

MBCP Compensation Policy

To achieve MBCP's mission and operational objectives, we must rely primarily on the contribution of our employees. MBCP's total compensation program plays a key role in the organization's ability to attract, retain, and reward qualified and diverse employees.

This policy applies to the regular full-time employees only.

Compensation Philosophy

The intent of the compensation philosophy is to develop, implement, and maintain a total compensation program that is competitive with comparative peers and is aligned with the vision, mission, and values of MBCP. For our employees that means we are committed to:

- Providing a competitive total compensation package.
- Enhancing a business culture that supports individual accountability for performance and results.
- Promoting conduct based on the highest ethical standards through performance assessments.
- Creating an employee friendly work environment that encourages professional and personal growth and development.

Total Compensation Program

Our total compensation program is aimed at attracting talent and retaining top performers by offering a mix of financial and non-financial rewards to meet the employees' needs. To that end, the following guiding principles govern our total compensation program:

1. The total compensation program will be implemented with fairness and equity yet will be flexible enough to meet the changing business and human resource needs.
2. Total compensation which consists of base salary, health insurance premium, disability and life insurance, retirement, and paid time-off benefits.
3. The total compensation program will reflect pay rates of comparable jobs within the relevant labor market. The maximum total compensation for each position will be

calculated at 60% of the average total compensation plus 40% of the best total compensation of similar agencies.

4. The relevant primary labor market is currently defined with the following considerations:
 - Similar sized Community Choice Aggregates (CCAs) in California;
 - CCAs in close geographical proximity to MBCP;
 - CCAs which would provide a common frame of reference for job comparisons; and
 - CCAs which would provide a common market survey base for MBCP.
5. In evaluating competitive compensation, MBCP will consider its financial sustainability as reflected by the financial forecasts, revenue projections, long-term liabilities, reserve levels, and other relevant factors such as unforeseen economic, regulatory, and legislative challenges.
6. Once every two years, MBCP will conduct a review of compensation and benefit package to determine the competitive position of the organization and to allow for parity adjustment.
7. Each employee's performance will be reviewed at least once a year in accordance with the Human Resources Policies and Procedures and receive a salary adjustment of up to 5% provided, in the sole discretion of the Chief Executive Officer, that a salary adjustment is both warranted and fiscally responsible.
8. Salary adjustments, if any, will be tied to an employee's performance review or as agreed-upon at the time of hiring, although a positive performance evaluation is not a guarantee of an increase in salary or promotion.