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Morgan Stanley

Sample Family Mission Statement

This sample of a family mission statement is intended to be educational in nature and is for illustrative purposes only. It does not constitute and should not be treated as legal or tax advice. Morgan Stanley does not assume responsibility for any individual's reliance on this sample language. You should consult with your own legal advisor before using any of this sample language or implementing a family endowment fund. Morgan Stanley does not give legal or tax advice.

MISSION STATEMENT CONTENTS

- Purpose
- Who Are We?
- Our Values
- The Role of Family
- Family Wealth
- Family Accord and Discord

Here is a sample of a Family Mission Statement:

Statement of Mission of the

_____, _____ and _____ families.

Purpose

This Statement of Mission is intended to express the values, philosophy, vision and mission of the _____,

_____ and _____ Families, referred to in this document as the Family. For simplicity, we refer to this document as our Statement of Mission. It reflects the participation of _____ generations of the Family, and is the result of lengthy discussion, careful thought and significant—though respectful—debate.

While the Family believes that the values that inform this document are, to a great extent, immutable, it believes that the document itself, like the Family, is organic, and that it is valuable to revisit this document from time to time, and to test its expression of the Family mission against the ever-growing store of Family experience. The Family recognizes that, as a result of such revisiting and testing, it may be advisable to amend this Statement of Mission from time to time. At the same time, the Family believes that such amendments should not be undertaken lightly, and that future generations of the Family should approach the task of review, testing and, if advisable, amendment, with the same seriousness of purpose, and the same respect and concern for ourselves and our posterity, that guided this original statement.

Who Are We?

We believe our special identity as a Family begins with _____ and _____, whom we identify as our patriarch and matriarch. Numbering them as our first, there are now _____ generations of the Family and _____ living members, as of today. While we identify ourselves as one Family, as the title of this document makes clear, we have different branches. We recognize that each branch has brought different and valuable energy, purpose and vitality to the Family. At the same time, we believe that our essence, as a Family, transcends our different surnames and, as discussed more fully below, that we share certain qualities, values and goals, the sum of which makes us who we are as a Family. We believe that we are special and we are proud of our Family identity.²

Consistent with both the appreciation of our different branches and the recognition of our essence as one Family, we believe that the spouse of a descendant of _____ and _____, while married to such a descendant, is fully a member of the Family. Members of our Family have, and others some day may, experience divorce. While divorce, as a purely legal matter, in many ways constitutes a severing, the Family believes that the ultimate import of this event is, by its nature, uniquely personal. Thus, the Family believes that the extent to which the former spouse of a descendant participates in Family matters should be left to such descendant and former spouse to resolve (subject to certain agreements that impose restrictions with respect to the transfer or

other disposition of particular assets). At the same time, the Family hopes that such resolution will be accomplished against the backdrop of the values and principles that inform this document.

Our Values

We believe that our shared values are the essence of our Family identity and that the sum of those values is our single most important distinguishing characteristic. As a Family, we:

- honor the primacy of Family;
- respect and encourage individual achievement and self-actualization;
- prize education, hard work and initiative;
- promote charitable activity and civic and community involvement;
- support the taking of reasonable and considered risk;
- understand and accept the challenges and responsibilities of significant economic wealth; and
- recognize that economic wealth, when managed wisely and carefully, can be a means to achieve spiritual, emotional and cultural wealth, but is not an end in itself.

We believe our Family name is in some sense our most important asset. At the same time, we recognize that we do not truly own it the way we do other assets, but merely rent it from our children, grandchildren and more remote descendants. We believe that life lived in accordance with the foregoing values is the best way to preserve and enhance the value of our Family name.

The Role of Family

We believe the Family:

- should be a haven, but not an island;
- should be close, but not confining;
- should be supportive, but not suffocating;
- should be a safety net, but not a crutch.

The Family is one of the structures within which each of us lives. It gives us the guidance we need to grow, the freedom we need to establish our separate identity and the support we need to confront our challenges.

There are other structures, as well, within which we live, and the Family helps us to define our place within those structures. Most generally, we live within the entire human society; more particularly, we live within our country, our state, our community, our schools and our nuclear Family. Our responsibility to the Family does not negate or diminish our responsibility to these other structures. It is our goal that our understanding of our responsibility to the Family will inform, enrich and enhance our understanding of our responsibilities to other structures.

Family Wealth

The Company established by our patriarch and matriarch, and the legacies they have provided, have given the Family substantial economic wealth. The individual efforts of the descendants of _____ and _____, and the leadership of _____, our Family Office, have helped to preserve and increase this economic wealth.

We recognize that great economic wealth brings challenges and responsibilities that may be as significant as the benefits. We are thankful for our economic wealth but not idolatrous of it. We believe it is incumbent on all of us to teach our children to respect wealth and to understand its significance; to value it appropriately but not to be overwhelmed by it.

In that regard, we believe that the Family legacies given each of us, economic and otherwise, do not constitute entitlements. While the plans we establish for the benefit of our children and families are to some extent personal matters, the Family believes that such plans should reflect the expression of our shared values. To that end, we believe Family estate plans should encourage or explain the importance of (1) becoming self-sufficient (to the extent reasonable taking into account all the individual circumstances of a particular individual), (2) leading a meaningful and satisfying life (based on age, health, ability and other relevant circumstances), and (3) making a meaningful and positive contribution to society.

Several of the trusts established by _____ and _____ will terminate upon the deaths of the members of the seniormost, now living generation (the “Senior Generation”), and the then remaining property will be distributed to the then living descendants of _____ and _____. The outright distribution of wealth at the termination of these trusts creates the potential for a more significant disparity in wealth among Family members than previously has been the case. The Senior Generation believes that it is important to take into account this potential disparity, and each member has taken individual steps in his or her estate plans to provide, in different ways, for a Family endowment that will continue in perpetuity. As explained more fully in other documents, the purpose of this endowment is not to provide an entitlement but is to (1) encourage Family members to pursue worthwhile and meaningful business, educational, cultural, philanthropic and civic opportunities and pursuits, and (2) provide a limited safety net in the event of emergency. The Senior Generation hopes that the example they have set will be followed by more junior generations.

We have considered and rejected Family governance documents that would set forth specific guidelines regarding consumption and spending.

Family Accord and Discord

This document is tangible proof that there is much we agree about as a Family. We hope it is always the case, as it is now, that our agreements significantly outnumber our disagreements, especially on matters that are central to our Family identity. Nevertheless, we recognize that there will be disagreement and perhaps even discord within the Family. The instances of families irrevocably torn by selfishness, greed and self-aggrandizement are legion. We believe there is much the Family can do to lessen the potential for destructive disagreement. To that end, we commit:

- to strive to be respectful of one another;
- to encourage full participation in Family matters, taking into account individual maturity and responsibility;
- to foster the open exchange of information, taking into account individual maturity and responsibility, and subject to an individual’s legitimate expectation of privacy;
- to recognize the contribution that individual Family members make to the spiritual, cultural, emotional and economic wealth of the Family, both within and without the Company.

In addition, each member of the Senior Generation has implemented in his or her estate plan certain protective devices, which have been explained and discussed at several Family meetings, that are designed to lessen the potential for destructive disagreement and to protect the individuals who are charged with implementing the plan. The Senior Generation believes that these devices are critically important and that it is the responsibility of more junior Family members, as they become adults, to incorporate these or functionally equivalent devices into their own plans.

We sign this Mission Statement freely and enthusiastically this _____ day of _____, _____.

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