COMPENSATION POLICY

Inner Planets Terraforming Foundation Corporation

Adopted: 25 July 2026, by resolution of the Board of Directors (Resolution 2026-OM-3).

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1. Purpose and authority

This Compensation Policy (“Policy”) sets forth the procedures by which the Foundation determines compensation paid to its directors, officers, employees, and contractors, and ensures compliance with:

(a) the prohibition on private inurement under Section 501(c)(3) of the Internal Revenue Code;

(b) the self-dealing rules under §4941, which apply to all transactions between the Foundation and any disqualified person, including compensation arrangements;

(c) the rebuttable-presumption-of-reasonableness procedure of Treasury Regulations §53.4958-6, which (although technically a §4958 public-charity rule) is widely applied as best practice for private foundations and is referenced in the Foundation’s Bylaws Article VII Section 7.5; and

(d) the IRS Form 990-PF reporting requirements for compensation paid to officers, directors, key employees, and the highest-paid contractors.

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2. Scope

This Policy applies to all compensation arrangements between the Foundation and any:

director, officer, or employee of the Foundation;

contractor providing services to the Foundation;

other “disqualified person” within the meaning of IRC §4946.

Compensation includes salary, wages, bonuses, retirement contributions, deferred compensation, fringe benefits, expense reimbursements that are not part of an accountable plan, and any other economic benefit provided in exchange for services.

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3. Director non-compensation

As provided in Bylaws Section 3.9, directors shall serve without compensation for service as directors. Directors may be reimbursed for reasonable expenses incurred in the performance of their duties, in accordance with an accountable plan.

A director who also serves as an officer, employee, or contractor of the Foundation may be compensated for those other services, subject to the rebuttable-presumption procedure in Section 5 below.

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4. Disqualified person non-compensation in the initial year

The Foundation does not contemplate paying compensation to **any disqualified person** (within the meaning of IRC §4946) during the Foundation's first year of operation. This non-compensation commitment includes, without limitation:

(a) the founder, G Neil Haven, in his capacity as founder, director, Chair / President, employee, contractor, or otherwise;

(b) the founder's spouse, Leah M. Maier, in any capacity, whether as director, employee, contractor, researcher, or otherwise;

(c) any other current or future disqualified person with respect to the Foundation, including (i) any other director or officer who is a §4946 disqualified person, (ii) any family member of a substantial contributor as defined in §4946(d), and (iii) any entity in which any of the foregoing hold 35% or more ownership.

"Compensation" for purposes of this Section 4 includes cash wages, salary, bonuses, deferred compensation, employer-paid medical and other insurance premiums, retirement contributions, and any other economic benefit provided in exchange for services. It does not include (a) reimbursement of ordinary and necessary expenses under an accountable plan as described in Section 7, or (b) acceptance of volunteer services from any person without payment of any kind.

Grant-funded carve-out. Notwithstanding the general non-compensation rule stated above, the Foundation may pay compensation to a disqualified person during the initial one-year period if and to the extent that **all** of the following conditions are satisfied:

(i) **External funding source.** The compensation is paid exclusively from the proceeds of a grant, contract, or other restricted funding instrument received by the Foundation from a third party that is **not itself a disqualified person** with respect to the Foundation, and that is not directly or indirectly controlled by any disqualified person.

(ii) **Funder-approved budget.** The funding instrument explicitly identifies the disqualified person as a budgeted line item, with stated compensation rates or amounts approved by the funder. The Foundation may not divert general-fund proceeds to pay the disqualified person beyond the funder-approved amount.

(iii) **Personal services.** The compensation is paid for personal services actually rendered by the disqualified person to the Foundation in furtherance of its exempt purposes, with documented time and identifiable deliverables.

(iv) **Rebuttable-presumption procedure.** The compensation arrangement is reviewed and approved in advance through the rebuttable-presumption procedure of Section 5 of this Policy, including reliance on comparability data (which may include the funder's own determination of reasonableness), contemporaneous documentation, and approval by the independent body identified in Bylaws Section 4.8 (one Independent Director affirmative plus a majority of all directors, with the affected disqualified person recused).

(v) **Aggregate cap.** Total compensation paid under this carve-out to all disqualified persons combined in any fiscal year shall not exceed **fifty percent (50%) of the Foundation's total qualifying distributions for that year**, calculated cumulatively across all grant-funded compensation arrangements.

(vi) **Separate tracking and disclosure.** The Treasurer shall record all compensation paid under this carve-out in a separately-tracked account, shall report grant-funded DP compensation to the Board at each quarterly meeting, and shall disclose all such compensation separately on Form 990-PF Part VIII and in any other required IRS reporting.

(vii) **Funder-relationship integrity.** The Foundation shall not solicit or accept a grant from a funder when the grant terms (including a budget line item for disqualified-person compensation) appear designed primarily to circumvent the general non-compensation rule of this Section 4 rather than to advance bona fide research. Counsel shall review any grant arrangement where this concern arises.

Should the Foundation, after the one-year period, determine to compensate any disqualified person for personal services rendered to the Foundation (which is permitted under §4941(d)(2)(E) so long as the compensation is reasonable and necessary to carry out the Foundation's exempt purposes and is not excessive), the rebuttable-presumption procedure in Section 5 shall apply, and the matter shall be governed by the COI rule in Bylaws Section 4.8 (one Independent Director affirmative + majority of all directors), with the disqualified person recused.

Grant-application-preparation services (post-initial year). After the one-year period, if the Foundation determines to compensate a disqualified person for services in preparing grant applications on behalf of the Foundation (whether directed to federal agencies, private foundations, or other prospective funders), the compensation is permitted only if — in addition to the general rebuttable-presumption procedure of Section 5 and the COI voting rule of Bylaws Section 4.8 — all of the following supplemental conditions are satisfied:

(i) **Written tax-counsel opinion (mandatory above $10,000).** Where the compensation to be paid for the engagement exceeds **ten thousand dollars ($10,000)**, foundation-experienced tax counsel shall have provided the Board, in writing and in advance of the engagement, a reasoned opinion that the specific grant-application-preparation services proposed qualify as "personal services" within the meaning of IRC §4941(d)(2)(E). The opinion shall address the current state of IRS guidance on grant-application services under §4941(d)(2)(E) and shall be updated for any material change in guidance. Where the compensation to be paid for the engagement is **ten thousand dollars ($10,000) or less**, the matter is at the Board's discretion: the Board shall consider whether to obtain a written tax-counsel opinion. If the Board obtains the opinion, it shall rely on the opinion in its determination. If the Board proceeds without obtaining the opinion, it shall document in the meeting minutes the specific factors it considered in determining that the services qualify as personal services, including the current state of IRS guidance and the analogy (or disanalogy) to services the IRS has recognized under the safe harbor.

(ii) **Written Board finding on necessity.** The Board has made a specific written finding that the services (A) are reasonable and necessary to carrying out the Foundation's exempt purposes, and (B) has considered whether comparable non-disqualified alternatives are available and has reasonably determined that engaging the disqualified person is appropriate.

(iii) **Written engagement agreement with milestone-based compensation.** The engagement is documented in a written agreement setting forth the scope of services, specified deliverables or milestones, the compensation payable upon completion of each milestone, and the term. Compensation shall not be paid on an ongoing retainer basis independent of specific deliverables.

(iv) **Contingent-fee prohibition.** Compensation may not be contingent on the outcome of the grant application (no success fees or bonuses tied to whether a grant is actually awarded).

(v) **Separate tracking and disclosure.** The Treasurer shall record all compensation paid under this subsection in a separately-tracked account and shall disclose it separately on Form 990-PF Part VIII.

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5. Rebuttable-presumption procedure

For any compensation arrangement involving a disqualified person (including any compensation paid to a director, officer, employee, or contractor who is a §4946 disqualified person, including the founder, the founder's spouse, or any future related party), the Foundation shall follow the rebuttable-presumption procedure of Treas. Reg. §53.4958-6:

(a) **Approval by independent body.** The arrangement shall be approved in advance by the Conflict-of-Interest Committee or by the Board with all interested persons recused. The approving body shall consist of persons who are not the disqualified person whose compensation is at issue and who have no relationship with that person creating a conflict of interest.

(b) **Reliance on appropriate comparability data.** The approving body shall rely on appropriate data regarding comparable compensation paid by similarly situated organizations, for similarly qualified persons, in functionally comparable positions. Acceptable sources include:

(c) compensation surveys compiled by independent sources (e.g., GuideStar, Candid, IRS Form 990 of comparable organizations, professional associations);

(ii) written job offers from other organizations made to the person in question or to similar persons;

(iii) actual written compensation information from comparable organizations; or

(iv) for compensation arrangements under one hundred fifty thousand dollars ($150,000) per year, data from at least three comparable positions in similar organizations is sufficient under Treas. Reg. §53.4958-6(c)(2).

(v) **Contemporaneous documentation.** The approving body shall document, contemporaneously with the decision, (i) the terms of the arrangement and the date approved, (ii) the persons present during the discussion, (iii) the comparability data relied upon and how it was obtained, (iv) any actions taken with respect to the arrangement by anyone otherwise a member of the approving body who had a conflict of interest, and (v) the basis for the determination that the arrangement is reasonable.

(vi) **Annual review.** Compensation arrangements with disqualified persons shall be reviewed annually under this procedure for so long as they remain in effect.

When all three elements (independent approval, comparability data, contemporaneous documentation) are satisfied, the compensation is presumed reasonable. The IRS may rebut the presumption only by showing sufficient contrary evidence. The Foundation's burden is to maintain the presumption.

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6. Employee compensation generally

For employees who are not §4946 disqualified persons, compensation shall be set in accordance with general principles of fairness, market competitiveness, and the Foundation's budget. The Treasurer (or, if the Treasurer is the employee in question, the Chair) shall propose compensation arrangements based on:

the responsibilities and qualifications required for the position;

the local market for similar positions;

the Foundation's budget and overall compensation strategy;

internal equity among Foundation employees.

Compensation arrangements over fifty thousand dollars ($50,000) per year for non-disqualified-person employees require Board approval.

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7. Expense reimbursement and accountable plan

The Foundation shall maintain an accountable plan within the meaning of Treas. Reg. §1.62-2 for the reimbursement of business expenses incurred by directors, officers, employees, and contractors. The plan shall require:

that expenses be incurred for a Foundation-related business purpose;

that expenses be substantiated by receipts, written statements, or other appropriate documentation, submitted within sixty (60) days of the expense being incurred;

that any advance be returned within one hundred twenty (120) days if not actually expended for a business purpose.

Reimbursements made under the accountable plan are not treated as compensation and are not subject to this Policy's rebuttable-presumption procedure.

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8. Contractor compensation

Contractor arrangements shall be in writing, shall describe the services to be performed, the compensation, and the term, and shall be entered into through a process that documents fairness and competitive market basis. For any contractor who is a §4946 disqualified person, the rebuttable-presumption procedure of Section 5 applies. For other contractors, market-based diligence (e.g., comparison to two or three other quotes for similar services) is sufficient.

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9. Form 990-PF reporting

The Treasurer shall report compensation in accordance with the IRS Form 990-PF instructions, including:

Part VIII: list of officers, directors, trustees, foundation managers, and their compensation;

Schedule of the five highest-paid employees with compensation over $50,000;

Schedule of the five highest-paid independent contractors with compensation over $50,000;

Disclosure of any compensation arrangements with disqualified persons subject to §4941 self-dealing analysis.

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10. Review and amendment

This Policy shall be reviewed by the Conflict-of-Interest Committee not less than annually and recommended to the Board for re-adoption, amendment, or replacement as appropriate. Material amendments require the approval threshold for amendment of bylaws under Bylaws Article XI.

End of Compensation Policy.