Investment Policy Statement

For

The Lumpkin Family Foundation

Approved As of 12/14/2009

(replaces policy issued 3/4/1995)

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EXECUTIVE SUMMARY

Type of Plan	Foundation
Time Horizon:	Long Term (10 Years +)
Expected Return:	Consumer Price Index (CPI) + 5.0% over the expected Investment Time Horizon
Risk Tolerance:	Moderate

Statement of Investment Policy, Objectives, and Guidelines
The Lumpkin Family Foundation

BACKGROUND

The Lumpkin Family Foundation, a not-for-profit corporation, (the Fund or the Foundation) was established in 1953. This statement of investment policy reflects the investment policy, objectives, and constraints applicable to The Lumpkin Family Foundation. The Foundation's Board of Trustees (the Board) is responsible for managing the investment process of the Foundation in a prudent manner with regard to preserving principal while providing commensurate returns. The Foundation strives to incorporate socially responsible and sustainable investment policies into their investment portfolios.

PURPOSE OF THIS INVESTMENT POLICY STATEMENT

This statement of investment policy is set forth by the Board of Trustees of The Lumpkin Family Foundation in order to:

1. Define and assign the responsibilities of all involved parties.
2. Establish a clear understanding for all involved parties of the investment goals and objectives of Fund assets.
3. Offer guidance and limitations to all investment managers regarding the investment of Fund assets.
4. Establish a basis for evaluating investment results.
5. Manage Fund assets according to prudent standards as established in common trust law.
6. Establish the relevant investment horizon for which the Fund assets will be managed.

In general, the purpose of this statement is to guide the investment management of the assets toward the desired results. This statement is intended to be a summary of the investment philosophy and the procedures that provide guidance for the Foundation and advisors. The statement should be reviewed and revised periodically to ensure it adequately reflects any changes related to the Foundation or the capital markets.

This statement supersedes all previous investment policy statements.

DELEGATION OF AUTHORITY

The Board of Trustees of The Lumpkin Family Foundation is a fiduciary, and is responsible for directing and monitoring the investment management of Fund assets. As such, the Board may employee professional experts in various fields to perform assigned tasks These include, but are not limited to:

1. Investment Consultant(s). The consultant may assist the Board in: Establishing investment policy, objectives, and guidelines; selecting investment managers; reviewing such managers over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.
2. Investment Manager(s). The investment manager has discretion to purchase, sell, or hold the specific securities that will be used to meet the Fund's investment objectives.
3. Custodian. The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Fund, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Fund accounts.
4. Additional specialists such as attorneys, auditors, and others may be employed by the Board to assist in meeting its responsibilities and obligations to administer Fund assets prudently.

All expenses for such experts must be customary and reasonable, and will be borne by the Fund as deemed appropriate and necessary.

The Board will not reserve any control over investment decisions, with the exception of specific limitations described in these statements. Managers will be held responsible and accountable to achieve the objectives herein stated. While it is not believed that the limitations will hamper investment managers, each manager should request modifications which they deem appropriate.

DEFINITIONS

1. "Fund" shall mean The Lumpkin Family Foundation.
2. "Board of Trustees" shall mean the governing board of The Lumpkin Family Foundation.
3. "Investment Committee" shall refer to a committee appointed by the Board and composed of members of the Board of Trustees and other individuals that provide guidance to the Board of Trustees of The Lumpkin Family Foundation.
4. "Fiduciary" shall mean any individual or group of individuals that exercise discretionary authority or control over fund management or any authority or control over management, disposition or administration of the Fund assets.
5. "Investment Manager" shall mean any individual, or group of individuals, employed to

manage the investments of all or part of the Fund assets.

6. "Investment Consultant" shall mean any individual or organization employed to provide advisory services, including advice on investment objectives and/or asset allocation, manager search, and performance monitoring.
7. "Securities" shall refer to the marketable investment securities which are defined as acceptable in this statement.
8. "Investment Horizon" shall be the time period over which the investment objectives, as set forth in this statement, are expected to be met. The investment horizon for this Fund is long-term, (10+ years) as the Foundation is designed to exist in perpetuity.

ASSIGNMENT OF RESPONSIBILITY

RESPONSIBILITY OF THE BOARD OF TRUSTEES

The Board of Trustees is charged with the responsibility for the management of the assets of the Fund. The Board shall discharge its duties solely in the interest of the Fund, with the care, skill, prudence and diligence under the circumstances then prevailing, that a prudent man, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims. The Investment Committee also provides guidance to the Board. The specific responsibilities of the Board of Trustees relating to the investment management of Fund assets include:

1. Projecting the Fund's financial needs, and communicating such needs to the investment managers on a timely basis.
2. Determining the Fund's risk tolerance and investment horizon, and communicating these to the appropriate parties.
3. Establishing reasonable and consistent investment objectives, policies and guidelines which will direct the investment of the Fund's assets and reviewing on a periodic basis.
4. Prudently and diligently selecting qualified investment professionals, including investment manager(s), investment consultant(s), and custodian(s).
5. Evaluating the performance of the investment manager(s) quarterly to assure adherence to policy guidelines and monitor investment objective progress.
6. Developing and enacting proper control procedures: For example, replacing investment manager(s) due to fundamental change in investment management process, or failure to comply with established guidelines.

RESPONSIBILITY OF THE INVESTMENT MANAGER(S)

Each investment manager of separate accounts must acknowledge in writing its acceptance of responsibility as a fiduciary. Each investment manager of separate accounts, mutual funds or commingled trusts will have full discretion to make all investment decisions for the assets placed under its jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement unless governed by prospectus or separate trust document. Specific responsibilities of the investment manager(s) of separate accounts, mutual funds or commingled trusts include:

1. Discretionary investment management including decisions to buy, sell, or hold individual securities, and to alter asset allocation within the guidelines established in this statement.
2. Reporting, on a timely basis, quarterly investment performance results.
3. Voting proxies on behalf of the Fund, and communicating such voting records to the Investment Committee on a timely basis.

Additionally, the responsibilities listed below apply to investment managers of separate accounts:

1. Communicating any major changes to economic outlook, investment strategy, or any other factors which affect implementation of investment process, or the investment objective progress of the Fund's investment management.
2. Informing the Investment Committee regarding any qualitative change to investment management organization: Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.

RESPONSIBILITY OF THE INVESTMENT CONSULTANT(S)

The investment consultant's role is that of an advisor to the Board of Trustees of The Lumpkin Family Foundation. Investment advice concerning the investment management of Fund assets will be offered by the investment consultant, and will be consistent with the investment objectives, policies, guidelines and constraints as established in this statement. Specific responsibilities of the investment consultant include:

1. Assisting in the development and periodic review of investment policy.
2. Advising the Foundation about the selection of and allocation to asset and style categories.
3. Conducting investment manager searches when requested by the Board.
4. Monitoring the performance of the investment manager(s) to provide the Investment Committee and the Board with the ability to determine the progress toward the investment objectives.
5. Communicating matters of policy, manager research, and manager performance to the Investment Committee and the Board.
6. Reviewing Fund investment history, historical capital markets performance and the contents of this investment policy statement to any newly appointed members of the Investment Committee and the Board.

GENERAL INVESTMENT PRINCIPLES

1. Investments shall be made solely in the interest of the Fund.
2. The Fund shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims.
3. Investment of the Fund shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
4. The Board may employ one or more investment managers of varying styles and philosophies to attain the Fund's objectives.
5. Cash is to be employed productively at all times, by investment in short term cash equivalents to provide safety, liquidity, and return.

INVESTMENT MANAGEMENT POLICY

1. Preservation of Capital - Consistent with their respective investment styles and philosophies, investment managers should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.
2. Risk Aversion - Understanding that risk is present in all types of securities and investment styles, the Board of Trustees recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Fund's objectives. However, the investment managers are to make reasonable efforts to control risk, and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.
3. Adherence to Investment Discipline - Investment managers are expected to adhere to the investment management styles for which they were hired. Managers will be evaluated regularly for adherence to investment discipline.

GOAL OF FOUNDATION

The Board of Trustees feels that grants to be made in the future are as important as grants made today. This is consistent with the philosophy that this Foundation is to exist in perpetuity, and therefore, should provide for grant making in perpetuity. To attain this goal, the overriding objective of this Foundation is to maintain purchasing power. That is, net of spending, the objective is to grow the aggregate portfolio value at the rate of inflation, at a minimum, over the Foundation's investment horizon. The Foundation's specific investment objectives will be established later in this document.

SPENDING POLICY

Future giving (contributions) to the Foundation is expected to be inconsistent, and therefore, unpredictable. As a result, the Board of Trustees has set an investment strategy with the objective of maintaining purchasing power of the Foundation's assets before consideration of gifts. Accordingly, future giving will serve to increase purchasing power.

During December of each year, the Board of Trustees approves the annual budget based on input from members and committees. During that budget review process the minimum distribution requirements (5%) as set forth by the IRS is estimated to ensure that annual spending exceeds this minimum threshold.

INVESTMENT OBJECTIVES

In order to meet its needs, the investment objective of The Lumpkin Family Foundation is to, exclusive of contributions or withdrawals, grow the Fund over the long-term (defined as a period of 10 or more years).

SPECIFIC INVESTMENT GOALS

Over the investment horizon established in this statement, it is the goal of the aggregate Fund assets to exceed:

Consumer Price Index (CPI) + 5.0% over the expected Investment Time Horizon

The investment goals above are the objectives of the aggregate Fund, and are not meant to be imposed on each investment account (if more than one account is used). The goal of each investment manager, over the investment horizon, shall be to:

1. Meet or exceed the market index (net of investment fees), or blended market index, selected and agreed upon by the Investment Committee and the Board that most closely corresponds to the style of investment management.
2. Display an overall level of risk in the portfolio which is consistent with the risk associated with the benchmark specified above. Risk will be measured by the standard deviation of quarterly returns.
3. Rank in the top one-third of an appropriate peer group of actively managed portfolios.

The Investment Committee and the Board recognize that this return objective may not be meaningful during some time periods. In order to ensure that investment opportunities available over a specific time period are fairly evaluated, the Investment Committee and the Board will use comparative performance statistics to evaluate investment results.

While these performance standards should be achieved over a complete market cycle, the Investment Committee and the Board will also monitor performance over rolling three- and five-year periods.

Specific investment goals and constraints for each investment manager, if any, shall be incorporated as part of this statement of investment policy. Each manager shall receive a written statement outlining his specific goals and constraints as they differ from those objectives of the entire Fund.

LIQUIDITY

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, the Board of Trustees will periodically provide the appropriate parties with an estimate of expected net cash flow. The Board will notify the appropriate parties in a timely manner, to allow sufficient time to build up necessary liquid reserves.

To maintain the ability to deal with unplanned cash requirements and annual withdrawals that might arise, the Board of Trustees requires that a sufficient amount of monies shall be maintained in cash or cash equivalents, including money market funds or short-term U.S. Treasury bills.

MARKETABILITY OF ASSETS

The Board of Trustees requires that most Fund assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Fund, with minimal impact on market price.

ALLOWABLE ASSETS

1. Cash Equivalents
   - Treasury Bills
   - Money Market Funds
   - STIF Funds

- Commercial Paper
- Banker's Acceptances
- Repurchase Agreements
- Certificates of Deposit

2. Fixed Income Securities

- U.S. Government and Agency Securities
- Corporate Notes and Bonds
- Mortgage Backed Bonds
- Preferred Stock

3. Equity Securities

- Common Stocks
- Convertible Notes and Bonds
- Convertible Preferred Stocks
- American Depository Receipts (ADRs) of Non-U.S. Companies
- Stocks of Non-U.S. Companies (Ordinary Shares)

4. Mutual Funds

- Mutual Funds which invest in securities as allowed in this statement.

5. Alternative Investments*

- Commodities and Futures Contracts
- Private Placements
- Options
- Limited Partnerships
- Venture Capital Investments
- Real Estate Properties
- Hedge Funds

*Allowed only in a dedicated portfolio approved by the Board of Trustees

STOCK EXCHANGES

To ensure marketability and liquidity, investment manager(s) of separate accounts will execute equity transactions through the following exchanges: New York Stock Exchange; American Stock Exchange; and NASDAQ over-the-counter market. In the event that an investment manager determines that there is a benefit or a need to execute transactions in exchanges other than those listed in this statement, written approval is required from the Board.

DERIVATIVE INVESTMENTS

Derivative securities are defined as synthetic securities whose price and cash flow characteristics are based on the cash flows and price movements of other underlying securities. Most derivative securities are derived from equity or fixed income securities and are packaged in the form of options, futures, CMOs (PAC bonds, I0s, POs, residual bonds, etc.), and interest rate swaps, among others. The Board feels that many derivative securities are relatively new and therefore have not been observed over multiple economic cycles. Due to this uncertainty, the Board will take a conservative posture on derivative securities. Since it is anticipated that new derivative products will be created each year, it is not the intention of this document to list specific derivatives that are prohibited from investment, rather it will form a general policy on derivatives. Unless a specific type of derivative security is allowed in this document, the investment manager(s) of separate accounts must seek permission from the Board to include derivative investments in the Fund's portfolio. The investment manager(s) must present detailed information as to the expected return and risk characteristics of such investment vehicles. Mutual funds and commingled trusts are governed by their respective prospectus or trust documents and are exempt from seeking permission from the Board.

ASSET ALLOCATION GUIDELINES

Investment management of the assets of The Lumpkin Family Foundation shall be in accordance with the asset allocation guidelines as included on Exhibit A:

1. The Fund should maintain the asset allocation and be measured against the policy benchmark as included on Exhibit A.
2. The Board may employ investment managers whose investment disciplines require investment outside the established asset allocation guidelines. However, taken as a component of the aggregate Fund, such disciplines must fit within the overall asset allocation guidelines established in this statement. Such investment managers will receive written direction from the Board regarding specific objectives and guidelines.
3. In the event that the above aggregate asset allocation guidelines are violated, for reasons including but not limited to market price fluctuations, the Board will instruct the investment manager(s) to bring the portfolio(s) into compliance with these guidelines as promptly and prudently as possible. In the event that any individual investment manager's portfolio is in violation with its specific guidelines, for reasons including but not limited to market price fluctuations, the Board expects that the investment manager will bring the portfolio into compliance with these guidelines as promptly and prudently as possible without instruction from the Board.

DIVERSIFICATION FOR INVESTMENT MANAGERS

In order to achieve a prudent level of portfolio diversification, the securities of any one company should not exceed 5% of the total fund (at cost), and no more than 20% of the total fund should be invested in any one industry sector. If, as a result of market growth, the holding of any individual security should exceed 10%, or any industry should exceed 25%, the managers should endeavor to reduce the exposure back to the purchase guidelines within 30 days.

An exception, to the above limit of 5% of Fund cost on individual securities, is the Foundation's long standing position held in First Mid-Illinois Bancshares, Inc. (FMBH). This security however is subject to the guidelines of not exceeding 10% of the total Fund, unless authorized by the Board of Trustees. FMBH is headquartered in Mattoon Illinois and has a service area encompassing East Central Illinois. The Foundation believes in the capabilities of a locally owned bank to foster economic and community development and believes a stable ownership base is one way that we can continue to encourage and facilitate that development.

GUIDELINES FOR FIXED INCOME INVESTMENTS AND CASH EQUIVALENTS

1. Fund assets may be invested only in investment grade bonds rated BBB (or equivalent) or better.
2. Fund assets may be invested only in commercial paper rated Al (or equivalent) or better.
3. The average weighted duration for Foundation assets shall remain +/- 25% of the average duration for the Barclays Capital Intermediate Gov't/ Credit Index.
4. Money Market Funds selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poor's, and/or Moody's.

Within the above restriction, the Managers have complete discretion over timing and selection of fixed income securities.

SOCIALLY RESPONSIBLE AND PROGRAM RELATED INVESTMENT POLICY

To the extent possible, the Foundation incorporates these practices into their selection of investment managers.

1. The Board allows for up to 5% of the Fund to be invested in community development investments with the intention to support the mission of the Foundation with an emphasis reflecting our heritage in East Central Illinois.

2. When possible, The Foundation selects investment managers that incorporate analysis of sustainable business practices, such as sound environmental policies, corporate governance and employment diversity policies, into their investment criteria.

3. The Foundation also restricts investments in the companies involved in the following:

- gaming industries
- production of tobacco products
- manufacture of weapons

SELECTION OF INVESTMENT MANAGERS

The Board of Trustees' selection of investment manager(s) must be based on prudent due diligence procedures. A qualifying investment manager must be a registered investment advisor under the Investment Advisors Act of 1940, a mutual fund or a bank or insurance company. The Board of Trustees requires that each investment manager of separate accounts provide, in writing, acknowledgment of fiduciary responsibility to The Lumpkin Family Foundation.

The Board has adopted a separate policy, outlining the procedures for selection of an investment manager, which includes the following criteria:

1. Does the investment manager's style fill a need in the Fund's approved asset allocation model?
2. Does the investment manager have a performance record of being in the top 25th percentile for at least three of the past five years?
3. Can the investment manager achieve the endorsement of our investment consultant?
4. Would the investment manager's addition create an unacceptable administrative burden?
5. Are the investment manager's fees and related expenses reasonable relative to comparable alternatives?
6. Does this investment vehicle reflect the values of The Lumpkin Family Foundation?

PERFORMANCE REVIEW AND EVALUATION

Investment performance reviews of all investment managers will be conducted quarterly to ascertain the progress of each manager versus the return objectives. In special circumstances (e.g., poor performance, material change in personnel, etc.), more frequent meetings may be scheduled. In addition, the overall Foundation investment performance is evaluated quarterly along with assessment of the Foundation's adherence to investment policies.

Listed below are items which will be evaluated by the investment consultant in the ongoing effort to ensure the investment managers are in compliance with the policies and objectives stated herein. None of these circumstances or events shall serve as automatic causes for changing investment managers, but will merely indicate the need for review. Any recommendations by the investment manager as to changes in the investment guidelines should be submitted to the Board of Trustees in writing.

Performance reviews will focus on:

- Comparison of managers' results to funds using similar policies (in terms of diversification, volatility, style, etc.)
- The opportunities available in both equity and debt markets, including the Standard & Poor's 500 Stock Index and the S&P 500 Barra Growth or Value Indices for large cap equities, The Russell 2000 Index for small cap stocks, the MCSI EAFE Index for non-U.S., equities, and the Barclay's Aggregate Bond Index for fixed income securities
- Investment manager adherence to the Policy guidelines
- Material changes in the manager organizations, such as in investment philosophy, personnel, acquisitions or losses of major accounts, etc.

The investment managers are encouraged to have open communication with Board on all significant matters pertaining to investment policies and the management of the assets.

The investment managers are responsible for keeping the Board, or its designee, advised of any material changes in personnel, investment strategy, or other pertinent information potentially affecting performance of their portfolios.

In the event that a review is required of an investment manager, the Board will evaluate the manager in question and determine the appropriate course of action. The Board may draw one of three conclusions:

- Satisfied with Explanation — Continue to monitor the manager quarterly. The Board is content with the results of the investment manager review.
- Place manager on Watch List — The investment manager is put on a watch list to be scrutinized quarterly for one year, at which time the Board will reevaluate the manager and make a recommendation to upgrade or downgrade the manager.
- Terminate — Terminate the relationship with the investment manager as soon as possible.

Independent of the aforementioned review process, the Board of Trustees retains the right to terminate a relationship with a manager at any time, subject to the investment management agreement.

INVESTMENT POLICY REVIEW

To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy, the Board plans to review the investment policy periodically to assure that it meets the objectives of the Foundation.

This statement of investment policy is adopted on MM/DD/YYYY by the Board of Trustees of The Lumpkin Family Foundation.

Board President

Investment Committee Chair

Executive Director - The Lumpkin Family Foundation

EXHIBIT A

Guidelines (at market value)

Aggregate Fund Asset Allocation	Lower Limit	Strategic Allocation	Upper Limit	Benchmark
Fixed Income	24%	30%	36%	Barclays Int. Govt./Credit
Alternative Investments	0%	0%	5%	N/A
Program Related Investments	0%	0%	5%	N/A
Domestic Large Cap Equities	27%	34%	41%	S&P 500
Domestic Small / Mid Cap Equities	13%	17%	21%	S&P 1000/R 2500
International Equities	15%	19%	23%	MSCI EAFE

Evaluation Benchmark: Consumer Price Index (CPI) + 5.0% over the Investment Time Horizon