

The Program

IBM will match eligible contributions of up to \$5,000 per donor, per institution, to a total of \$10,000 in gifts per calendar year, to approved U.S.-based colleges, universities, and other postsecondary institutions, hospitals, cultural and environmental institutions.

IBM's Matching Grants Program offers an institution the option of choosing either a cash match or an equipment/software credit match.

IBM matches will be cash matches unless the institution requests in writing the equipment/software credit match. Employees may not designate their gifts for the cash or equipment match as the decision is the option of the institution. An institution's annual grant may not be divided into both cash and equipment credits.

Cash Match:

Active Employees	1:1
Retirees	1/2:1

Equipment Match:

Higher Educational Institutions

Active Employees	3:1
Retirees	1 1/2:1

Hospitals, Hospices, Nursing Homes, Cultural and Environmental Institutions

Active Employees	2:1
Retirees	1:1

Persons Eligible for Participation

Regular or regular part-time employees of IBM or one of its wholly owned subsidiaries which is based in the U.S., its territories, or the Commonwealth of Puerto Rico (including those on temporary assignment and those on leave of absence or receiving benefits under the IBM Medical Disability Income Plan or the Long Term Disability Plan).

Persons retired under the IBM Retirement Plan.

Members of the Board of Directors of the IBM Corporation or one of its subsidiaries, including non-employee directors of IBM foreign subsidiaries.

Institutions Eligible for Participation

Recipient institutions must be based in the U.S., its territories or the Commonwealth of Puerto Rico and recognized as tax-exempt by the Internal Revenue Service of the U.S. Treasury Department (or by Puerto Rico or territory tax authorities).

Note: Institutions that meet the specified criteria will be considered for participation.

Determination of an institution's initial and continuing participation shall be made at IBM's sole discretion.

Educational Institutions

Degree-granting graduate and professional schools, universities, four-year and two-year colleges and technical institutes will be considered if fully accredited by a regional or professional accrediting agency recognized by the Council on Recognition of Postsecondary Accreditation.

Exceptions are the United Negro College Fund, American Indian College Fund or the Hispanic Association of Colleges. (Note: Gifts to approved Canadian colleges and universities will be matched by IBM Canada in accordance with their program guidelines.)

Foundations in support of athletics or athletic scholarships are not eligible.

Hospitals/Hospices/Nursing Homes

A hospital will be considered if it is accredited by the Joint Commission on Accreditation of Hospitals, the American Osteopathic Association or the Council on Accreditation of Rehabilitation Facilities. A hospital must provide in-patient services under the supervision of licensed doctors of medicine, psychiatry or osteopathy, diagnostic and therapeutic services for medical and surgical diagnosis and treatment and care of the injured, disabled or sick. Christian Science Sanatoriums are also eligible. (Note: Gifts to approved Canadian hospitals

will be matched by IBM Canada in accordance with their guidelines.)

A hospice will be considered only if it provides supportive care for terminally ill patients and their families. The hospice must be approved by Medicare and operate on a not-for-profit basis.

A nursing home will be considered if it is a not-for-profit, skilled nursing care facility which provides in-patient services (as opposed to health related intermediate/custodial care or residential living) and is Medicare approved.

Cultural/Environmental Institutions

A cultural institution will be considered if it is professionally managed, opened to and operated for the benefit of the public. Included are museums, libraries, performing arts groups, historical and cultural preservation societies, non-religious public broadcasting and related organizations whose primary purpose is to foster the arts. Also eligible are botanical and zoological societies, and environmental organizations principally engaged in: the acquisition, rehabilitation and maintenance of natural areas; the preservation of wildlife; research specifically directed toward natural conservation activities; as long as the aforementioned do not engage in legal advocacy as a principal part of their activities.

Memorial Funds

IBM will consider memorial funds established in the memory of deceased employees and/or immediate family members. Memorial funds may only be established by employees and/or immediate family members of a deceased employee, at eligible institutions and within program guidelines.

Not Eligible

Gifts to elementary and secondary schools, public or private. Donors may participate in the K-12 Matching Grants Program.

For information on the K-12 Program call 1-800-777-4768.

Charitable gift annuities, pooled income funds.

Dues payable to national or local alumni groups.

Gifts for non-scholastic programs such as athletic booster clubs, athletic scholarship programs and intercollegiate athletic programs.

Gifts to capital campaigns, construction and renovation projects.

Payments that cover the cost of services, tuition, books, student fees, subscriptions, insurance premiums, tickets or other considerations.

Gifts to nursery, day-care or preschool.

Gifts intended to fulfill a person's pledge, tithe or other church-related financial commitment whereby the donor would be relieved of these obligations by transferring a gift to a related eligible institution.

Gifts made as a way of supporting a third-party organization (e.g., gifts made to eligible institutions that are used to offset financial obligations (tithe/dues) to ineligible organizations such as a church, temple, denominational group, athletic, social, religious, fraternal or membership organizations).

Gifts-in-kind (e.g., personal or real property, other than securities; value of personal services).

Bequests.

Gifts to health and medical organizations (e.g., Muscular Dystrophy, March of Dimes, American Cancer Society, etc.).

Gifts to social welfare organizations (e.g., YMCA/YWCA, Scouts, American Red Cross, Habitat for Humanity, MADD, Volunteer Fire/EMS Companies, etc.).

Gifts to religious, political, public affairs, fraternal and social organizations.

Gifts to film festivals.

Contributions from collections (e.g., community fund raising, walk-a-thons, etc.).

Humane Societies.

City/town beautification projects.

Contributions

Gifts must be a tax-deductible amount of \$25 or greater.

Gifts must be personal contributions made directly to an approved institution in cash or securities having a quoted market value. The basis for matching gifts of securities is the closing market price on the exact date of gift.

Gifts must be charitable contributions, i.e., made as a donation without expectation of personal benefit to the donor, donor's family, or anyone designated by the donor.

The amount of the donor's gift should be the determining factor for considerations such as membership, priority seating, etc. and not combined with IBM's match to achieve a higher recognition level.

Contributions must be recognized as tax-deductible under Section 170 (c) of the Internal Revenue Code of 1954 or an equivalent section of the tax law of Puerto Rico or a U.S. territory. (Note: Pledges will not be matched until they are paid. Installment payments should be submitted as separate contributions.)

How It Operates

The employee should complete Part A, verify by signing that the gift complies with the provisions of the program, and mail this form, with the donation, to the institution.

A financial or other executive officer of the recipient institution should complete and countersign Part B, thereby certifying that the contribution has been received and complies with the program provisions.

Application forms must be received by IBM no later than one year from the date of the gift to be eligible.

Administrative Conditions

IBM may suspend, change or terminate this program at any time. Donors and/or donees may be requested to supply any supporting records and documentation IBM considers necessary. The interpretation, application and administration of these Matching Grants Program provisions shall be determined solely by IBM, whose decision shall be final. Donors may designate their own gifts for restricted purposes; however, IBM's Matching Grants are unrestricted as to institution use.

THE INSTITUTION SHOULD FORWARD THE ENTIRE FORM TO:

**IBM CORPORATION
MATCHING GRANTS PROGRAM
3808 SIX FORKS ROAD
RALEIGH, NC 27609
1-800-796-9876**

Application Processing

There will be one payment by IBM to the eligible organization per year, in February, for applications received and processed by December 31. All applications received after December 31 will be processed for payment the following year. If December 31 falls on a weekend, the processing will close the last business day in the calendar year.

IBM determines eligibility of the individual, the donation, and the institution, and authorizes payment of the IBM Matching Grant. An acknowledgement of contributions will be sent to both the donor and institution at the time the gift is matched in February.