

## **Compassion Endowment Terms**

These Terms set out the Donor's intent when donating to an endowment offered by Compassion and Compassion's understanding of how that intent should be fulfilled and the donation used. Donors are encouraged to consult with professional tax and legal advisors and family members, as appropriate, prior to any donation to a Compassion endowment.

### **Terms that apply to all Endowments**

1. **Investment and Distributions.** Contributions to a Compassion endowment shall be invested according to guidelines set by Compassion's Investment Committee (the "Investment Committee"), which may be changed from time to time. Distributions from a Compassion endowment shall be made in accordance with the then-current spending policy of the Investment Committee for the specific endowment at the time of the distribution and shall be used only for the purposes authorized by these Terms. The timing of disbursements from a Compassion endowment shall be directed by the Investment Committee or its designee. Gifts to a Compassion endowment may be comingled with other investment assets of Compassion, but the funds in each Compassion endowment will be accounted for separately.
2. **Administration.** Endowment funds shall be used for only qualified charitable purposes consistent with the laws of the State of Colorado and section 501(c)(3) of the Internal Revenue Code. No funds shall be used directly or indirectly for the benefit of any person not directly related to the program supported by the endowment.
3. **Future Considerations.** If, at any time after the lifetime of the Donor, the Investment Committee determines in good faith that it is unlawful, impracticable, impossible to achieve, or wasteful to satisfy the original intent of the donation, the Donor authorizes the Investment Committee to find an alternative use of this gift that, in the opinion of the Investment Committee, is consistent with the original intent of the donation.

### **Terms specific to the Living Sponsorship Endowment**

4. **Purpose.** The Living Sponsorship Endowment (the "LS Endowment") is dedicated to the long-term funding of Compassion's Child Development Program and any successor program (the "CD Program").
5. **Connection with a Supported Child.** Where an individual donates the set minimum amount to the Living Sponsorship Endowment, Compassion will connect the Donor with a supported CD Program participant ("Supported Child"). Generally, this connection will involve Compassion sharing with the Donor the name of the Supported Child and certain personal information about the Supported Child's development. The Supported Child and the Donor are encouraged to write letters to each other which will be coordinated and delivered through Compassion. The purpose of facilitating this connection is to provide the child with a caring supporter who can provide valuable encouragement, support and assurance for the Supported Child. It is also possible for a Donor to visit a Supported Child as part of a Compassion organized sponsor trip (see here for more details). In the case of a testamentary gift, a child will be supported in the Donor's name instead of providing a connection with a Supported Child.

6. Compliance with Compassion’s Child and Youth Protection and Appropriate Conduct Standards. A Donor’s connection with a Supported Child is conditional on the Donor complying with Compassion’s *Child and Youth Protection and Appropriate Conduct Standards* (the “Standards”) as updated from time to time. The Standards are available at <https://www.compassion.com/conditions-of-use.htm>. If the Donor violates any of the Standards either at the time of the donation or at any time in the future, Compassion reserves the right to immediately and permanently terminate the connection of the Donor with the Supported Child. The connection is also conditional on the Donor having not, and continuing to not, commit any act or otherwise be involved in any situation that would damage or compromise the reputation and goodwill associated with Compassion. This condition shall be applied whether or not information with regards to such action or situation becomes public. The Donor agrees that Compassion has no obligation or liability to the Donor when acting under this term, including that Compassion has no obligation to return any donations previously given by the Donor to the Endowment.
7. Graduation of a Supported Child: When the Supported Child graduates from the CD Program, Compassion will contact the Donor to determine if they would like to be connected with another Supported Child. If the Supported Child departs from the Program before graduation, Compassion will do their best to connect the Donor with another Supported Child at a similar life stage so that the Donor may continue to encourage and pray for a Supported Child through his or her graduation from the CD Program.
8. Variance of returns: A child’s participation in the CD Program requires a stable source of funding over multiple years. In order to ensure the LS Endowment fund provides a dependable source of funding for the children it supports throughout their participation in a program, distributions may be made from investment returns or drawn from the principal of the donation. Any decision in this regard will be subject to the investment guidelines set by Compassion’s Investment Committee.