

Alcor Underfunding Plan

Version 2.11b-5a

May 4th, 2013

Summary

Underfunded Alcor Members who became Members of Alcor prior to adoption of this Underfunding Plan (“Existing Members who are or become Underfunded”) shall pay Additional Membership Dues, as described herein, in addition to any other applicable Membership Dues, commencing on September 1st, 2013.

Notice of Increase in Minimums

All Alcor Members will be given 90 days written notice, in accordance with their Cryopreservation Agreement or Cryonic Suspension Agreement, that their required minimum funding will now and in the future be the current Required Cryopreservation Funding Minimum for the membership option they have selected (whole body cryopreservation or neurocryopreservation, as appropriate). The current Required Cryopreservation Funding Minimum for whole body cryopreservation is \$200,000.00 and the current Required Cryopreservation Funding Minimum for neurocryopreservation is \$80,000.00. Alcor will change or increase the current Required Cryopreservation Funding Minimums from time to time, and will give notice to Members of such change or increase. Members with funding at or above their required minimums are not affected by this Notice and need take no immediate action. Underfunded Members may (a) provide increased funding in order to comply with their new minimum funding requirements or (b) take advantage of this Underfunding Plan¹ or (c) select a less expensive membership option. The Underfunding Plan can be helpful to Members in managing their short term finances. It is not expected to be the most economical method of providing long term funding. Underfunded Members are encouraged to increase their funding to the extent practical. Alcor’s preference is for all its Members to be and remain fully funded.

¹Life Members need to explicitly “opt-in” if they wish to benefit from this Underfunding Plan by requesting and signing the appropriate form from Alcor.

Annual Underfunding Percentage

The “Annual Underfunding Percentage” will be:

0.33% per year from 9/1/13 until 12/31/13

0.67% per year from 1/1/14 until 1/1/15

1% per year from 1/1/15 until changed by the Board.

Definition of “Underfunding”

If an Alcor Member’s Cryopreservation Funding or Suspension Funding (the “Cryopreservation Fund” or “Suspension Fund” as defined in his or her Cryopreservation Agreement or Cryonic Suspension Agreement) has a funding level below the current Required Cryopreservation Funding Minimum for the membership option he or she has selected then the Member is Underfunded.

Underfunding Plan Unavailable to Members who join after Adoption of The Plan

This Underfunding Plan will not be available to Underfunded Members who become Members of Alcor after the date upon which this Underfunding Plan is first adopted by the Alcor Board of Directors (“Future Underfunded Members”).

Future Underfunded Members who have chosen the whole body option can convert their membership to the neurocryopreservation option. In most cases, such conversion will enable these Members to become fully funded.

Alcor reserves the right (a) to convert Future Underfunded Members who have chosen the whole body option to the neurocryopreservation option or (b) after appropriate warnings, review and notice in accordance with their Cryopreservation Agreement, to terminate their Alcor membership.

Future Underfunded Members who have chosen the neurocryopreservation option will, after appropriate warnings, review and notice in accordance with their Cryopreservation Agreement, have their Alcor membership terminated.

Amount of Additional Dues

Existing Members who are or become Underfunded, unless otherwise exempted by written agreement with Alcor², must periodically pay the additional Membership Dues described herein. The amount of the additional Membership Dues will be computed by multiplying the time-span

² Life Members are exempted unless they have requested to participate in this Underfunding Plan and have signed the appropriate form, available on request from Alcor.

of the billing period measured in years, times the Annual Underfunding Percentage, times the amount by which he or she is Underfunded at the start of the period (the difference between their Cryopreservation Funding and the appropriate current Required Cryopreservation Funding Minimum).

How paid

The additional Membership Dues will be added to any other applicable Membership Dues and will be paid in the same manner as other Membership Dues. Alcor is continuing the practice of using general funds supported by Membership Dues to offset shortfalls in funding for cryopreservation case expenses and research.

Review of Annual Underfunding Percentage and Underfunding Plan

Each year the Alcor Board will review and possibly adjust the Annual Underfunding Percentage. The Alcor Board reserves the right to change the Underfunding Plan. The Underfunding Plan does not alter or modify the right of Alcor to increase or modify Membership Dues and/or Cryopreservation Funding Minimums and/or “minimum funding” as deemed necessary in the sole discretion of Alcor.

No Windfall Loans

The Underfunding Plan is not intended to permit Members to borrow money using funds intended for their cryopreservation as collateral.

Consequently, if a Member alters his or her funding arrangements in any way in order to reduce his or her Cryopreservation Funding below his or her current Required Cryopreservation Funding Minimum, even if said reduced Cryopreservation Funding remains above the minimum funding required by his or her Cryopreservation Agreement, and the Member has not obtained advance approval in writing from Alcor for this alteration, then Alcor may refuse to accept some or all of any payments the Member might make towards his or her Membership Dues and withdraw some or all of the benefits of the Underfunding Plan.

Consequences of non-payment

Underfunded Members participating in the Underfunding Plan³ who have selected the whole body cryopreservation option who do not pay all their Membership Dues (or are deemed not to have paid all their Membership Dues pursuant to the foregoing “No Windfall Loans” provision), and have not switched to neurocryopreservation will, after appropriate warnings, review and

³Life Members who wish to participate in the Underfunding Plan should request, sign and return the appropriate form from Alcor. Participation is required for all other Members unless otherwise exempted by written agreement with Alcor.

notice in accordance with a Member's Cryopreservation Agreement, be converted to the neurocryopreservation option. The Member's minimum funding in either his or her revised or new Cryopreservation Agreement following this conversion (as appropriate) should be at least the current Required Cryopreservation Funding Minimum for neurocryopreservation.

Underfunded Members participating in the Underfunding Plan⁴ who have selected the neurocryopreservation option or been converted to the neurocryopreservation option and who are not able to pay all their Membership Dues will, after appropriate warnings, review and notice in accordance with their Cryopreservation Agreement, be referred to the Underfunding Committee.

Notice to All Members

Through this Underfunding Plan, Alcor is not altering or changing the terms, conditions or obligations of a Member's Cryonic Suspension Agreement or Cryopreservation Agreement, and the terms, conditions and obligations of such agreements remain in full force and effect.

By way of example and not of limitation, Alcor reserves the right to modify or increase Membership Dues, and/or Cryopreservation Funding Minimums, and/or the "minimum funding", either now or in the future, for any individual Member or any group of Members. Alcor also reserves the right to terminate Members who fail to comply with any of the terms or conditions of their Cryonics Suspension Agreement or Cryopreservation Agreement, including failures caused by increases in their Cryopreservation Funding Minimum and/or their "minimum funding." Alcor further reserves the right to exercise any and all of the existing rights it might have under any and all Agreements it might have with any Member or Members.

Alcor reserves the right to modify this Underfunding Plan, either in part or in whole, including the right to terminate it. Such modifications or termination will not alter or change the terms, conditions or obligations of a Member's Cryonic Suspension Agreement or Cryopreservation Agreement.

⁴Life Members who wish to participate in the Underfunding Plan should request, sign and return the appropriate form from Alcor. Participation is required for all other Members unless otherwise exempted by written agreement with Alcor.

Addendum September 30, 2016

Effective January 1, 2017, the Annual Underfunding Percentage will increase from 1% to 2% of the amount of funding below current minimums.