Adoption and Surrogacy Benefit Policy - NAM

08/01/2026

1. Purpose

The Company is committed to supporting employees in building their families. This policy provides financial assistance for eligible expenses related to adoption and surrogacy arrangements. Benefits under this policy are not a group health plan and are therefore structured to comply with all applicable ERISA requirements.

2. Eligibility

- All full-time employees of the Pandora are eligible (and covers spouse and legal domestic partner
- Employees become eligible upon completing 6 months of continuous full-time employment.
- Temporary, part-time, seasonal/flex and contract workers are not eligible.

3. Benefit Overview

The Adoption & Surrogacy Benefit provides reimbursement for approved expenses related to the legal adoption or surrogacy process, excluding all medical expenses.

Lifetime Maximum

- Eligible employees may receive up to $15,000 (lifetime maximum) per employee, regardless of number of events.

Taxation & Gross-Up

- Reimbursements are considered taxable income under IRS rules.
- The Company will gross up reimbursement amounts to account for applicable taxes, so employees receive the full approved reimbursement amount net of taxes.

4. Covered Expenses

Reimbursable expenses include, but are not limited to:

Adoption Expenses

- Adoption agency fees (domestic and foreign)
- Legal fees and court costs
- Required pre-adoption counseling or home studies
- Travel and lodging related to the adoption process
- Immigration, translation, or documentation fees related to adoption
- Placement fees
- Other expenses directly related to (and which the principal purpose is for) the legal adoption of an eligible child.

Surrogacy Expenses (Non-Medical)

- Agency fees
- Legal fees for surrogacy contracts
- Court/parental order fees
- Travel and lodging related to surrogacy arrangements
- Gestational carrier screening fees excluding medical services
- Required psychological or social work evaluations

Expenses **NOT** Covered (for ERISA compliance & tax rules)

- Medical expenses of the surrogate or intended parents
- Medical insurance premiums
- Compensation to surrogates for medical procedures
- Fertility treatments

- Childcare or everyday child-rearing costs
- Lost wages for any party
- Voluntary donations or contributions to adoption and/or surrogacy agencies
- Costs to obtain guardianship or custody of a child for dependency purposes not associated with the legal adoption of the child

5. Reimbursement Process

5.1 Pre-Authorization
Employees are encouraged (but not required) to notify the Benefits Team before incurring expenses to confirm eligibility and documentation requirements.

5.2 Required Documentation
Employees must submit:
- Proof of finalized adoption OR confirmation of intention to pursue a parental order (surrogacy)
- Itemized receipts or invoices
- Legal or agency documentation that verifies the expense is eligible
- Completed reimbursement form – provided by the benefits team
- Copies of travel receipts (if applicable)

5.3 Submission Timeline
Claims must be submitted within 3 months of the eligible event (e.g., adoption finalization or birth via surrogacy).

5.4 Payment
- Reimbursements will be paid through payroll and grossed up automatically.
- Payment will be included in the employees' paycheck after completion and approval of required documentation.
- Payments will appear on the employee's pay statement as taxable income with an offsetting gross-up line.

6. Coordination With Other Benefits
This policy is separate from any parental leave policies.
- Adoption or intended-parent leave benefits, if applicable, are governed by Pandora's leave policies and/or state/federal law.

7. ERISA Compliance Statement
This Adoption & Surrogacy Benefit is intended to be a non-medical, non-health reimbursement benefit.
- It does not provide medical care and is therefore not a group health plan under ERISA.
- The Company retains full discretion to interpret, revise, or terminate this benefit at any time.

8. Policy Administration
- The policy is administered by the Human Resources Benefits Team.
- HR maintains discretion to request additional documentation as needed.
- Fraudulent claims may result in disciplinary action, up to and including termination.

9. Policy Modification
The Company reserves the right to modify, amend, or terminate this policy in whole or in part at any time.

Adoption Notes:

Note: Any expenses for a domestic or foreign adoption will be eligible for reimbursement only when the adoption is finalized or beginning August 1, 2026, when there is a failed adoption. Certain adoption expenses, including expenses for a failed adoption, may be taxable to the employee.

- A domestic adoption is considered finalized when an adoption decree or certificate has been issued by the court.
- For a foreign adoption, a foreign adoption is generally “final” when (1) a competent authority of a foreign-sending country has (a) entered a decree of adoption with respect to the foreign-born child or (b) has authorized the child to leave the foreign-sending country under a guardianship or legal custody arrangement; and (2) the child receives an IR Visa (an adoption visa) from the U.S. State Department.
- A “failed adoption” shall be determined by the Program Administrator, or its delegate, and may include instances where a planned adoption does not occur due to the birth parent changing their mind, or an adoption scam. Employee must provide proof of expenses and planned adoption to be eligible for reimbursement.
- If both adoptive parents work for Pandora, they share a household lifetime maximum and only one parent is eligible to receive reimbursement for each expense.

Surrogacy Notes:

- Surrogacy-related reimbursement shall be provided following a “*completed surrogacy event*”, defined as a live birth or failed surrogacy arrangement (e.g., unsuccessful pregnancy or failed surrogate IVF cycle or a discontinuance of the surrogacy process due to the surrogate’s documented medical reason(s)).
- The Surrogacy benefit is available to Pandora employees who enter into a legal agreement with a surrogate to conceive and deliver a child for the employee. It is not available to Pandora employees who are acting as a surrogate for someone else.
- Employees must submit the required documentation in order to be eligible for surrogacy-related reimbursement: Proof of the surrogacy arrangement (surrogacy contract or court order of the surrogacy arrangement)