may waive the working time requirement based on business needs only if the scheduled annual leave has been accrued prior to the scheduled time off date(s). Unless required by law, employees who resign their employment without providing at least 10 business days advance notice shall not be paid for any annual leave accrued but not used as of the date of termination, all such annual leave being forfeited unless approved by the President. Employees who fail to provide the requested notice will be ineligible for rehire.

The Foundation may determine it is appropriate to forego the requirement that the notice period be worked, in which case the effective date of your termination will be the last date of active work. The Foundation also may choose to pay you up to 10 days' pay in lieu of working during the notice period. These options do not in any way limit the Foundation's ability to terminate the employment relationship.

Termination Resulting from Position Elimination
If the Foundation eliminates a position (as opposed to terminating the employment of an employee in a position), the Foundation may provide a severance payment to the employee in that position. This payment will typically equal one week of pay for each year of service of the employee, up to a maximum of eight weeks of pay. Payment of this severance, if made, will be contingent on the employee signing a release of any actual or potential claims against the Foundation, on a form of release acceptable to and provided by the Foundation.

Exit Interview
Management may conduct exit interviews upon employment resignation or termination. This interview allows you to discuss any questions you have concerning benefits, insurance, and any other administrative details associated with the end of employment.

Return of Property
Upon the voluntary or involuntary termination of your employment, or at any earlier time if requested by the Foundation, you must immediately return to the Foundation any property you have in your possession or control belonging to the Foundation including, but not limited to, any keys, phones, electronic devices, tablets, computers, other equipment, files, passwords, or records including copies of Foundation public records in your personal possession or control, such as any in personal email or text message accounts. Unless required by law, employees who do not return all Foundation property in their possession or under their control, shall not be paid for any annual leave accrued but not used as of the date of termination, all such annual leave being forfeited, unless otherwise approved by the President.

The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc.
Acknowledgement of Receipt of Handbook

I have received and read the information in the Golden LEAF Foundation Employee Handbook which summarizes my privileges and obligations as an employee. I realize that I am responsible for understanding this information and any other policies and procedures of the Foundation, which—other than the employment "at-will" relationship—are subject to change from time to time at the sole discretion of the Foundation.

I also realize that I am employed at will, and that the Foundation's policies, procedures, and description of benefits, whether or not contained in the Employee Handbook, are neither an employment contract nor terms of an employment contract.

Further, I realize that the employment relationship between me and the Golden LEAF Foundation may be terminated by me or the Foundation at any time and for any reason.

________________________________ ____________________

Employee Signature Date

____

Print Name

Appendix Policies

Appendix I

The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc.
Internet and Email Policy

Computers, computer files, the email system, public folders, and software that may be available to employees are Foundation property intended for business use only during working time. Since most emails and other documents on the Foundation's email system and computer network are public records, employees are responsible for demonstrating professionalism at all times while on the network and/or using Foundation resources.

Employees are expected to abide by generally accepted rules of network etiquette. While the Foundation does not prohibit occasional use of the internet for personal reasons, to avoid potential viruses, ransomware attacks, and similar issues that may affect the Foundation's network and equipment, employees may not use Foundation computers to access private email accounts or social media accounts.

While working, each employee should monitor the nature and amount of his or her own internet use to ensure that it does not interfere with or negatively affect any employee's job performance. Prohibited actions by employees include, but are not limited to, the following:

- Sending or displaying offensive messages or images, using obscene language, or discriminating, harassing, insulting, threatening, or attacking others using the Foundation's equipment or internet, or in a manner that connects the employee to the Foundation (e.g., using a work email address)
- Damaging the Foundation's computers, computer systems, software or computer networks
- Jeopardizing the security of the Foundation's electronic systems
- Installing or downloading any software or electronic files on Foundation-issued equipment without first obtaining management approval
- Violating copyright laws or licensing agreements
- Using another person's identity, identifying information, or password without permission, or otherwise attempting to break into the computer system of another individual or organization
- Use of data in folders or work files in a manner that is unauthorized, outside the scope of one's employment, unlawful, or that results in personal gain
- Intentionally wasting the Foundation's resources
- Employing the Foundation's internet or network for independent commercial purposes
- Internet and/or email use that interferes with job performance
- Breaches of confidentiality
- Accessing or exchanging inappropriate or adult content
- Use of the internet and/or email in a manner that violates other policies of the Foundation

In the event an employee engages in any of the above-referenced activities, his/her access privileges may be limited or revoked and other disciplinary measures, up to and including unpaid suspension or discharge, may result.

While using a work email address, Employees may only use Foundation-approved email signatures and (when necessary) out of office messages.

In accordance with applicable law, the Foundation retains the right to access or monitor any employee's email or computer usage at any time for any reason without notice to the employee. Employees should not expect that email sent or received on the Foundation's systems or information about the websites that employees visit is confidential or private. Currently, the Foundation reviews website activity on a quarterly basis.

Private email and text message accounts should not be used to conduct the business of the Foundation except in limited circumstances, when necessary, in which case the employee must take steps to transfer any public records created using those private accounts to the Foundation for retention in accordance with its policies.

Appendix II

The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc.
Policy on Social Media and External Communication

Social media is a powerful form of communication that can affect organizational, professional, and individual reputations. Social media includes a variety of online communities like blogs, chat rooms, forums, and social networks. Common examples include but are not limited to Instagram, TikTok, X, Reddit, Facebook, and Snapchat.

When participating in social media, employees must be aware that the lines between personal and professional content may not be clear, and employees have no reasonable expectation of privacy in publicly available social media postings. Employees should follow the same behavioral standards online as they would while engaging in personal and professional interactions. However, nothing in this policy should be construed to limit an employee's rights under section 7 of the National Labor Relations Act, and nothing in this policy is designed to interfere with, restrain, or prevent employee communications regarding wages, hours, or other terms and conditions of employment.

The following are general guidelines for employees' participation in social media and online communications. The Foundation may observe content and information employees post publicly using social media. The Foundation may take disciplinary action up to and including unpaid suspension or termination if employees do not follow this policy.

Guidelines

- Employees may not handle or interact with media or members of the North Carolina General Assembly or their staff on the Foundation's behalf, except as requested by the Foundation to gather sufficient information about an inquiry to refer the matter to the Communications Manager or the Vice President/Chief of Staff, as described below. Employees may not act as a representative of the Foundation in interactions with the media or members of the North Carolina General Assembly or their staff without the direct guidance and/or prior direction and permission of the President or the President's designee. All media inquiries seeking a statement on the Foundation's behalf or from a representative of the Foundation must be reported to the President or the Communications Manager immediately. All inquiries from members of the North Carolina General Assembly or their staff must be referred to the Vice President/Chief of Staff immediately. Responding to inquiries from the media or members of the North Carolina General Assembly or their staff on the Foundation's behalf or as a representative of the Foundation without prior guidance and approval may result in disciplinary action up to and including unpaid suspension or termination.
- Employees may not disclose or comment on confidential, proprietary, or trade secret information of the Foundation or any other person or entity, or otherwise violate the Foundation's confidentiality policies.
- Employees should be thoughtful about the tone used when posting on social media and avoid name calling, profanity, discriminatory epithets, sexual harassment, bullying, or similar language.
- Employees may not post comments about coworkers, supervisors, the Foundation, or stakeholders of the Foundation that are vulgar, obscene, threatening, intimidating, or harassing, or make posts that violate the Foundation's workplace policies, including those against discrimination, harassment, or hostility.
- Employees should attribute all content that is not original, including content that is reposted from others, and follow intellectual property laws and guidelines, including not posting copyrighted photos, images or content. Employees should be careful of posting photos of people without photo releases (including photos of minors without releases).
- Employees should not write or post anything on social media or on the internet that interferes with

their work or work obligations.

- Employees may not use the Foundation or its logos or materials to endorse or promote any product, opinion, cause, or political candidate, to lobby, or to engage in any business/commercial venture without express written permission from an authorized representative of the Foundation.
- Employees should not make false representations about their work credentials.
- Employees should not engage in illegal or unlawful activities through social media accounts, including posting comments, pictures, videos, or other information about participation in illegal activities.
- Employees must make clear that any opinions are the employee's alone and not the views of the Foundation and should use their personal contact information for personal postings.

If you have any concerns, input, or feedback regarding the Foundation, please bring it to the Foundation's attention. Employee input is valuable for the Foundation and we will be happy to hear your views. However, please do not post your input directly online on the Foundation's official accounts. Instead, please write an email to your supervisor who can route it to the appropriate person for consideration.

Appendix III

The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc.
Travel Expense Reimbursement Policy for Employees

Purpose
The purpose of this policy is to document travel expenses that are eligible for reimbursement by The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc. (Golden LEAF) (Foundation). It also includes additional reference information that may be useful to employees when preparing requests for expense reimbursement.

Any exceptions to this policy must be approved by the President.

Employee Responsibility
Employees of the Golden LEAF Foundation are expected to act in a prudent manner when incurring expenses while traveling on Foundation business. Unnecessary, unjustified expenses or expenses incurred for the convenience or personal preference of the employee are not allowed. In order to receive reimbursement for allowable travel expenses, the employee must submit a request for reimbursement within 30 days following the end of the travel period on the Foundation's approved Employee Expense Reimbursement Form**. All expenses submitted by the employee for reimbursement must be accompanied by a valid receipt and a brief explanation of the expense.** Receipts must be itemized. Credit card statements will not be accepted as evidence of a receipt for reimbursement without prior approval of the President or Senior Vice President. All requests for expense reimbursement are subject to the Foundation's approval.

Travel Expenses
The Foundation will reimburse by direct deposit for expenses incurred by an employee in connection with travel away from home while on business of the Foundation using the lesser of actual expenses incurred or rates established herein.

Lodging
Employees are expected to use sound and reasonable judgment about hotels they reserve, being cognizant of limited administrative dollars. In-state hotel rooms shall not exceed the lodging rate set forth in the Annual Benefits and Travel Reimbursement Summary provided each year to employees. Out-of-state hotel room rates are subject to the approval of the President and shall be consistent with prevailing rates in the area.

Authorization for in-state lodging rates in excess of the lodging rate must be obtained in advance from the President or Senior Vice President. Excess lodging rates may be allowed when the employee is in a high-cost area and unable to secure lodging within the current allowance, when the employee's personal safety or security is unattainable within the current allowance, or when the lodging is the preferred lodging for a conference or other event the employee is attending.

Meals
Employees may be reimbursed for meals when traveling on Foundation business. Alcohol is not a reimbursable expense. Employees will not be reimbursed for meals that are reasonably available to them at no cost, e.g., when meals are available at a conference, or when a hotel provides a free breakfast. Meal reimbursement rates are set forth in the Annual Benefits and Travel Reimbursement Summary provided each year to employees. Meal reimbursement rates are inclusive of all taxes and tips.

Employees may be reimbursed for meals in the following circumstances:

- Breakfast: the morning after spending the night away from home on Foundation business
- Lunch: depart Foundation office or home prior to 11:00 a.m. and return after 2:00 p.m.
- Dinner: depart Foundation office or home prior to 5:00 p.m. and either return after 8:00 p.m. or spend the night away from home on business

Transportation

By Common Carrier
Reimbursement for travel by air, rail or bus is limited to actual coach fare and must be substantiated by receipt.

By Car
When more than one employee is traveling to the same destination, every effort should be made to reduce costs by carpooling.

By Rental Car
It is the intent of this policy to encourage the use of rental cars when it will be less expensive for the Foundation than if the employee drives a personal vehicle. Exemptions may only be made by the President.

The Foundation has a corporate contract with a local rental car company. When renting a car, employees should use this company unless availability or extenuating circumstances dictate otherwise. Compact, midsize or full-size cars should be rented. Employees should decline insurance coverage. Rental cars should be returned to the original rental location in order to avoid costly drop-off charges. Cars must be returned without incurring additional charges for gas due to failure to bring back the tank on full or as otherwise required. An employee may rent a car whenever the daily mileage to be driven is greater than 150 miles. When on a multi-day business trip without returning to home or the office, an employee may rent a car for the entire trip if the miles to be driven on any day of the trip exceeds 150. An employee who plans to make two trips each of 150 miles or more on days that are not consecutive may keep a rental car for up to one intervening day between those trips, or over a weekend if the trips fall on a Friday and Monday. An employee may also rent a car whenever the employee reasonably determines that the cost of the rental car plus gas (calculated at the excess mileage rate in the Annual Benefits and Travel Reimbursement Summary) is expected to be equal to or less than the mileage reimbursement the employee would receive if the employee used a personal car.

Employees should not use rental cars for personal business or travel except as reasonably necessary.

By Personal Vehicle

Actual mileage is reimbursable. Mileage is measured from the closer of the Foundation office or point of departure to destination (and return). The business standard mileage rate set annually by the Internal Revenue Service will be paid when the daily mileage does not exceed 150 miles. If the employee chooses to use a personal vehicle versus a rental car for daily mileage exceeding 150 miles, the employee will be reimbursed at the business standard rate for the first 150 miles, then the excess mileage rate for any daily mileage over 150 miles. The business standard mileage rate and the excess mileage rate are set forth in the Annual Benefits and Travel Reimbursement Summary provided each year to employees. The excess mileage rate will be calculated as the average cost of one regular-grade gallon of gasoline divided by 25 miles per gallon (based on average car). This rate will be calculated and effective in coordination with changes in the IRS business standard rate. Exemptions may be only made on approval by the President.

No reimbursement shall be made for the use of a personal vehicle in commuting from an employee's home to the Foundation office.

Other Travel Expenses

Parking and tolls
Parking fees and tolls are reimbursable when accompanied by a receipt. However, toll roads should be avoided unless strictly necessary for travel.

Tips and Gratuity
Reasonable tips and gratuity are reimbursable. The following guidelines should be considered when calculating a tip. Tips for meals should not exceed 20%. Tips for taxi drivers should not exceed 15% of the fare. Tips for handling of bags should be $1 - $2 per bag. The Foundation will not reimburse for tips provided for housekeeping services at hotels.

**The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc.
Conflicts of Interest Policy**

Amended effective as of February 6, 2025

ARTICLE I

Purpose

The purpose of the Conflicts of Interest Policy (this "Policy") is to protect the interests of The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc. (the "Corporation"), when the Corporation is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director or key employee of the Corporation. This Policy, adopted by the Board of Directors of the Corporation (the "Board") in accordance with the provisions of Article IX, Section 8, of the Corporation's Articles of Incorporation, is intended to supplement but not replace any applicable laws or regulations of the State of North Carolina governing conflicts of interest applicable to nonprofit and charitable corporations.

ARTICLE II

Definitions and Rules of Construction

For purposes of this Policy, the following definitions and rules of construction shall apply:

1. "Interested Person" shall mean a Director, Officer, or Key Employee, who has an Individual Interest in a Proposed Transaction.

2. "Director" shall mean a director of the Corporation.

3. "Officer" shall mean an officer of the Corporation whose office is described in the bylaws of the Corporation. An officer's specific title need not be described in the bylaws in order for the officer to come within the ambit of this definition.[1] The presence of the word "officer" in an employee's title is not determinative of the employee's status as an "Officer."[2]

4. "Key Employee" shall mean an employee of the Corporation who meets all three of the following tests:

    a. receives reportable compensation from the Corporation in excess of $150,000 for the calendar year ending with or within the Corporation's tax year; and

    b. i. has responsibilities, powers or influence over the Corporation as a whole that is similar to those of officers, directors, or trustees; or

[1] For example, the Director of Investments, is an office described in the bylaws of the Corporation, and is therefore an "Officer."
[2] For example, "Programs Officer" is not an office described in the bylaws, and a Programs Officer is therefore not an "Officer" for purposes of this Policy.

ii. manages a discrete segment or activity of the Corporation that represents 10% or more of the activities, assets, income, or expenses of the Corporation, as compared to the Corporation as a whole; or

iii. has or shares authority to control or determine 10% or more of the Corporation's capital expenditures, operating budget, or compensation for employees; and

c. is one of the 20 employees with the highest reportable compensation from the Corporation and related organizations for the calendar year ending with or within the Corporation's tax year.

5. "Individual Interest" shall mean a Financial Interest or a Duality of Interest.

6. An Interested Person has a "Duality of Interest" with respect to a Proposed Transaction if such Interested Person (or a Family Member of such Interested Person) is an officer, director, trustee, employee, or independent contractor of a Party to a Proposed Transaction, even if the Interested Person (or Family Member) is uncompensated and otherwise has no financial interest that would be affected by the Proposed Transaction.[3] An Interested Person also has a "Duality of Interest" if circumstances relating to such Interested Person could reasonably be perceived by others as likely to influence the Interested Person's independent judgment with respect to a Proposed Transaction, even though the Interested Person does not have a Financial Interest with respect to the Proposed Transaction.

7. An Interested Person has a "Financial Interest" with respect to a Proposed Transaction if such Interested Person (or a Family Member of such Interested Person):

a. is a Party to the Proposed Transaction; or

b. will receive a Material Benefit as a result of the Proposed Transaction; or

c. has, directly or indirectly, through business, investment or a Family Member:

i. an ownership or investment interest in any Party to the Proposed Transaction; or

ii. a compensation arrangement with any Party to the Proposed Transaction; or

iii. a potential ownership or investment interest in, or compensation arrangement with, any Party to the Proposed Transaction.

For purposes of this section, a compensation arrangement shall include without limitation an arrangement by means of which an independent contractor is paid for services rendered.[4]

[3] For example, if the Corporation is considering a proposed grant to a charitable nonprofit corporation, and a Director serves without compensation on the board of directors of that charitable nonprofit corporation, that Director has a Duality of Interest with respect to that proposed grant for purposes of this Policy. As another example, if a Director is a lawyer and a Party to a Proposed Transaction is the Director's *pro bono* client, that Director has a Duality of Interest with respect to that Proposed Transaction for purposes of this Policy.

[4] For example, if a Director is a partner in a law firm of which a Party to a Proposed Transaction is a paying client, that Director has, through his or her business, a compensation arrangement with a Party to a Proposed Transaction.

8. “Party to a Proposed Transaction” shall mean an individual or a legal entity (other than the Corporation) that is a party to, or will or may derive a Material Benefit from, a Proposed Transaction.

9. “Proposed Transaction” shall mean a transaction, arrangement, contract or agreement, that has been proposed to the Corporation or that the Corporation has proposed or is considering.[5]

10. “Material Benefit” shall mean (i) a financial or economic benefit that is both (a) more than *de minimis* in value (for purposes of this Policy, any value that is Fifty Dollars ($50.00) or less is considered *de minimis*) and (b) more than remotely likely to occur,[6] or (ii) a personal benefit with no readily ascertainable financial or economic value that nevertheless could reasonably perceived by others as improper under the circumstances, as disclosed to and determined by the Chair of the Audit Committee of the Corporation in consultation with counsel (or, in the absence or conflict of the Chair of the Audit Committee, by the Chair of the Board in consultation with counsel).[7]

11. “Family Member” of an individual shall mean: (1) spouse, (2) ancestor, (3) brother, (4) half-brother, (5) sister, (6) half-sister, (7) child (whether by birth or by adoption), (8) grandchild, (9) great grandchild, or (10) spouse of brother, half-brother, sister, half-sister, child, grandchild, or great grandchild. For purposes of this definition, “spouse” shall include husband, wife, domestic partner, and any person not otherwise included in the definition of “Family Member” with whom the individual resides and shares financial obligations and/or property ownership.

12. “Business Entities” shall be deemed to include, but shall not be limited to, nonprofit corporations and unincorporated nonprofit associations, but shall not be deemed to include governmental units or any subdivision or agency of government.

13. An Interested Person who has an Individual Interest with respect to one or more parent, sister, or subsidiary Business Entities of a Party to a Proposed Transaction shall be deemed to have an Individual Interest in a Proposed Transaction involving such Party to a Proposed Transaction.

14. An Interested Person who has an Individual Interest in a subdivision or agency of government shall not be deemed solely by virtue of such Individual Interest to have an Individual Interest in other subdivisions or agencies of such government that are not subject to the control of the subdivision or agency of government with respect to which the Interested Person has an Individual Interest.[8]

[5] Examples include: a grant with respect to which a letter of inquiry has been submitted to the Corporation, a contract with a vendor, a loan in support of economic development, or the employment of an individual as an at-will employee without a contract.
[6] For example, an Interested Person who is the chairman of the board of a bank will not derive a Material Benefit from a Proposed Transaction solely because a large number of farmers will be eligible for a program funded as a result of the Proposed Transaction and some of those farmers maintain accounts with the bank. In contrast, an Interested Person whose real property will substantially appreciate as a result of a Proposed Transaction will be deemed to be receiving a Material Benefit as a result of the Proposed Transaction.
[7] For example, an Interested Person’s receipt of an honorary degree from a Party to a Proposed Transaction, reasonably proximate in time to the Proposed Transaction, would constitute a Material Benefit, because it is a personal benefit that could reasonably be perceived by others as improper under the circumstances. The same party’s invitation to such Interested Person to be a speaker at an event would not, if accepted, constitute a Material Benefit, because the Interested Person is deemed to be speaking at the event as a representative of the Corporation and not in the Interested Person’s individual capacity.
[8] For example, a Director who is a member of the Board of Trustees of North Carolina State University shall not be deemed solely by virtue of such office to have an Individual Interest in Appalachian State University.

ARTICLE III

Procedures Where Individual Interest Exists

1. No Interested Person who has an Individual Interest with regard to a Proposed Transaction shall participate in voting upon, discussing, or taking any other action with respect to such Proposed Transaction (except as expressly permitted herein).

2. No Interested Person who has an Individual Interest with regard to a Proposed Transaction shall take part in the Corporation's evaluation or implementation of such Proposed Transaction (except as expressly permitted herein). The prohibition imposed by this section shall be deemed to include but not be limited to signing an agreement on behalf of the Corporation with respect to such Proposed Transaction.

3. An Interested Person shall disclose the existence and nature of his or her Individual Interest, and shall disclose all material facts relating to such Individual Interest, to those individuals who are considering or implementing the Proposed Transaction. An Interested Person shall not be required to disclose the nature of his or her Individual Interest where such disclosure would violate obligations of privilege imposed under applicable rules of professional responsibility or otherwise (e.g., attorney/client privilege) or a contractual obligation of confidentiality; provided, that in such cases the Interested Person must nevertheless comply with Section 1 and Section 2 of this Article III.

4. Except as provided in Section 5 of this Article III, if an Interested Person having a Financial Interest in a Proposed Transaction is present at a meeting at which the Proposed Transaction is being considered, discussed, or voted upon, after disclosure of the Individual Interest and (unless privileged or confidential) all material facts relating to the Individual Interest, and after providing information as contemplated in Section 6 of this Article III, the Interested Person shall leave the meeting room while the remaining persons participating in the meeting consider, discuss and/or vote upon the Proposed Transaction.

5. An Interested Person having a Financial Interest in a Proposed Transaction as a result of which neither the Interested Person nor the Interested Person's business nor the Interested Person's Family Member will receive a Material Benefit, and an Interested Person having a Duality of Interest in a Proposed Transaction, after providing information as contemplated in Section 6 of this Article III, may choose to leave the meeting room while the remaining persons participating in the meeting consider, discuss and/or vote upon the Proposed Transaction, but shall not be required to leave the meeting room unless so required by: (1) an affirmative vote of the group that is meeting (in which vote the Interested Person shall not participate), upon motion and second, or (2) the direction of the chair of the meeting. An Interested Person having a Financial Interest in a Proposed Transaction as a result of which neither the Interested Person nor the Interested Person's business nor the Interested Person's Family Member will receive a Material Benefit, and an Interested Person having a Duality of Interest in a Proposed Transaction, after disclosing the Individual Interest to the President (or, if the Interested Person is the President, after disclosing the Individual Interest to the Chair of the Board): (1) may, if the Interested Person is an employee of the Corporation, participate in the gathering of information relating to the Proposed Transaction, participate in the formulating of a recommendation with respect to the Proposed Transaction, and participate in the presentation of the Proposed Transaction to the Corporation's Board of Directors, and (2) may take part in the implementation of a Proposed Transaction that has been approved and authorized by the

Corporation's Board of Directors; provided, however, that in the event that the President (or the Chair of the Board, as the case may be), determines in his or her sole discretion that the Interested Person should not participate in the Corporation's evaluation or implementation of the Proposed Transaction, the Interested Person shall not participate in the Corporation's evaluation or implementation of the Proposed Transaction.

6. In many cases, an Interested Person will possess information concerning a Proposed Transaction or a Party to a Proposed Transaction that would be helpful to those disinterested individuals who are considering the Proposed Transaction. To deprive the Corporation of access to such information would not serve the best interests of the Corporation. Accordingly, other Directors, Officers, employees or other representatives of the Corporation may seek to elicit such information by asking the Interested Person questions of fact, and the Interested Person shall respond to such questions to the extent that such response does not require the Interested Person to violate applicable law,[9] a legal privilege, or an obligation of confidentiality. Moreover, in the event that the Interested Person is aware of facts that the Interested Person in good faith considers material to the Corporation's action with respect to a Proposed Transaction, the Interested Person shall proffer such facts unless to do so would require the Interested Person to violate a legal privilege or an obligation of confidentiality. Both during the meeting and at all other times, the Interested Person shall not advocate for or against the Proposed Transaction, and shall not seek to exert influence on any Director, Officer, or Key Employee with regard to the Proposed Transaction.

7. In all cases involving Proposed Transactions in which a Director, Officer or Key Employee has an Individual Interest (excluding charitable grants of the Foundation) (and excluding proposals to invest the Corporation's funds in a fund or similar investment in which an Interested Person has or is planning to have an individual investment, for which see Section 8 of this Article III), the Chair of the Board (or the chair of the committee or other group that has convened, as the case may be) shall appoint a disinterested person or committee to investigate alternatives to the Proposed Transaction. In such a case, after exercising due diligence, the Board or committee shall determine whether the Corporation can, with reasonable efforts, obtain a more advantageous transaction or arrangement with a person or entity that would not give rise to a conflict of interest. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or committee shall determine, by a majority vote of the disinterested directors or committee members present at a meeting, whether the transaction or arrangement is in the Corporation's best interest and whether the transaction or arrangement is fair and reasonable to the Corporation.

8. In cases involving proposals to invest the Corporation's funds in a fund or similar investment in which an Interested Person has or is planning to have an individual investment, the rules set forth in this Section 8 of Article III shall apply:

    a. The Corporation will not invest in any fund or other investment vehicle controlled by, managed by, or in which a majority interest is owned by, an Interested Person. Moreover, the Corporation will not make an investment that would result in the payment of a finder's fee, a management fee, or any other direct compensation to an Interested

[9] For example, NCGS 14-234.3, governing contracts between political subdivisions and nonprofit organizations, prohibits public officials (as defined therein) from "Attempting to influence any other person who is deliberating or voting on the contract." A public official will not violate this Policy if the public official declines to respond to questions of fact because such a response could be deemed to violate NCGS 14-234.3.

Person; provided, that the investment will be permitted if the Interested Person disclaims and does not receive the fee or other compensation.

b. In other cases involving proposals to invest the Corporation's funds in a fund or other investment vehicle in which an Interested Person has or is planning to have an individual investment, the rules set forth in this Section 8 of Article III shall apply. The Interested Person shall leave the meeting room while the remaining persons participating in the meeting consider, discuss and/or vote upon the Proposed Transaction. In determining whether to approve the Proposed Transaction, the remaining persons shall consider the following factors: (1) the potential value of the investment to the Corporation, including the projected return on investment; (2) the uniqueness of the investment opportunity, and the fit of the proposed investment within the Corporation's overall investment strategy; (3) whether the investment has been recommended by the Corporation's internal investment staff and/or independent third parties, including the Corporation's investment consultants; (4) the extent to which the Corporation's proposed investment will result in any direct or indirect Material Benefit to the Interested Person; (5) the likelihood that the proposed investment will result in significant reputational risk to the Corporation and/or to the Interested Person. Following the group's action on the matter by a majority vote of the disinterested persons present at the meeting, the Interested Person may rejoin the meeting.

ARTICLE IV

Records of Proceedings

The minutes of meetings of the Board of Directors, all standing committees, and all special committees shall include:

1. The names of all persons who have disclosed or otherwise were found to have an Individual Interest, and (unless privileged or confidential) the nature of the Individual Interest; and

2. The names of the persons who were present at the meeting for discussions and votes relating to the Proposed Transaction, the content of these discussions, and a record of the vote.

Each Director may request that his or her disclosure of a specific Individual Interest be treated as a standing disclosure; in the event of such a request, the existence of the disclosure and (unless privileged or confidential) the nature of the Individual Interest and the material facts disclosed shall be recorded in the minutes of every meeting at which the Board or committee considers or takes any action that might implicate such Individual Interest.

ARTICLE V

Compensation Matters

A Director, Officer, or Key Employee who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to his or her compensation. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to his or her compensation.

ARTICLE VI

Annual Statements

Each Director, Officer, and Key Employee shall, upon commencement of his or her employment or term of office, and annually thereafter, sign a statement, in the form attached hereto as Appendix A, certifying that the person:

1. received a copy of this Policy;

2. has read and understands this Policy;

3. agrees to comply with this Policy; and

4. understands that the Corporation is a charitable organization and that in order to maintain its tax-exempt status, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Such annual statement also requires disclosure of information necessary to permit the Corporation to complete its annual information return for federal income tax purposes.

ARTICLE VII

Periodic Reviews

The Corporation shall conduct periodic reviews of its activities to ensure that it is operating in a manner consistent with accomplishing its charitable purposes and that it is not engaging in activities that could jeopardize its status as an organization exempt from federal income tax. In conducting such reviews, the Corporation shall evaluate the following:

1. Whether the Corporation's compensation arrangements and benefits are reasonable and the result of arm's length negotiations; and

2. Whether contractual arrangements with providers of goods or services conform to written policies, are properly recorded, reflect reasonable payments for goods or services, further charitable purposes, and do not result in private inurement or impermissible private benefit.

In conducting its periodic reviews, the Board of Directors may in its discretion engage outside advisors, but the Board of Directors shall at all times retain responsibility for ensuring that periodic reviews are conducted.

ARTICLE VIII

Due Diligence

Each Director, Officer, and Key Employee shall undertake reasonable due diligence to determine whether he or she has an Individual Interest before taking any corporate action to which this Policy applies. To promote and assist in the exercise of such due diligence, staff of the Foundation shall, prior to each meeting of the Board or of a Committee, distribute a list containing the name of each known or anticipated Party to a Proposed Transaction that is to be considered at the upcoming meeting. Each Director, Officer, and Key Employee that will participate in such meeting shall review the list in advance of the meeting, and shall conduct such inquiries as may be reasonably necessary under the circumstances to determine whether he or she has an Individual

Interest in one or more of such Proposed Transactions.[10] With regard to having an ownership or investment interest in a Business Entity that may derive a Material Benefit from a Proposed Transaction, a Director, Officer, or Key Employee may fulfill the due diligence requirement by reviewing records in his or her possession that relate to his or her direct investments in stock or other equity interests. A Director, Officer, or Key Employee is not required to obtain or to review records relating to his or her direct or indirect investments in stock or other equity interests: (a) managed by a third party; or (b) held in a mutual fund or similar investment vehicle; or (c) owned by or through a business; or (d) owned by a Family Member.

ARTICLE IX

Violations of Conflicts of Interest Policy

1. The failure of a Director, Officer, or Key Employee to disclose an Individual Interest of such Director, Officer, or Key Employee that was known by or that with reasonable due diligence should have been known by such Director, Officer, or Key Employee shall constitute a violation of this Policy.

2. If the Board has reasonable cause to believe that a Director, Officer, or Key Employee has committed a violation of this Policy, the Board shall inform such person of the basis for such belief and afford such person an opportunity to explain the alleged violation. If, after hearing the response of such person and making such further investigation as may be warranted under the circumstances, the Board determines that such person has in fact violated this Policy, the Board shall take appropriate action. In the case of an Officer or Key Employee, such action may include appropriate disciplinary or corrective action, including but not limited to removal of such Officer or termination of the employment of such Key Employee. In the case of a Director, such action may include directing the Chair of the Board or the Vice Chair of the Board to notify the public official occupying the office that appointed such Director of the Board's determination that a violation of this Policy has occurred. If the Board has determined that the conduct of the Director constitutes cause for removal from the Board, the Board may recommend that the public official remove the Director for cause.[11]

3. A Director, Officer, or Key Employee who in good faith conducts reasonable due diligence to determine whether he or she has an Individual Interest in a Proposed Transaction and who, despite such reasonable due diligence, fails to discover an existing Individual Interest shall be deemed not to have violated this Policy even where it is later determined that he or she participated in the consideration or implementation of the Proposed Transaction with respect to which he or she had the undiscovered Individual Interest.

[10] For example, a director who is affiliated with a large law firm may fulfill the due diligence requirement by requesting that the law firm run a conflicts check on such parties.

[11] The Board is afforded discretion in determining the type of action that is appropriate under the circumstances, because of the wide range of behaviors that may give rise to a violation. For example, an isolated instance of an inadvertent failure to disclose an Individual Interest where the covered person's financial interest is minimal or nonexistent does not warrant the most extreme sanction. Conversely, a pattern of repeated knowing and material violations of the policy would almost certainly support removal from office or termination of employment.

The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc.
Gift and Business Courtesies Policy

Adopted as of February 6, 2025

ARTICLE I

Purpose

The purpose of this Gifts and Business Courtesies Policy (this "Policy) is to protect the interests of The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc. (the "Corporation"), by prohibiting its directors, officers, committee members and employees and their Family Members from receiving certain gifts or other benefits from third parties that may influence the recipient's decision making. This Policy, adopted by the Board of Directors of the Corporation (the "Board") in accordance with the provisions of Article IX, Section 8, of the Corporation's Articles of Incorporation, is intended to supplement but not replace the Corporation's Conflict of Interest Policy and any applicable laws or regulations of the State of North Carolina governing conflicts of interest applicable to nonprofit and charitable corporations.

ARTICLE II

Definitions

For purposes of this Policy, the following definitions shall apply:

1. "Covered Person" shall mean the Corporation's directors, officers, committee members and employees.

2. "Family Member" shall mean: (i) a Covered Person's: (1) spouse, (2) ancestor, (3) brother, (4) half-brother, (5) sister, (6) half-sister, (7) child (whether by birth or by adoption), (8) stepchild, (9) grandchild, (10) great grandchild, or (ii) the spouse of a Covered Person's brother, half-brother, sister, half-sister, child, stepchild, grandchild, or great grandchild. For purposes of this definition, "spouse" shall include husband, wife, domestic partner, and any person not otherwise included in the definition of "Family Member" with whom the Covered Person resides and shares financial obligations and/or property ownership.

3. "Gift" shall mean any good, service or other item that is given (i) directly or indirectly, to a Covered Person or his/her Family Members, (ii) in whole or in part, due to such Covered Person's role within the Corporation and (iii) without fair market value payment (in a manner that is routine in commercial transactions) by the Covered Person or his/her Family Members. A good, service or other item need not have a readily ascertainable financial or economic value to constitute a Gift. Gifts may include, but shall not be limited to, cash, checks, gift certificates, stock, real or personal property, interest-free or below-market loans, prizes, awards, honors, personal travel, personal discounts, food or event tickets or other entertainment.

4. "Third Party" shall mean any individual or entity that (i) does business or seeks to do business with the Corporation or (ii) is a grant recipient or potential grant recipient of the Corporation.

ARTICLE III

Prohibition on Solicitation of Gifts

Covered Persons shall be prohibited from soliciting Gifts for themselves, their Family Members or any other person from any Third Party.

ARTICLE IV

Unsolicited Gifts

1. *Gifts other than Cash or Cash Equivalents* – An unsolicited Gift from a Third Party that is not cash or a cash equivalent may be accepted by Covered Persons or their Family Members if the unsolicited Gift is (i) intended solely as an expression of appreciation or recognition without an expectation for something in return and (ii) could not reasonably be perceived by others as improper under the circumstances. Accepting a Gift is more likely to be perceived as improper if the Third Party is seeking to do business with or is a potential grantee of the Corporation or if the Gift has a significant monetary value. Examples of potentially acceptable unsolicited Gifts include branded items, consumable items (such as food baskets or beverages), working meals and perishable items (such as flowers that were purchased as decorations for a business event attended by the Covered Person).[12] An example of an unacceptable unsolicited Gift is a "friends and family" discount offered to the Covered Person by an office supply company that does or seeks to do business with the Corporation. If event tickets are offered by a Third Party to a Covered Person or their Family Members, Covered Persons and their Family Members may accept the event tickets as a Gift only if, in addition to meeting criteria (i) and (ii) above, there is a reasonable business purpose to attend the event and the Gift is not extravagant.[13] Gifts of first-class travel shall not be accepted under any circumstances.

2. *Gifts of Cash or Cash Equivalents* – Unsolicited Gifts of cash or cash equivalents of any value from any Third Party shall not be accepted by Covered Persons or their Family Members.

3. *Payment or Reimbursement for Meals and Tickets* – If practical, Covered Persons should pay for meals rather than accept them as a Gift.[14] Covered Persons should also pay for event registrations and should seek to pay or reimburse a Third Party for the cost of tickets rather than accept them as a Gift unless the Third Party is offering the registration or ticket to others on a similar basis.[15] The cost of the Covered Person's meals, registrations, or tickets may be paid or reimbursed by the Corporation if

[12] For example, if a contractor sends a Covered Person a t-shirt with the contractor's name and logo, the Covered Person may accept the t-shirt. Similarly, if a grant recipient sends a holiday gift basket containing food items to the Corporation's headquarters, a Covered Person may accept the gift basket, provided he/she shares the gift basket with his/her coworkers. Covered Persons may also, for example, receive meals and snacks from a grant recipient if the meals and snacks are served in connection with a business meeting and made available to all meeting attendees.

[13] For example, tickets to a grant recipient's annual donor appreciation event are an acceptable Gift because there is a business purpose for Covered Persons to attend the event on behalf of the Corporation. Similarly, sporting event tickets may be an acceptable gift, provided the Covered Person attends the sporting event with the Third Party for a business purpose. Tickets that allow a Covered Person to attend an event without a Third Party and with individuals of the Covered Person's own choosing are generally not acceptable Gifts because there is deemed to be no business purpose associated with attending the event. Finally, extravagant event invitations such as an all-expense paid weekend at a PGA golf event are not acceptable Gifts (even if a business purpose is present) because such extravagance leads to an appearance of impropriety.

[14] For example, a Covered Person should typically request separate checks at a restaurant but would not be expected to pay a pro rata portion of a lunch buffet offered free of charge to all attendees at a working meeting.

[15] For example, if a Covered Person is invited to attend a basketball game as the sole guest of a Third Party, the Covered Person should seek to pay the cost of the ticket. In contrast, if the Covered Person is one of many people that the Third Party is inviting to attend a basketball game free of charge in connection with an event or special occasion, the Covered Person may accept the ticket without seeking to reimburse the Third Party, provided that acceptance of the ticket as a Gift is otherwise permissible under Article IV, Section 1.

allowed under applicable policies of the Corporation. This section does not alter Article IV, Section 1 and the requirements regarding permissible Gifts.

4. *Disclaimer/Transfer* – If a prohibited Gift is received before it can be disclaimed, or if a Covered Person determines that a Gift is a prohibited Gift after it has been received, the Gift should be disclosed by the Covered Person to the President of the Corporation and turned over to the Corporation.

ARTICLE V

Non-Compliance and Situations Outside Policy Scope

1. Every Covered Person is responsible for ensuring his/her own and his/her Family Members' compliance with this Policy. Failure to comply with this Policy may result in corrective action, up to and including a recommendation to the appointing official for removal and/or including termination, as applicable. Questions regarding this Policy's application shall be directed to the Senior Vice President/General Counsel. Questions regarding exceptional circumstances or situations will be decided by the President of the Corporation. If the President of the Corporation seeks additional guidance or is a potential recipient of a Gift in an exceptional circumstance or situation, questions will be decided by the Chair of the Audit Committee (or, in the absence or conflict of the Chair of the Audit Committee, by the Chair of the Board).

2. This Policy shall not preclude a Covered Person or his/her Family Member from accepting a personal benefit from the Third Party if the personal benefit is (i) reasonable and incidental to services rendered to the Third Party by the Corporation,[16] (ii) earned income for personal services that are customarily provided in connection with a bona fide business, trade or profession carried on by the Covered Person or his/her Family Member separate and apart from the Covered Person's services to the Corporation or (iii) in consideration for the sale, lease or other conveyance of goods or other property unrelated to the Covered Person's dealings with the Corporation and conducted separate and apart from the Covered Person's services to the Corporation.

3. To the extent a Gift from a Third Party to a Covered Person or his/her Family Member is offered in connection with a "Proposed Transaction", as such term is defined in the Corporation's Conflict of Interest Policy, the acceptance of such Gift, if appropriate, shall conform to the terms and conditions of this Policy and the Corporation's Conflict of Interest Policy.

[16] For example, if the Corporation serves as a member of a limited partners advisory committee of a limited partnership in which the Corporation is an investor, and the general partner pays the expenses of the limited partners in attending and participating in a meeting of the limited partners advisory committee, a Covered Person attending the meeting as the representative of the Corporation may accept the personal benefit of meals and lodging paid for by the general partner without violating this Policy, provided, however, that no first-class travel shall be permitted.

Appendix VI

The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc.
Policy on Public Records

1. POLICY AND PURPOSE: The Foundation is a North Carolina nonprofit corporation that operates for charitable purposes. Pursuant to the provisions of Session Law 1999-2 (Senate Bill 6), the Foundation is subject to the North Carolina Public Records Act as codified in Chapter 132 of the North Carolina General Statutes (hereinafter, the "Act"). This Policy sets forth the procedures that will be employed by the Foundation in responding to requests for public records made under the Act. Moreover, inasmuch as the Act, on its own terms, applies to agencies of North Carolina government or its subdivisions, and is not drafted with the facts and circumstances of a nonprofit corporation in mind, this Policy sets forth certain constructions and interpretations of the Act that will be used by the Foundation in applying the Act to the facts and circumstances of the Foundation.

2. CUSTODIAN OF RECORDS: The President of the Foundation (hereinafter, the "President") is designated Custodian of Public Records for the Foundation. As such, the President is responsible for overseeing compliance with the Act. Any questions regarding the Act, this Policy, or a specific request for information should be directed to the President. To the extent the President deems appropriate, the President should consult with counsel to the Foundation on questions arising under the Act.

3. GENERAL DEFINITION OF PUBLIC RECORD: "Public Record" means a document, paper, letter, map, book, photograph, film, sound recording, magnetic or other tape, electronic data-processing record, artifact, or other documentary material, regardless of physical form or characteristics, made or received in connection with the transaction of public business by the Foundation.

4. EXAMPLES OF PUBLIC RECORDS: The following is a nonexhaustive list of items that normally would be classified as Public Records, in each case except to the extent that such items constitute or contain "Confidential Information" as defined in Section 132-1.2, North Carolina General Statutes, or are otherwise protected from disclosure under applicable State or federal law:

a) the articles of incorporation, bylaws, and official policies of the Foundation;

b) minutes of open meetings of the Board of Directors and official committees of the Foundation;

c) reports prepared by employees or officers of the Foundation at the request of or for use by officers or directors of the Foundation;

d) contracts executed by the Foundation;

e) official correspondence between the Foundation and a third party;

f) emails sent or received by a Foundation employee in connection with the transaction of public business.

5. EXAMPLES OF ITEMS THAT ARE NOT PUBLIC RECORDS: The following is a nonexhaustive list of items that normally would not be classified as Public Records:

a) personal records of an employee, officer or director not made or received in connection with the transaction of public business;

b) an audit working paper or draft audit; and

c) a book or publication that is commercially available to the public.

6. <u>INFORMATION THAT SHOULD NOT BE DISCLOSED:</u> Certain types of information may not be disclosed to the public under the Act and must be kept confidential in accordance with the Act, some other law or court order. The following is a nonexhaustive list of information that should not be disclosed:

a) minutes of a closed session of a meeting of the Board of Directors or a committee, for as long as release of the minutes would frustrate the purpose of the closed session;

b) a trade secret that is the property of a private person and that is designated by such person as "confidential" or a "trade secret";

c) except to the extent permitted by this Policy and applicable law, information contained in a personnel file of the Foundation;

d) social security account numbers; and

e) address, phone number or email address of any employee, officer or director of the Foundation other than an address, phone number or email address of the Foundation or at the offices of the Foundation.

7. <u>RESEARCH AND THE CREATION OF NEW RECORDS NOT REQUIRED:</u> The Act does not require a custodian of public records to perform substantive research, to prepare or to provide answers to questions, or to create new records.

8. <u>PROCEDURES FOR RESPONDING TO REQUEST FOR PUBLIC RECORDS:</u> The following procedures apply to all requests for Public Records regardless of whether the request states it is made pursuant to the Act.

a) Request Must Be In Writing: Requests for Public Records must be in writing. If an oral request for Public Records is received, the employee of the Foundation who receives the request should forward the phone call to the Vice President/Chief of Staff, if available. If not available, the employee should take the contact information from the requestor so the Vice President/Chief of Staff can contact the requestor.

b) Forward Request to Vice President/Chief of Staff. It is imperative that Foundation employees record the date that a written request for Public Records is received, and it is essential that Foundation employees immediately forward each such request to the Vice President/Chief of Staff. Any Foundation employee other than the President who receives a written request should not make any decision concerning whether a requested record constitutes a Public Record or is excepted from disclosure, and should not communicate to the requester any response on behalf of the Foundation.

c) Right to Seek Clarification. If it is unclear what information is being requested, the President or the President's designee may ask the requester to clarify his or her request. If a large amount of information has been requested, the requester may be informed how to narrow the scope of the request should they desire to do so. However, in accordance with the Act, Foundation employees should not ask the requester why the information is being requested or about its intended usage.

d) Time Frame for Acknowledging and Taking Action on Request. Absent extraordinary circumstances, the Foundation should acknowledge in writing the receipt of a written request for Public Records within three business days of the Foundation's initial receipt of the written request. The Foundation should provide at least an initial response to a request for Public Records in accordance with the provisions of this Policy within a reasonable time of the Foundation's initial receipt of the request. The initial response may provide more detail to the requester about the expected timeframe for a final response.

e) Inspection and Examination of Records. Under the Act, the requester has the right to determine whether to inspect and examine the Public Records or to be provided copies of the Public Records. If the written request is for inspection and examination of a small number of easily identifiable specific records, and if the President determines that the requested records constitute public records under the Act, the President should, within a reasonable time after the written request is received, notify the requester that the requester will be allowed access to the Public Records under reasonable supervision by Foundation employees at the principal office of the Foundation at a specified time during normal business hours. In all other cases, including those cases in which the written request is for inspection and examination of more than a small number of specific records, those cases in which the written request requires the Foundation to review the records of the Foundation and to identify those records that would be responsive to the request, and those cases in which a small number of easily identifiable Public Records are requested but the President requires the assistance of the Foundation's legal counsel in determining whether such records contain information that the Foundation is required or permitted by law to exclude from release to the public, the Foundation should so notify the requester and should set a date within a reasonable time by which the Foundation will take action in response to the request.

f) Notifying Requester of Estimated Charges. A person requesting Public Records may not be aware of the time and cost involved in complying with the request. When the cost associated with responding to a request is estimated to exceed fifty dollars ($50.00), the Foundation should notify the requester, in writing, of the estimated costs and an anticipated completion date. The notice also should inform the requester that failure to inform the Foundation whether he or she wishes to proceed with or narrow the request within ten business days will result in the request being deemed withdrawn. If the charges are estimated to exceed one hundred dollars ($100.00), the requester should be required to pay the charges before the Foundation begins gathering the requested information. In such event, the Foundation should provide the requester an itemized invoice of charges. The requester should be reimbursed for any overpayment.

g)Notifying Requester of Revised Estimate of Charges. A written, updated estimate of charges should be sent to the requester if, before copies have been made or paper records made available, the Foundation determines that it underestimated the charges itemized in the original notice. The revised estimate should inform the requester that the request will be deemed withdrawn if he or she does not respond to the new estimate within ten business days from the date it is sent.

h)Requirement To Provide Invoice. The requester should be sent a completed invoice using a form showing the total amount of charges to be paid to the Foundation and informing him or her that payment should be made within ten business days.

i) Requirement to Delete/Redact Confidential Information. If requested Public Records contain public information that is mingled with confidential information, all confidential information must be deleted/redacted before the Public Records are made available to the requester. In accordance with the provisions of Section 132-6, North Carolina General Statutes, the Foundation should bear all expenses associated with deleting/redacting confidential information.

j) Allowing Viewing of Public Record at Foundation's Principal Office. If the requester wishes to view Public Records rather than receive copies, he or she should be allowed to inspect and duplicate the information at the Foundation's principal office within the time frame set out in this Policy. The requester must complete his or her examination within ten business days after the requested Public Records have been made available. This time period will be extended for an additional ten business days upon written request. Access may be interrupted if the Foundation needs the Public Records for official business. The period of interruption should not be considered a part of the time period for examination. The requester should not be permitted to remove a Public Record from the Foundation's office.

k) Public Record in Electronic or Magnetic Medium. If a Public Record exists in an electronic or magnetic medium, the requester may request a copy either on paper or in an electronic medium, such as on diskette or magnetic tape. The Foundation should provide a copy in the requested medium if:

(1) The Foundation has the technological ability to produce a copy of the requested information in the requested medium;

(2) The Foundation does not have to purchase any software or hardware to accommodate the request; and
(3) Providing a copy of the information in the requested medium will not violate the terms of any copyright law or copyright agreement between the Foundation and a third party.

l) Inability To Provide Public Record In Requested Format. If the Foundation is unable to produce a copy of the Public Record in the type of medium requested, the Foundation should provide a paper copy of the requested Public Record. The Foundation is not required to copy a Public Record onto a diskette provided by the requester or other material provided by the requester and the Foundation may use and charge the requester for the materials or supplies used by the Foundation in fulfilling the request for copies.

m) Responses Requiring Programming or Information Manipulation. The Foundation should inform a requester in writing if providing requested Public Records requires programming or manipulation of data and if the Foundation has the ability to do so. The written notice must state that the Public Record is not available in the requested form; describe the form in which it is available; describe the services that would be necessary to provide it in the requested form; an estimate of the cost in accordance with the charges set forth in this Policy; and the time it will take to respond to the request. This written statement should be provided to the requester no later than twenty business days after the date the written request was received. The Foundation may have an additional ten business days to provide the statement if, within twenty business days of receipt of the request, written notice is given to the requester that additional time is needed.

n) Maintaining Records of Requests for Public Records. A copy of all written requests for Public Records and a copy of all statements provided to requesters in response to such requests should be maintained by the Foundation for the period required by the Act.

o) No Obligation After Release of Public Records. After a Public Record has been released under the Act, the Foundation is not required, as a result of the original request, to provide the requester with subsequent updates, corrections, or notice of a change relating to such Public Record.

p) Obligation for Requester to Respond to Notice. After providing any written notices or statements to the requester required under this policy, the Foundation is not obligated to provide the Public Record in the requested form, or in the form in which it is available, until the requester states in writing that:

(1) He or she wants the Public Record in the requested form according to the cost and time parameters set out in the statement or according to other terms agreed upon by the requester and the Foundation; or

(2) He or she wants the information provided in the form in which it is available.

9. <u>CHARGES FOR PROVIDING PUBLIC RECORDS</u>: Charges for providing Public Records should be assessed using the following guidance:

a) Charges When Requester Views Public Records.
(1) Access to Public Records in standard paper form. Generally, the Foundation should not charge for making available for inspection Public Records maintained in standard paper form. Charges will be assessed for making Public Records available for inspection when:
  a. The requested Public Records contain public information mingled with confidential information. In such case, the Foundation may charge for the photocopying costs of creating an edited version of the documentation. The Foundation may not charge for personnel time spent deleting/redacting confidential information.
  b. The personnel costs for making the Public Records available for inspection are more than a de minimis amount. In such case, the Foundation may charge a special service fee as set forth below.

(2) Access to Public Records in other than standard form. The Foundation should not charge the requester for the cost of preparing and making available such Public Records, unless complying with the request will require programming, manipulation of data, or redaction of information. If programming or manipulation of data is required to make the information available, the requester should be notified as set out in Section 8.m., above.

(3) Access to Public Record in an electronic form on Foundation computer. If a Public Record exists in an electronic form on a computer owned or leased by the Foundation and if the public has direct access to that computer through a computer network or other means, the electronic form of the information may be electronically copied from that computer without charge if accessing the information does not require processing, programming, or manipulation on the Foundation-owned or Foundation-leased computer before the information is copied.

b) Charges When Copies Provided.

(1) Copying Charges. When the Foundation provides a copy of a Public Record, the Foundation should charge the requester a fee based upon the actual cost to the Foundation of making the copy. For paper copies, a fee of $.10 cents per page should be assessed.

(2) Charges for Mailing or Delivery. Where the requester asks the Foundation to mail or deliver to the requester a copy of a Public Record, and the Foundation mails or delivers such copy to the requester, the Foundation should charge the requester the actual cost to the Foundation of such mailing or delivery.

(3) Special Service Fee. When a request for copies of Public Records is such as to require extensive use by the Foundation of information technology resources or extensive clerical or supervisory assistance by personnel of the Foundation, the Foundation should charge the requester a special service fee to recover an amount not to exceed the actual costs incurred by the Foundation in fulfilling such request. Such special service fee should include personnel charges, overhead charges, and a charge for miscellaneous supplies as set forth below.

Definition of Charges.
The following definitions apply to charges that may be assessed for providing Public Records:

Personnel charges. The direct cost to the Foundation of the time of the Foundation's personnel required to fulfill a Public Records request.

Overhead charges. Direct and indirect costs that may be assessed whenever any personnel charge is applicable to a request, in addition to the specific personnel charge. This charge, assessed at a rate of twenty percent (20%) of the personnel cost associated with a particular request, covers such costs as depreciation of capital assets, rent, maintenance and repair, utilities, and administrative overhead.

Miscellaneous supplies. The actual cost of supply items, included but not limited to, labels, boxes, and other supplies used to produce the requested Public Records, may be added to the total charges for Public Records.

Charges Exceeding Estimate. Actual cost charged to the requester may not exceed twenty percent of the original estimated charges if the Foundation did not send a revised estimate. Actual charges may not exceed those detailed in the updated estimate if a revised estimate was sent.

Waiver and Reduction of Charges. The President may waive or reduce charges when the requester is a public agency or public official.

Requirement to Record Time and Notify Requester. Foundation employees involved in providing Public Records pursuant to a request under the Act should maintain a detailed record of the time and resources spent responding to the request. If the charge for providing a copy of Public Records includes a special service fee, the requester may request the Foundation to provide him or her with a written statement as to the amount of time that was required to produce and provide the Public Records. A charge may not be imposed for providing the written statement to the requester.

Charges For Publications Printed For Public Dissemination. The charges outlined herein do not apply to any publication that is compiled and printed by or for the Foundation for the purpose of public dissemination. In such case, the Foundation may determine the appropriate charge, if any, for providing the publication.

10. NOTICE TO PRIVATE PERSONS REGARDING APPLICATION OF ACT: From time to time, the Foundation may wish to contract with, joint venture with, or otherwise enter into a business relationship with an individual or an entity other than a public official or a public agency. In such cases, the Foundation should provide the proposed contract party, co-venturer or participant in the business relationship with the following notice, in writing: "The Foundation is subject to the North Carolina Public Records Act. While the Act permits the Foundation under certain circumstances not to disclose "trade secrets," the Act does not, in general, protect confidential business information from disclosure. In dealing with the Foundation, you should assume that records you submit to the Foundation will be public records and that the public will have access to all such records and all information contained therein." The Foundation should scrutinize carefully any provision in a proposed contract that would impose an obligation of confidentiality upon the Foundation.

11. PUBLIC RECORDS RETENTION AND DESTRUCTION: The Foundation should not destroy, sell, loan, or otherwise dispose of any public record, except in accordance with N. C. Gen. Stat. § 121-5 and in accordance with guidelines issued by the North Carolina Department of Cultural Resources and adopted by the Foundation by agreement with the Department. No officer or employee of the Foundation shall knowingly alter, destroy, mutilate, conceal, cover up, falsify, or make a false entry in any public record with the intent to impede, obstruct, or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States or of the State of North Carolina, or any case filed under the United States Bankruptcy Code, or in relation to or contemplation of any such matter or case.

12. CONSEQUENCES FOR FAILURE TO COMPLY WITH THE ACT AND THIS POLICY: Failure to comply with the Act and with this Policy could expose the Foundation to sanctions. Employees violating the Act or this Policy also face disciplinary action by the Foundation and, in certain cases, criminal charges. Actions that may be considered a violation of the Act or this Policy include, but are not limited to, the destruction, removal, or alteration of a public record; the failure or refusal to provide access to or copies of a public record; and the intentional disclosure of information considered confidential under the Act.

Appendix VII

The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc.
Code of Ethics

Fiscal Responsibility
We are committed to using the resources of The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc. ("Foundation") wisely, and in managing these resources, we are responsible to the people of North Carolina.

Accountability
We are committed to producing the highest quality of work throughout the organization, taking responsibility for our actions and avoiding potential conflicts of interest.

Integrity
We are committed to acting honestly, in accordance with external laws and regulations and internal policies, and in such a way that inspires trust and confidence in each other.

Respect
We are committed to showing respect and consideration for all, which includes courtesy, compassion, the celebration of diversity, and a commitment to listening to the ideas of others.

Openness
We are committed to being responsive and inclusive, to ensuring that avenues for communication are accessible to all, and to sharing information openly and honestly, consistent with our privacy and confidentiality obligations.

Equity
We are committed to recognizing and appreciating the achievements and contributions of all, and to holding every person to the highest standards of ethical behavior.

My signature indicates my receipt and understanding of this policy. I also verify that I have been given an opportunity to ask questions about the policy.

Employee Signature ______________________________ Date ________________

Print Name ______________________________

Appendix VIII

The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc.
Whistleblower Policy

The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc. ("Foundation") Code of Ethics ("Code") requires directors, officers, and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Foundation, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations. It is the responsibility of all directors, officers, and employees to comply with the Code and to report violations or suspected violations in accordance with this Whistleblower Policy.

No director, officer, or employee who in good faith reports a violation of the Code shall suffer harassment, retaliation, or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the Foundation prior to seeking resolution outside the Foundation.

The Foundation has an open-door policy. Employees should share their questions, concerns, suggestions, or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with anyone in management whom you are comfortable in approaching. Supervisors and managers are required to report suspected violations of the Code to the chair of the audit committee. The audit committee has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when you are not satisfied or uncomfortable with following the Foundation's open-door policy, individuals should contact the chair of the audit committee directly.

The audit committee is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code and addressing and resolving all reported concerns or complaints regarding corporate accounting practices, internal controls, or auditing. Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense. Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. The audit committee chair will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated, and appropriate corrective action will be taken if warranted by the investigation.

My signature indicates my receipt and understanding of this policy. I also verify that I have been given an opportunity to ask questions about the policy.

______________________________ ________________
Employee Signature Date

____
Print Name

Appendix IX

The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc.
Policy on Political Activities

Adopted by the Board of Directors on August 5, 2021

Actions in Official Capacity

Directors of the Golden LEAF Foundation acting in their official capacity as directors, officers of the Golden LEAF Foundation acting in their official capacity as officers, and employees of the Golden LEAF Foundation acting in their official capacity as employees:

1. shall not directly or indirectly participate in, or intervene in, any political campaign on behalf of or in opposition to any candidate for elective public office;
2. shall not make any contribution to political campaign funds;
3. shall not make any public statement of position in favor of or in opposition to any individual candidate or any political party; and
4. shall not, in making any internal or external communication, identify themselves with a political party, or as holding a political party title, office, or affiliation.

Actions in Individual Capacity

Individuals serving as directors, officers, or employees of the Golden LEAF Foundation may participate in the political process in their individual capacity, *provided that* they do not in the course of so acting identify themselves as directors, officers, or employees of the Golden LEAF Foundation.

In circumstances in which an individual serving as a director, officer, or employee of the Golden LEAF Foundation is participating in the political process and has been identified by another person as a director, officer, or employee of the Golden LEAF Foundation, the director, officer, or employee shall indicate that his or her participation in the political process is in his or her individual capacity and not as a representative of the Golden LEAF Foundation.

My signature indicates my receipt and understanding of this policy. I also verify that I have been given an opportunity to ask questions about the policy.

______________________________________ ______________________

Employee Signature Date

____

Print Name

301 N. Winstead Avenue
Rocky Mount, NC 27804

Phone: 252-442-7474
Website: GoldenLEAF.org
Email: info@GoldenLEAF.org

Attachment F
Revised Travel Reimbursement Summary

The Golden LEAF, Inc.
Annual Benefits and Travel Reimbursement Summary
Effective July 1, 2026

As stated in the Employee Handbook of The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc. (the "Foundation"), policies, procedures, and benefits applicable to Foundation employees are subject to change from time to time and may be modified at any time without notice and without revising the Handbook or this Annual Benefits and Travel Reimbursement Summary (the "Annual Summary"). The purpose of this Annual Summary is to provide a summary of certain employee benefits and the Foundation's travel reimbursement policy applicable at the time of the distribution of this document. Nothing in this Annual Summary is intended to supersede the policies described in the Handbook or the eligibility criteria and terms and conditions of the Foundation's health insurance plan or any other plans in which the Foundation participates, which are governed by the relevant plan documents.

Health Insurance

The Foundation currently offers two health plans provided by BlueCross BlueShield of NC (BCBSNC) – a high-deductible health plan (HDHP) and a PPO medical plan. The HDHP covers 70% of costs once the deductible has been met, with current deductibles at $2,500 for employee-only coverage, and $5,000 for all other coverages. The PPO requires co-pays for office visits, prescriptions, etc. and co-insurance of 30% for other services after the deductible has been met, with current deductibles at $1,500 for employee-only coverage, and $3,000 for other coverages.

For employees participating in the medical plans, the Foundation currently provides a contribution to a Health Savings Account (HSA) or Flexible Spending Account (FSA) in the employee's name to help offset the cost of the medical plan deductible (see table below).

For employees who have reached age 65 and are enrolled in Medicare and ineligible to receive employer HSA contributions, the Foundation will provide Equivalent Compensation. Such Equivalent Compensation will begin in the fiscal year following the employee reaching age 65 and enrolling in Medicare, and is conditioned on the employee being enrolled in the Foundation's high-deductible medical plan. The Equivalent Compensation shall be equal to the amount that the employee would otherwise have received as an Annual GLF Contribution to HSA, based on the employee's type of coverage prior to reaching age 65, in accordance with the table below, increased by 20% to account for tax withholding.

For each eligible employee, the Foundation currently pays the medical premiums, with the employee portion of the medical premiums differing based on the plan and coverage selected.

For the HDHP/HSA plan, the table below shows the amount of an employee's current cost for each type of coverage along with the current amount of the annual HSA contribution by the Foundation. The employee's portion may be paid by pre-tax payroll deduction.

Type of Coverage	*Employee Cost/Biweekly*	*Annual GLF Contribution to HSA*
Employee Only	$0.00	$2,500
Employee + Child	$136.92	$4,750
Employee + Spouse	$148.03	$4,750
Family	$286.80	$3,500

For the PPO/FSA plan, the table below shows the amount of an employee's current cost for each type of coverage along with the current amount of the annual FSA contribution by the Foundation. The employee's portion may be paid by pre-tax payroll deduction.

Type of Coverage	*Employee Cost/Biweekly*	*Annual GLF Contribution to FSA*
Employee Only	$0.00	$250
Employee + Child	$189.17	$500
Employee + Spouse	$204.51	$500
Family	$417.84	$500

Health Savings Accounts (HSAs) & Flexible Savings Accounts (FSAs)

Participants in the health plan may also contribute to their HSAs or FSAs by pre-tax payroll deduction up to an annual maximum established by the Internal Revenue Service (IRS).

Effective January 1, 2026	*HSA*	*FSA*
Employee Only Coverage	$4,400	$3,400
Family Coverage	$8,750	$3,400
55+ Catch-up Contribution	$1,000	$-

Dental Insurance

The current dental plan provider is BCBSNC and the plan provides a maximum benefit of $1,000 per person in a plan year.

For the dental plan, the table below shows the amount of an employee's current cost for each type of coverage. The employee's portion may be paid by pre-tax payroll deduction.

Type of Coverage	*Employee Cost/Biweekly*
Employee Only	$0.00
Employee + Child	$6.86
Employee + Spouse	$6.11
Family	$12.82

Vision Insurance

The current vision plan provider is BCBSNC and the plan covers annual routine eye examination and contact lens fitting (co-pays are required). The vision plan also includes an annual $200 flexible allowance to cover eyewear including frames, lenses, contact lenses, etc.

For the vision plan, the table below shows the amount of an employee's current cost for each type of coverage. The employee's portion may be paid by pre-tax payroll deduction.

Type of Coverage	*Employee Cost/Biweekly*
Employee Only	$0.00
Employee + Child	$1.44
Employee + Spouse	$1.37
Family	$2.65

403(b) Retirement Plan

Retirement Plan Investment Providers – The Standard Retirement Services

The Foundation makes a biweekly contribution of 10% of wages to participants' accounts. Participants may also contribute to their retirement accounts by pre-tax payroll deduction up to an annual maximum established by the IRS. The maximum employee contribution for 2026 is $24,500. Participants over age 50 may contribute up to an additional $8,000.

Travel Reimbursement Rates

Internal Revenue Service (IRS) Business Standard Mileage Rate – 2026: $0.725 per mile

Excess Mileage Rate (mileage over 150 miles a day): $0.11 per mile

Lodging Rate: $135 per night (excluding fees and taxes)

Meal Reimbursement Rates (including taxes and tips):

	In-State	Out-of-State
Breakfast	$ 14.00	$ 14.00
Lunch	$ 20.00	$ 20.00
Dinner	$ 30.00	$ 30.00