

EXECUTIVE COMPENSATION POLICY

The Executive Director of the Capstone Group (the "Corporation") is the principal representative of the Corporation, and the person responsible for the efficient operation of the Corporation. Therefore, it is the desire of the Corporation to provide a fair yet reasonable and not excessive compensation for the Executive Director (and any other highly compensated employees and consultants).

As an initial matter, the Board of Directors of the Corporation (the "Board") shall evaluate the Executive Director's performance on an annual basis and ask for his or her input on matters relating to performance and compensation. The compensation of the Executive Director shall be determined on an annual basis as follows and in accordance with the rules set forth in Treas. Reg. § 53.4958-6(a).

Board Approval

The Executive Committee will obtain research and information to make a recommendation to the Board for the compensation of the Executive Director (and other highly compensated employees or consultants) based on a review of comparability data. If the Executive Director is, for any reason, a member of the Executive Committee, then the remaining members of the Executive Committee shall form a Compensation Committee to review and determine the compensation of the Executive Director. In no case shall the Executive Director be a part of the committee tasked with setting the compensation of the Executive Director.

For example, the Executive Committee (or Compensation Committee, as the case may be) will secure data that documents compensation levels and benefits for similarly qualified individuals in comparable positions at similar organizations. This data may include the following:

1. Salary and benefit compensation studies by independent sources;
2. Written job offers for positions at similar organizations;
3. Documented telephone calls about similar positions at both nonprofit and for-profit organizations; and
4. Information obtained from the IRS Form 990 filings of similar organizations.

Concurrent Documentation

To approve the compensation for the Executive Director (and other highly compensated employees and consultants) the Board must document how it reached its decisions, including the data on which it relied, in minutes of the meeting during which the compensation was approved. Documentation will include:

- a) A description of the compensation and benefits and the date it was approved;
- b) The members of the Board who were present during the discussion about compensation and benefits, and the results of the vote;

- c) A description of the comparability data relied upon and how the data was obtained; and
- d) Any actions taken (such as abstaining from discussion and vote) with respect to consideration of the compensation by anyone who is otherwise a member of the Board but who had a conflict of interest with respect to the decision on the compensation and benefits.

Independence in Setting Compensation

The president of the Board, who is a volunteer and not compensated by the Corporation, will operate independently without undue influence from the Executive Director. No member of the executive committee will be a staff member, the relative of a staff member, or have any relationship with staff that could present a conflict of interest.

Date approved: September, 21, 2019