### Compensation Review Policy

#### Introduction
First Graduate adopted this Compensation Review Policy (this “Policy”) to facilitate compliance with California and federal law relating to compensation of senior management of nonprofit organizations and in accordance with best practices. First Graduate’s Board of Directors (the “Board”) will follow the requirements set out in this Policy with respect to review and approval of senior management compensation.

#### Covered individuals
Individuals subject to this Policy (the “Covered Individuals”) are:

**Top management official**
The person who has ultimate responsibility for implementing Board decisions or for supervising First Graduate’s management, administration or operations, such as the Executive Director.

**Officers**
Persons elected or appointed to manage First Graduate’s daily operations at any time during the tax year, such as the President, Vice-President, Secretary, Treasurer and the chief financial or other official with the ultimate responsibility for managing First Graduate’s finances or operations, even if those persons are not elected officers under First Graduate’s Bylaws.

**Key employees**
Any First Graduate employee (other than an officer or director) who meets all of the definitional requirements of key employees in Part VII of the Form 990.

- **$150,000 threshold.** The person receives reportable compensation from First Graduate and all related organizations in excess of $150,000 for calendar year ending with or within First Graduate’s tax year;

- **Responsibility criteria.** The person (i) has responsibilities, power, or influence over First Graduate as a whole that is similar to those of officers, directors, or trustees; (ii) manages a discrete segment or activity of First Graduate that represents 10% or more of the activities, assets, income, or expenses of the organization, as compared to First Graduate as a whole; or (iii) has or shares authority to control or determine 10% or more of First Graduate’s capital expenditures, operating budget, or compensation for employees; and

- **Top 20 limitation.** The person is one of the top 20 employees (that satisfies the $150,000 threshold and responsibility requirements) with the highest reportable compensation from First Graduate and related organizations for calendar year ending with or within First Graduate’s tax year.

#### Procedures
The Board will approve the compensation of Covered Individuals only if the compensation is just and reasonable.

**Delegation**
The Board may delegate its review and approval authority, generally or in specific cases, to a committee of the Board composed entirely of individuals who do not have a conflict of interest with respect to the relevant compensation arrangement. Any such committee will follow the process set out in this Policy. The Board and

In the event there are co-officers, all references in this Policy to the singular officer shall refer to both co-officers.
any such committee may consult with and obtain recommendations from the President, other directors, and management in making its decisions.

**Impartial decision makers**

The compensation arrangement must be approved, by the Board, or a committee of the Board so delegated in accordance with this Policy, before First Graduate makes any payments. A member of the Board or a committee of the Board is considered impartial, and does not have a conflict of interest, if he or she:

- is not benefitting from or participating in the compensation arrangement, and is not a family member of the Covered Individual;

- is not in an employment relationship subject to the direction or control of any person benefitting from or participating in the compensation arrangement;

- does not receive compensation or other payments subject to the approval of any person benefitting from or participating in the compensation arrangement;

- has no material financial interest affected by the compensation arrangement; and

- does not approve a transaction providing economic benefits to any person participating in the compensation arrangement, who in turn has or will approve a transaction providing economic benefits to the member.

**Comparability data**

The Board will consider comparability data that demonstrate the fair market value of the compensation in question. These data may include the following: compensation paid by similarly situated nonprofit and for-profit organizations for comparable positions; availability of similar services in First Graduate’s geographic area; current compensation surveys compiled by independent firms; and written offers from similar organizations competing for the Covered Individual’s services.

The Board may take such other review actions as it believes appropriate under then-applicable federal tax, state law, and best practice principles.

**Documentation**

The Board will document how it reached its decisions, including the data on which it relied. Documentation such as meeting minutes should note: terms of the compensation and the date it was approved; Board members who were present during the meeting and those members who voted; comparability data obtained and relied upon and how the data were obtained; any actions taken with respect to consideration of the compensation by anyone who is otherwise a Board member but who had a conflict of interest with respect to the decision; and, if the compensation is higher or lower than the range of the comparability data, the basis for the decision.

**CEO and CFO**

In addition to the requirements of this Policy applicable to all Covered Individuals, the Board will review the compensation of the Executive Director and Chief Financial Officer (or of individuals with equivalent powers, duties and responsibilities), if any, upon (i) hiring; (ii) whenever the term of employment, if any, is renewed or extended; or (iii) whenever the compensation is modified, unless the modification extends to substantially all of First Graduate’s employees, as required by California law.