

INVESTMENT POLICY

PURPOSE AND SCOPE

The purpose is to establish prudent investment policies and strategies for securities activities.

SELECTION OF SECURITIES DEALERS

It is essential that Pioneer Foundation Charitable Foundation (the “Foundation”) obtain sufficient knowledge about the securities firms and personnel with whom it does business. The Foundation will not engage in business with any securities firms that are unwilling to provide complete and timely disclosure of its financial condition. The Foundation executes all trades delivery versus payment (“DVP”); consequently it has no credit risk, only an opportunity risk from an uncompleted trade, if that were to occur. The Foundation will, at a minimum, perform the following procedures annually when selecting or retaining a securities firm that does business with the Foundation:

- Review the securities firm or dealer, evaluating financial stability.
- Review public information regarding any state or federal enforcement action that may be outstanding against the securities firm or dealer.

The Board of Directors will annually review and approve a list of securities firms with whom the management may conduct business (see Exhibit I for Authorized List).

The Board will approve, at least annually, the limits on the amount and types of

transactions to be executed with an authorized securities dealer. Limits will include the dollar amount of any unsettled trades, safekeeping arrangements, repurchase agreement transactions, securities lending and borrowing transactions, as well as, other items of credit risk with the securities firm.

Management will have procedures in place to obtain and maintain possession and control of all securities purchased. These procedures are documented and tested as part of the Foundation's external auditor's exam.

SECURITIES PORTFOLIO POLICY AND STRATEGIES

Effective asset management is an important responsibility. The investment securities portfolio shall be managed to maximize portfolio yield over the long term in a manner that is consistent with asset/liability strategies, and safety/soundness concerns. The Foundation manages its investment portfolio in a manner that requires careful and prudent judgement. The Foundation judiciously weighs all aspects of the financial effects on any investment decision. When engaging in investment activity, the following factors are carefully considered:

- Prior to the purchase or sale of equity securities, the Foundation will review the transaction as it relates to the goals and objectives of the portfolio.
- When evaluating any security purchase, the Foundation will consider all income and tax ramifications of the transaction.
- An important objective of the Foundation will be to generate additional interest income and supplement core earnings while attempting to minimize the Foundation's overall donor risk.

To provide access to funds if the need arises, the Foundation will invest in securities that are marketable and trade in liquid secondary markets.

The Foundation will strongly weigh the liquidity, credit risk and asset quality of all

securities purchased. The Foundation will consider the aggregate amount of any type of security owned before reinvesting any further in that type of security (see security limits). This evaluation will identify any risk associated with an over concentration of holdings of any one issuer.

The Foundation will make every effort to diversify its security portfolio as to maturity and type, in order to shield itself against market volatility.

SECURITY LIMITS

The Board of Directors is responsible for evaluating the various investment alternatives and selecting the most appropriate security. The following are approved security limits:

- U.S. Treasury securities (no limit as to term, or dollar amount)
- U.S. Government Agency securities (no limit as to term, or dollar amount)

All securities must be permissible investments under various regulatory guidelines. Treasury and Agency securities generally do not require individual credit analysis, whereas, municipal bonds and corporates are subject to an initial credit assessment and then ongoing review consistent with the risk characteristics of the bonds and the overall risk in the portfolio. Generally all municipal bonds should have minimum Standard & Poor's (S&P) rating of A or Moody's rating of A3 when purchased, or be insured. Bonds that are not rated, such as certain local municipal issues, will be carefully evaluated. Management is responsible for evaluating each issuer, and will look to external ratings as only one of many resources to analyze and evaluate each investment. Any bonds that are downgraded in rating subsequent to purchase will be placed on a watch list, with possible impairments or loss taken depending on the underlying analysis of management. All ratings will be reviewed periodically.

REPORTING OF SECURITIES ACTIVITIES

The Foundation will report securities transactions, in accordance with generally accepted accounting principles as either available for sale or held to maturity. The intention to either classify as available for sale or held to maturity will be determined at

the time of purchase.

The Foundation recognizes the risks involved in trading and activities associated with taking gains on short-term price movements in the securities markets. Therefore it does not intend to engage in any trading activity involving assets held in portfolio, but may use sales to raise funds Development plans or to maximize an economic benefit.

Securities held for maturity will be accounted for using the amortized cost method for financial statements and supervisory reporting.

Securities available for sale will be reported in accordance with Accounting Standards Codification (“ASC”) – 320 Investments - Debt and Equity Securities.

UNSUITABLE SECURITIES ACTIVITIES

The following activities are considered unsuitable for the portfolio:

- Repositioning Repurchase Agreements
- Short Sales
- Delegation of Discretionary Investment Authority

MONITORING AND RESPONSIBILITIES

- The Board of Directors will approve the Investment Policy, annually.
- All securities transactions will be reported to the Board, monthly.
- The Board of Directors will pass a resolution authorizing which Directors may purchase securities, annually. (See Exhibit II).

CONFLICT OF INTEREST POLICY

As part of providing oversight of the Foundation’s overall relationship with securities dealers, the following policy shall apply to any employee involved in securities activities:

- Any authorized Director directly involved with executing security transactions on behalf of the Foundation may not engage in personal activities with the Foundation's authorized broker/dealer firms.
- Any Director, Officer or employee of the Foundation involved with executing the Foundation's Investment Policy or transactions, may not accept any gift or gratuity, or travel expenses from any authorized security dealer or any person representing that firm.

The Foundation absolutely prohibits the solicitation or receipt of anything of value by its Directors, employees, attorneys or agents in connection with any transaction or business of the Foundation. Such action, by definition, constitutes a breach of the fiduciary duty as a Director, employee, attorney or agent and constitutes a crime. This prohibition is not intended to prohibit the receipt of normal business amenities of modest or nominal value in the ordinary course of business; however, no Director, employee, attorney or agent may directly or indirectly solicit or receive any form of gratuity, entertainment, or thing of value except pursuant to the Foundation's Code of Ethics.

Directors, employees, attorneys or agents may receive gratuities of modest or nominal values in situations that facilitate business discussions for the Foundation. Examples of permitted gratuities include:

- Acceptance of gifts or favors based on obvious family or personal relationships when the circumstances make it clear that it is the relationship, rather than the business of the Foundation that is the motivating factor;
- Acceptance of meals, refreshments, or other related amenities, of a reasonable value, in the course of a meeting or other occasion, the purpose of which is to hold a bona fide business discussion, provided that the expenses would be paid by the Foundation as reasonable business expenses if not paid by another party;
- Acceptance of advertising and promotional materials, such as pens, pencils,

key chains, mugs, calendars and other similar items;

- Acceptance of civic, charitable, educational or religious organization awards for recognition of service or accomplishment.

AUTHORIZED SECURITIES DEALER AND SAFEKEEPING

Management is authorized to conduct investment activities as previously described under Security Limits with the brokers and/or securities dealers listed on Exhibit I.

It will be the policy of the Foundation that the amount of unsettled trades with any one of the approved security dealers as authorized by the investment policy shall not exceed \$ _____ at any one point in time.

The Foundation in the normal course of purchasing securities may buy securities on a "when-issued" basis. The intention of the Foundation would be to take delivery of the securities and not to trade within the when-issued period.

Exhibit I

Authorized Securities Brokers/Dealers

- Wells Fargo Advisors
- Bank of America Securities / Merrill Lynch
- Roosevelt & Cross
- Stifel, Nicolaus & Co.
- Sandler O'Neill & Partners, LP
- Nomura Securities International, Inc.

Exhibit II

Authorized Officers

RESOLVED, that any two of the following Directors are hereby empowered to invest the funds of the Foundation in the type of securities and investments authorized in the Foundation's Investment Policy.

- Thomas L. Amell, Board of Director, President
- Patrick J. Hughes, Board of Director, Treasurer

End of Policy