**RESOLUTION OF THE BOARD OF DIRECTORS OF**

**NAVIGATOR SCHOOLS, INC.**

The Board of Directors (“Board”) of Navigator Schools, Inc. (“NS”),a tax exempt, California nonprofit public benefit corporation operating public charter schools, does hereby adopt the following resolution pursuant to the provisions of the California Nonprofit Integrity Act, and as also required by the Internal Revenue Service requirements for tax exempt 501(c)(3) entities:

WHEREAS, when NS considers renewing or extending a contract term or modifying total compensation (separate from organization wide increases) to be paid to the NS Chief Executive Officer (“CEO”), the Board must ensure that such compensation is reasonable; and

WHEREAS, the Board must determine the compensation of the CEO within the confines of legal requirements and best practices for tax exempt, nonprofit corporations; and

WHEREAS, the Board must ensure the CEO’s compensation is within the range of similar organizations across the region, also taking into account other factors the Board believes pertinent to the setting of its CEO’s compensation; and

WHEREAS, the Board desires to take all recommended steps to ensure the compensation paid to the CEO is reasonable, and that the Board has followed legally required procedures, as detailed below:

1. Approval of Compensation. The Board must evaluate the compensation of the CEO and approve in advance any change to the compensation for the chief executive officer.
2. Definitions. For purposes of this resolution, chief executive officer of NS is the CEO, and the total compensation paid to the CEO is understood to include a base salary, any bonuses, retirement benefits, fringe benefits, liability insurance premiums, and other monetary or non‐monetary benefits provided.
3. Recusal. Any Board members related to the CEO, any employee Board members reporting to the CEO or under his/her supervision, or any other individual having a personal interest in the compensation paid to the CEO, and the CEO himself/herself have been excluded from the Board’s discussion and determination of reasonable compensation.
4. Determining Compensation. The Board’s review of compensation data will guide the Board prior to its making any decisions to alter the CEO’s compensation to ensure the compensation to be paid is reasonable. When determining whether the compensation or any change to compensation is reasonable, the Board:
	1. Has been presented with and considered comparability data and compared the compensation to be paid to the CEO with the compensation paid to the equivalent executive officers from at least three (3) similar organizations operating in metropolitan areas that have comparable revenues, employees, service populations and skills.
	2. Recognizes the unique benefits provided by the CEO to NS, including the following: (a) fidelity to the job description and position requirements as articulated in the charter petitions; and (c) charter operations, finance and leadership experience, which would be difficult to replace.]
5. Source of Comparability Data. The Board has reviewed comparability data by documenting the compensation paid to officers holding similar positions in similar organizations. (See attached documentation at **Exhibit A**, CEO Reasonable Compensation Comparability Data, attached here and incorporated by reference.) Specifically, the compensation paid to school leaders at similar nonprofits operating public charter schools, as documented by Forms 990 filed with the IRS, leaders of local private schools as documented by Forms 990, and an examination of compensation paid to regional public school district superintendents and/or principals, as documented in public records.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors hereby adopts the foregoing resolution.

BE IT FURTHER RESOLVED, that the Secretary of the Board hereby is authorized to certify this resolution.

**\* \* \***

IN WITNESS WHEREOF, the Board of Directorshas adopted the above resolution by the following vote at a regular Board meeting this \_\_17th\_\_ day of \_\_\_August\_\_\_, 2017.

Ayes:

Nos:

Abstentions:

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Alicia Gallegos Fambrini, Secretary