

COMPENSATION POLICY

MERLIN MEDIATION, COUNSELING & CONSULT, INC.

In compliance with Internal Revenue Service guidelines, and to protect against any conflicts of interest or appearances of impropriety, the board of directors of Merlin Mediation, Counseling & Consult, Inc. (“Merlin MCC”) will follow this policy whenever determining compensation for any Merlin MCC officer, other Merlin MCC employee in a management position with power or influence over Merlin MCC similar to officers or directors, or other independent contractor or employee if entering into a contract with that person would bring about a potential conflict of interest under Merlin MCC’s conflict of interest policy. Merlin MCC will follow both this policy and its conflict of interest policy concurrently if both policies apply.

The board of directors will review any compensation arrangement reached through use of this policy on at least an annual basis.

Procedure for Approving Compensation. In reviewing and approving the compensation of any individual referenced in the above paragraph, the board of directors or board committee (the “Reviewing Body”) will follow the procedure set forth below.

1. ***Independent Decision Makers.*** Compensation arrangements must be approved before any payments are made or any contract executed. The Reviewing Body must be composed entirely of individuals who do not have a conflict of interest or appearance thereof with respect to the compensation arrangement. A conflict of interest is present for the purposes of this policy if disclosure would be required by Merlin MCC’s conflict of interest policy. In such case, neither the person whose compensation arrangement is being evaluated nor any of his or her family members may be present during the discussion and deliberation concerning the arrangement, nor may they participate in the vote.
2. ***Comparability Data.*** The Reviewing Body must rely on comparability data that demonstrates that the compensation arrangement in question offers no more than fair market value for services rendered to the organization. Compensation includes both salary and benefits. The Reviewing Body must obtain and rely on data that documents compensation levels for similarly qualified individuals in like positions at like organizations. This data may include the following, as the organization’s resources permit:
 - a. expert compensation studies by independent firms;
 - b. written job offers for positions, or independent contractor engagements, at similar organizations;
 - c. documented telephone calls about similar positions, or independent contractor engagements, at both nonprofit and for-profit organizations; and

- d. information obtained from the IRS Form 990 filings of similar organizations.
- 3. *Concurrent Documentation.*** The Reviewing Body must fully document its decision-making process, and must include the data on which it relied in the written or electronic records of the Reviewing Body, filed with the minutes of the meeting during which the compensation arrangement was approved. This documentation must include:
- a. the terms of the compensation (including salary and all benefits, specifically enumerated) and the date it was approved;
 - b. the members of the Reviewing Body who were present during the debate on the compensation that was approved, those who voted on it, and the results of the vote;
 - c. the comparability data obtained and relied upon and how the data was obtained; and
 - d. any actions taken with respect to consideration of the compensation by anyone who is otherwise a member of the Reviewing Body but who had a conflict of interest with respect to the decision on the compensation.

Adopted by the Merlin MCC board of directors this 6th day of November, 2014.