

STELLAR DEVELOPMENT FOUNDATION

COMPENSATION POLICY

The Board of Directors, or applicable Compensation Committee, of Stellar Development Foundation (the “Company”), shall apply the procedures set forth in this Compensation Policy when establishing compensation for any Covered Person of Stellar Development Foundation, and shall apply the procedures of the Conflict of Interest Policy as appropriate. Where procedures in this Compensation Policy and the Company’s Conflict of Interest Policy conflict, the procedures set forth in the Conflict of Interest Policy shall apply.

ARTICLE I

PURPOSE

The purpose of this Compensation Policy is to ensure that the Company pays each Covered Person no more than “reasonable compensation,” and that it complies with the procedure required to establish a “rebuttable presumption of reasonableness” within the meaning of Code Section 4958 and the regulations and any guidance promulgated thereunder. This policy is intended to supplement but not replace any applicable state and federal laws governing compensation paid by the Company.

ARTICLE II

DEFINITIONS

Capitalized terms not otherwise defined herein shall have the meanings assigned to them below:

- 2.1 “Board” means the Board of Directors of the Company.
- 2.2 “Bylaws” means the bylaws of the Company, as amended from time to time.
- 2.3 “Code” means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code herein will be a reference to any successor or amended section of the Code.
- 2.4 “Conflicts of Interest Policy” means the conflict of interest policy of the Company, as amended from time to time.
- 2.5 “Covered Person” means any officer, Director, or member of a committee with governing board delegated powers, of the Company, any other person who is or was at any time during the last five (5) years in a position to exercise substantial influence over the affairs of the Company (or a family member of such person), or any other “disqualified person” within the meaning of Code Section 4958(f) and the regulations and any guidance promulgated thereunder.

2.6 “Director” means a member of the Board.

2.7 “Independent Board” means the Board of Directors, or applicable Compensation Committee, of the Company, excluding any Director or member that has a conflict of interest with respect to the compensation arrangement.

ARTICLE III **PROCEDURES**

3.1 Determination of Compensation Arrangements in Advance of Payment.

The Independent Board shall determine compensation in advance of payment at a special, periodic or annual Board meeting. The Board shall determine the time and place of the meeting and the Secretary shall provide adequate notice of the meeting in accordance with the Bylaws. Any Director who is not an independent Director shall recuse himself or herself from such meeting and shall leave the room during discussions and any vote on the compensation arrangement.

3.2 Comparison to Similarly Situated Organizations.

In making compensation decisions, the Independent Board shall obtain and rely upon data that supports the reasonableness of the compensation. Appropriate comparability data includes, but is not limited to:

- (a) Information regarding compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions and similar services;
- (b) The availability of similar services in the Company’s geographic area;
- (c) Current compensation surveys compiled by independent firms;
- (d) Actual written offers to the Covered Person by similar organizations competing for his or her services; and
- (e) In the case of property, relevant information includes, but is not limited to, current independent appraisals of the value of all property to be transferred and offers received as part of an open and competitive bidding process.

3.2 Documentation of Approved Compensation Arrangements.

The Independent Board shall document the process and the basis for the compensation decision in minutes of the meeting before the later of the next meeting of the Board or sixty (60) days after the final action or actions of the Independent Board are taken. The minutes shall

include:

- (a) The terms of the transaction and the date it was approved;
- (b) The Directors or members who were present for the decision and who voted;
- (c) The comparability data obtained and relied upon by the Independent Board 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 Independent Board but who had a conflict of interest with respect to the transaction.

If the Independent Board sets the compensation higher or lower than the range provided in the comparability data obtained, the Independent Board shall specify in the minutes the basis for that decision. In addition, the Independent Board shall review and approve the minutes as reasonable, accurate and complete within a reasonable time period thereafter.