

621-001-A: EXECUTIVE COMPENSATION POLICY

I. Introduction

The purpose of this policy is to assure that the University Corporation at Monterey Bay (the "Corporation") is able to retain high quality executive leadership by providing reasonable compensation and reasoned decisions regarding appropriate executive compensation are made through a deliberative process involving the Corporation's Board of Directors.

II. Policy

The compensation, including benefits, of the Corporation's Executive Director¹, its Controller, and officers and key employees (as defined in the Instructions for the Form 990) are subject to review by the Corporation's Board of Directors no less than annually. Executive compensation reviews will take place in Executive Session.

III. Policy Guidelines

- A. The Board shall consider the compensation of comparable employment positions paid by comparable organizations. The Board shall also take into account any other relevant information and factors in determining the reasonableness of executive compensation. The minutes shall reflect the consideration of the Board as to the issue of executive compensation.
- B. Only those members of the Board who are free of conflicts of interest may be involved in the evaluation of executive compensation.
- C. The Board shall undertake this review process upon the hiring of a new employee for any positions covered by this policy.

IV. Adoption and Review

- A. The Corporation's Board of Directors has adopted this Executive Compensation Policy, dated 24 June 2010.
- B. This policy shall be evaluated ten years from its adoption date to determine its effectiveness and appropriateness. The policy may be evaluated before that time as necessary to reflect substantial organizational, financial, or physical change(s) at the University Corporation or any change required by law or by other governing policy.

Any proposed amendments or variations of this policy would require a majority approval by the Corporation Board of Directors.

¹ The Executive Director is a University MPP employee. As such, and in accordance with CSU policy (HR 2009-4), the campus president is responsible for approving the salary for this position in consultation with the Board of Directors.