

## The Right Door for Hope, Recovery and Wellness

Chapter Title		Section #	Subject #
Governance		G	310
Subject Title	Adopted	Last Revised	Reviewed
Executive Compensation	3/27/08	8/26/19	3/27/08; 2/22/10; 10/24/11; 7/22/13; 9/22/14; 7/27/15; 7/25/16; 7/24/17; 7/23/18; 8/26/19; 8/24/20; 8/23/21; 8/22/22; 8/28/23; 8/26/24

### POLICY

#### Application

This policy shall apply to executive compensation of The Right Door for Hope, Recovery and Wellness Chief Executive Officer (CEO).

#### 1. Philosophy

The Right Door for Hope, Recovery and Wellness Board places high value on attracting and retaining leadership talent in order to achieve its organizational Mission, Vision, and Values. Executive compensation should be reflective of market trends in order to attract and retain a CEO that can meet the functional demands of executive work and guide the organization to be a full partner in building a healthy community.

#### 2. Human Resource and Governance Committee

2.1. The full Board retains authority for approving all executive compensation actions.

2.2. The Chief Executive Officer (CEO) Evaluation Committee of The Right Door for Hope, Recovery and Wellness shall conduct an annual review of the Chief Executive Officer and recommend to the full Board a contract with the CEO as required by the Michigan Mental Health Code.

#### 3. Market Trend Diligence

3.1. The Chief Executive Officer (CEO) Evaluation Committee shall conduct with due diligence a process to determine a fair compensation recommendation. It is the intent of The Right Door for Hope, Recovery and Wellness Board to offer its CEO a competitive compensation package similar in value to its Affiliation partner CEOs. This process may include:

3.1.1. an analysis of functionally comparable positions,

3.1.2. the use of market comparator data,

The Right Door for Hope, Recovery and Wellness

Chapter Title		Section #	Subject #
Governance		G	310
Subject Title	Adopted	Last Revised	Reviewed
Executive Compensation	3/27/08	8/26/19	3/27/08; 2/22/10; 10/24/11; 7/22/13; 9/22/14; 7/27/15; 7/25/16; 7/24/17; 7/23/18; 8/26/19; 8/24/20; 8/23/21; 8/22/22; 8/28/23; 8/26/24

3.1.3. use of Community Mental Health Association of Michigan surveys or other available surveys,

3.1.4. salary consultants

3.1.5. a current comparison of the salaries and perquisites of other CEO's in the MSHN Affiliation

4. CEO Contract

4.1. All contract terms shall be explicitly detailed in writing. A written contract shall clearly define effective date and length of contract and terms of compensation including:

4.1.1. base pay,

4.1.2. retirement contributions,

4.1.3. incentive pay if applicable,

4.1.4. health benefit plan,

4.1.5. perquisites,

4.1.6. the terms of compensation at severance.

4.2. At a minimum, total compensation shall include all the explicitly defined benefits of the organization's full-time staff.

5. Declaration of Conflict of Interest

5.1. Committee members shall be independent, unrelated Board Members with no conflict of interests regarding their relationships with the Chief Executive Officer or CEO candidates.

The Right Door for Hope, Recovery and Wellness

Chapter Title		Section #	Subject #
Governance		G	310
Subject Title	Adopted	Last Revised	Reviewed
Executive Compensation	3/27/08	8/26/19	3/27/08; 2/22/10; 10/24/11; 7/22/13; 9/22/14; 7/27/15; 7/25/16; 7/24/17; 7/23/18; 8/26/19; 8/24/20; 8/23/21; 8/22/22; 8/28/23; 8/26/24

5.2. Board Members, present to vote on the CEO contract upon recommendation of the committee, shall also disclose any conflict of interest regarding the CEO and refrain from discussion and voting if any conflict exists.

6. Signature

The Chief Executive Officer contract shall be executed only when it has been signed and dated by the Board Chairperson, the Chief Executive Officer, and witnesses respectively.

References:

CARF Standards Manual, Section: Governance

Mental Health Code 330.1226; 330.1230

Nancy Patera, Board Chairperson			Date