



THE TEP FOUNDATION,

Endowment Distribution & Administrative Fee Policy The TEP Foundation, Inc.

Endowment Distribution

Endowment distribution is based on the preexisting spending policy and budgeted for expenditure in the next fiscal year following the calculation of the spending rate.

Exceptions:

The endowment distribution will not be calculated as set forth above for endowed funds established pursuant to a gift instrument whereby its terms specify a different spending method. The endowment distribution will not be calculated as set forth above for endowed funds that are underwater (market value falls below principal/historic gift value) and pursuant to a gift instrument a distribution from principal is prohibited. In the case of underwater funds (current value below principal value) in which the gift instrument permits a prudent expenditure of principal, a reduced endowment distribution rate may be applied.

Endowment Administration Fee

The endowment administration fee is determined by the Board of Trustees each fiscal year beginning June 1st. The fee will be distributed on a semi-annual basis to the Foundation's operating account beginning June 1st and assessed proportionately to all funds invested in the Endowment.

Current Administrative Fee: 5%-15% (Contingent on gift amount)

Effective Date

This spending policy is effective for endowment expenditures beginning June 1st, 2024. The policy shall be reviewed by the Board of Trustees, which shall make any necessary recommendations with respect to amendments to this policy to the Board, not less than annually.

Adopted by the Board of Trustees of The TEP Foundation, Inc. on 3/29/24.