WEST VIRGINIA FARMERS MARKET ASSOCIATION, INC.
COMPENSATION REVIEW POLICY

Introduction

West Virginia Farmers Market Association, Inc. ("WVFMA"), a nonprofit corporation organized under the laws of the State of West Virginia has adopted this compensation review policy on ___________, ____, _____. The purpose of this policy is to facilitate compliance with West Virginia and federal law relating to compensation of senior management of nonprofit organizations and in accordance with best governance practices. The Board of Directors of WVFMA (the "Board") will follow the requirements set out in this Compensation Policy with respect to review and approval of senior management compensation.

Terms

"**Reportable compensation**" means compensation that is reported on Form W-2, Box 5 (or in Box 1 if the employee's compensation is not reported in Box 5), or Form 1099-MISC, Box 7, filed for the calendar year ending with or within WVFMA's tax year.

"**Related organization**" means an organization that stands in one or more of the following relationships to WVFMA: (1) parent – an organization that controls WVFMA; (2) subsidiary – an organization controlled by WVFMA; or (3) supporting/supported – an organization that is (or claims to be) at any time during the organization's tax year (i) a supporting organization of WVFMA within the meaning of Section 509(a)(3) of the Internal Revenue Code, if WVFMA is a supported organization within the meaning of Section 509(f)(3), or (ii) a supported organization, if WVFMA is a supporting organization.

Individuals Subject to the Policy

Individuals subject to this Compensation Policy (the "Covered Individuals") are:

1. **Top Management Official.** The person who has ultimate responsibility for implementing the decisions of the Board or for supervising the management, administration or operations of WVFMA, such as the President, Chief Executive Officer or Executive Director. If this ultimate responsibility resides with two or more individuals, then each individual should be included.

2. **Officers.** Persons elected or appointed to manage WVFMA's daily operations, such as the President, Vice-President, Secretary, Treasurer, including the Top Management Official and the Chief Financial Official with the ultimate responsibility for managing WVFMA's finances, even if such persons are not elected officers of the Board according to WVFMA's bylaws.

3. **Key Employees.** An employee of WVFMA (other than an Officer or director) who meets all of the following criteria:

    - **$150,000 Threshold**. The person receives reportable compensation from WVFMA and all related organizations in excess of $150,000 for the calendar year ending with or within WVFMA's tax year;

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

    - **Top 20 Limitation**. The person is one of the top 20 most highly compensated employees (including all reportable compensation from WVFMA and related organizations) for the calendar year ending with or within WVFMA's tax year.

Procedure for Approving Compensation

The Board will review the compensation of any Covered Individuals, including direct and indirect remuneration, benefits, and gifts or favors that are not insubstantial, as outlined below.

1. **Timing**. The Board will review compensation when a Covered Individual is hired, when a Covered Individual's term of employment is extended or renewed, or when a Covered Individual's compensation is modified, unless the modification extends to all WVFMA's employees.

2. **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 WVFMA makes any payments.

3. **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:

    - Expert compensation studies by independent firms;

    - Written job offers for positions at similar organizations;

    - Documented telephone calls about similar positions at both nonprofit and for-profit organizations; or

    - Information obtained from the IRS Form 990 filings of similar organizations.

4. **Concurrent Documentation.** The Board will document how it reached its decisions, including the data on which it relied. Documentation such as meeting minutes should note:

    - The terms of the compensation and the date it was approved;

    - The members of the Board who were present during the meeting and those members who voted;

    - The comparability data obtained and relied upon and how the data were obtained; and

    - Any actions taken 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.

5. **Standards.** The Board will approve the compensation of Covered Individuals only if the compensation is just and reasonable.

Delegation to Committee

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 Compensation Policy.