Annual Performance and Salary Review Policy

Purpose

The performance appraisal process provides an opportunity to review employee performance, recognize accomplishments, identify development opportunities, and establish goals. Performance evaluations may influence compensation, promotions, and transfers. Managers and supervisors are expected to provide fair, objective, and consistent assessments.

Eligibility

Full-time and part-time employees are considered for annual performance evaluations and performance-based merit increases in accordance with the schedule below. Merit increases are not automatic and are subject to performance, training compliance, company guidelines, and required approvals.

To be eligible for a merit increase, employees must be current with all required Yardi Aspire training assignments. Hire-date eligibility is determined as follows:

Hire Date	Merit Increase Eligibility
January 1 – March 31	100% of the merit increase earned through the annual evaluation (0–5%).
April 1 – September 30	50% of the merit increase earned through the annual evaluation.
October 1 – December 31	Not eligible for the current annual evaluation or merit increase cycle; eligible to participate in the following year's cycle.

Example: An employee hired between April 1 and September 30 who earns a 4% merit increase would receive a 2% increase in the January increase cycle, subject to approval.

Performance Review Schedule

Annual performance evaluations and merit increases follow the company's established January schedule. Human Resources will communicate annual deadlines and required forms. Employees hired October 1 through December 31 do not participate in the current year's evaluation/increase cycle and will be included in the following year's cycle.

Salary Increases

A performance evaluation does not guarantee a salary increase. The employee's overall performance, position responsibilities, current compensation, and applicable company guidelines will be considered. The hire-date schedule determines the percentage of an earned merit increase that the employee may receive. Out-of-cycle salary increases require advance approval.

Salary Equity Reviews

Employees may request a salary equity review. M2 will evaluate total compensation in relation to comparable positions and M2 Property Group's compensation guidelines.

Evaluation Completion Responsibilities

- Home Office Administration (COO/Managing Partners): Regional Managers and Home Office team.
- Regional Managers: Property Managers and Maintenance Supervisors at their respective sites.
- Property Managers: Leasing, office, administrative employees, and Assistant Property Managers as applicable.
- Maintenance Supervisors: Maintenance technicians, housekeeping employees, and Assistant Maintenance Supervisors as applicable.

Self-Evaluation Process

Employees complete the applicable self-evaluation and submit it to their evaluating manager or supervisor before the review meeting. Home Office and Regional Manager self-evaluations are submitted to the COO and/or Managing Partners; Property Manager and Maintenance Supervisor self-evaluations are submitted to the Regional Manager. Other employees, including assistant managers and assistant supervisors, submit their self-evaluations to their direct manager or supervisor.

Submission and Approval Process

Completed evaluations must be submitted via email in Word format to the Human Resources Director by the annual deadline. HR will review the evaluation, verify eligibility and training compliance, and provide any approved wage adjustment. Following approval, the manager or supervisor will present the evaluation to the employee and obtain dated signatures within 5–7 business days of receipt. Proposed increases must not be discussed with employees before written approvals are obtained.

Recordkeeping and Policy Administration

HR establishes the format and timing of the review process, reviews salary changes for compliance with company guidelines, and retains completed evaluations in employee personnel files.

M2 Property Group reserves the right to modify this policy or approve exceptions, subject to applicable law.

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