

Letter of Wishes to our Trustees

We are writing this letter to provide guidance for our trustees in their relationships with our children, and the future beneficiaries of our family trust funds (the Trust). We understand that this letter is not binding on our trustees, but we ask that you keep this guidance in mind as you carry out your responsibilities. We want to acknowledge that our views and the needs of our family may change, and we plan to periodically review this letter and update it as needed.

We want to begin by sincerely thanking our trustees for your service to our family. We understand that you have willingly accepted the fiduciary duties that come with serving as trustee, and we appreciate your efforts to carry out the terms of the Trust in keeping with our wishes and the needs and interests of the beneficiaries.

Guiding Values

We created the Trust as a gesture of love to our descendants and as a vehicle to help our family protect, preserve, grow and access our wealth. We believe our wealth not only includes our financial capital, but also the passions, skills, and ideas of our children and their descendants. It is our sincere hope that our financial capital serves as a catalyst for the flourishing of our family and all the individuals who are a part of it. We expect the beneficiaries of the Trust to lead fulfilling and productive lives and to that end, we believe money from the Trust should be used to help them develop their capabilities and pursue their dreams. Additionally, we believe the Trust can be an important support in the event of life emergencies.

We also believe in creating a family culture, shaped by our values, that can provide the guardrails for beneficiaries to thrive while the Trust provides a regular source of supplemental income commensurate with their readiness. As they consider how to use this supplemental income, it is our wish that our beneficiaries be guided by the values we will endeavor to develop in each generation: autonomy and responsible choice-making; personal agency and empowerment; and accountability for personal success or failure. We also hope that attention to these values will provide freedom to beneficiaries to learn from their own decisions.

Additionally, we wish that access to the Trust not be constrained by a beneficiary's career choices or earning power. If any of the beneficiaries enjoy especially fruitful personal endeavors, we would like for them to still be able to benefit from the Trust. We believe beneficiary requests are to be considered in the context of their own life situations and the



sustainability of Trust assets. Beneficiaries should not be compared to one another in determining whether they should receive distributions.

Education and Careers

Our family deeply values education. We encourage our trustees to provide support for educational programs that will help each of the beneficiaries on their path to live a satisfying and productive life. We believe in learning for the love of it and encourage you to support genuine proposals for educational pursuits even if the application of the learning is not immediately clear. Please balance this wish with an appropriate concern for any beneficiary who appears to be on a path to becoming a “professional student.”

We also understand that, for some careers and dreams, the “school of life” is the best training ground. We do not want to discourage careers or ventures that may not be immediately financially viable but that can reasonably be expected to be viable in the long term. We want to make room for dreams and journeys that don’t follow a mainstream path but that do support personal thriving. We believe these journeys can be assessed by whether they provide a significant challenge, require dedication and commitment and offer opportunities to show demonstrable growth. We encourage our trustee to work with the beneficiaries to develop a timeline and budget for educational programs or ventures that seem to support their growth and development.

We believe in supporting entrepreneurship for both its educational and professional development potential. We do not expect the Trust to be the sole investor in any business venture proposed by a beneficiary. We believe in the power of the marketplace to shape viable ventures and therefore encourage you to support beneficiaries in the process of seeking market validation by raising outside capital as an essential step in developing a venture—including social impact ventures. Seed capital for formative stages should coincide with clear business plans, and further investments should be guided by proof-of-concept measures and/or independent advisors.

As future beneficiaries make the transition from education to their working lives, we encourage the Trust to help with initial expenses, such as a first rental apartment. Please work proactively with parents during these formative years to ensure that support during this transition period coincides with appropriate readiness for personal responsibility.



Weddings and Marriages

We encourage the Trust to pay for the weddings of beneficiaries once they have demonstrated appropriate maturity. We recognize that maturity is measured by more than educational attainment, job progression or chronological age; and we know that our children have already demonstrated that maturity. Our hope is that each beneficiary in future generations finds a supportive and loving partner. However, we recommend a minimum age of 27 for trust-supported weddings.

Additionally, we recognize that intimate partnerships face unique challenges in the context of inherited wealth. Therefore, it is our strong belief that each of our beneficiaries should seek premarital counseling to explore these challenges and to develop the awareness of the capabilities needed to address them. In this process we encourage all beneficiaries to develop long-term relationship support agreements that will protect and strengthen their relationships over time. We hope that these agreements will include marital enrichment activities and/or marriage counseling and we encourage you to support these efforts.

We also strongly believe that every beneficiary should create a prenuptial agreement together with their partner. We encourage you to help source professionals with appropriate legal and relationship expertise to guide this process and make the necessary investment. It is our wish that no financial support be given for a wedding or the development of marital property until this process is complete.

We take seriously the responsibility of welcoming new spouses into our family system and are committed to building a family culture that supports both connection and autonomy for married couples. We encourage you to get to know our beneficiaries' partners and include marital impact in your decision-making process.

Primary Homes

We encourage the Trust to help the beneficiaries with the purchase of their first home. We hope you will provide an equal amount to each beneficiary for a down payment, regardless of home purchase price, location, or the beneficiary's income. To support mature decision-making, and the growth of ownership competencies, we believe beneficiaries should own their own homes and pay the mortgage, taxes, and other expenses out of their own budget. While this approach may not always provide maximum tax efficiencies or contribute to collective wealth sustainability metrics, those benefits should be in balance with the responsibility to support the autonomy and responsible decision-making of beneficiaries.



While we encourage the Trust to offer help in the event of unforeseen circumstances, such as a long-term illness or loss of employment, the beneficiary should not come to rely on the Trust to make their house payments indefinitely. Please help the beneficiary determine whether the house they wish to purchase is a financially sustainable choice given their life circumstances.

We strongly encourage the growth of individual or marital property outside the Trust. Therefore, as individuals and/or their marriages mature, we encourage the growth of home ownership directly by beneficiaries over time.

Vacation Homes and Other Personal Investments

As a family we have enjoyed having homes in multiple locations and we encourage our beneficiaries to enjoy our jointly owned properties. We envision making family decisions about future investments of this kind and encourage them to be owned by the Trust.

We also understand the value of our beneficiaries making independent decisions regarding property ownership that is important to them. We encourage you to provide professional resources to aid in investment decision-making and encourage personal investments to follow from prudent management of personal budgets. We believe that loans from the Trust or guarantees to outside lenders are preferable to outright distributions from the Trust for the purpose of acquiring personal assets outside the Trust.

Health

We recognize that everything in our beneficiaries' lives depends on their health and wellness. If a beneficiary's job does not provide health insurance, we would like for health insurance premiums to be covered by the Trust. We believe that distributions should be available to cover important medical expenses, including those not covered by insurance.

We also encourage the Trust to pay for inpatient or outpatient programs for substance abuse and mental health, but that no other distributions should be available to a beneficiary with an active addiction and that sobriety and active recovery work be demonstrated continuously in order for distributions to continue. We encourage you to cover a spouse's health insurance if not available through other channels. Medical payments from the Trusts should only be for the beneficiaries and spouses—not for extended family members or friends.



Trust Asset Investment Guidance

Long-term growth and preservation of capital are important to us. It is our hope and wish that the Trust's assets be invested consistent with our family values and create sufficient returns so that the Trust will be available for our children, grand-children, great-grandchildren and beyond. We recommend establishing sustainability metrics to guide trust investment, as well as overall distributions. We recognize that such metrics may need to be adjusted in the event of an economic crisis or other major unforeseen circumstances. Please encourage and promote education about the Trust, investment fundamentals, and the use, preservation, protection and growth of wealth generally.

We strongly encourage you to provide estate planning education and resources to all beneficiaries, and proactively to provide guidance in this arena to those who have accumulated significant assets outside of the Trust. We also encourage you to help them develop their understanding and interest in investing and other financial skills. It is our hope that interested and educated beneficiaries have a voice in decisions about asset management.

Trustee-Beneficiary Relationship

An important aim of the guidance we provide in this letter is to help forge and maintain a strong and meaningful trustee-beneficiary relationship. Please make consistent efforts to build effective working relationships through individual and/or group meetings, by listening carefully to them, and by understanding their perspectives. It is our hope that all beneficiaries learn to value regular meetings with you. Therefore, we think it's reasonable for you to expect that they will schedule regular (quarterly?) meetings and come prepared for these meetings, ready to ask questions and to share details of how past and future Trust distributions connect to their wellbeing. We encourage you to proactively inquire about how they are moving toward their dreams: where they find genuine inspiration or joy, what they are good at or how they want to grow, and the ways they want to make a positive difference in the world. If they are not actively moving in these directions, encourage them to seek appropriate counseling and consider making continued distributions contingent upon demonstration of progress.

Thank you again for your commitment and efforts on behalf of our family.



The Lovins Group
65 Marshall Ave, Guilford, CT 06437
+1 (203) 453-1900
lovinsgroup.com