

Equal Employment Opportunity and Affirmative Action Policy



Organizational Functional Area: Human Resources

Policy Name: Equal Employment Opportunity and
Affirmative action Policy

Board Approved Date: May 2016

Last Revision Date: May 2016

Department or Individual Responsible For
Maintaining and Updating: Director of Human Resources

STATEMENT OF NEED AND DEFINITION

On December 13, 2000, amendments to the regulations implementing Executive Order 11246 became effective. Generally speaking, it requires each employer subject to affirmative action rules to develop a written affirmative action program for each of its establishments. As long as employees have access to the program, an employer may maintain its affirmative action program in electronic format. Employers should develop a strong EEO policy that is embraced by the employer's board of directors and its top executives. Employers should also train managers and employees on its contents, enforce it and hold company managers accountable for its implementation.

PURPOSE

Affirmative action is integral to the Bank's vision to foster our internal community by providing a World Class Experience as we acquire, support and develop our Associates. The Bank's affirmative action program includes this policy, the Bank's practices, and procedures implemented by the Human Resources Department to ensure that all qualified applicants and employees are receiving an equal opportunity for recruitment, selection, advancement, and every other term and privilege associated with employment.

The Bank's affirmative action program is a management tool designed to ensure equal employment opportunity. The affirmative action program also ensures equal employment opportunity by institutionalizing the Bank's commitment to equality in every aspect of the employment process. Therefore, as part of its affirmative action program, the Bank hereby

commits to monitor and examine its employment decisions and compensation systems to evaluate the impact of those systems on women and minorities.

In compliance with the statute, the Bank's affirmative action program specifically includes the following quantitative analyses as prescribed by law:

- Organizational profile
- Job group analysis
- Placement of incumbents in job groups
- Determining availability
- Comparing incumbency to availability; and
- Placement goals.
- In addition, the affirmative action program must include the following components:
- Designation of responsibility for implementation per the Authority and Responsibility section below;
- Identification of problem areas;
- Action-oriented programs; and
- Periodic internal audits conducted.

SCOPE

This Policy applies to, but is not limited to, the following:

- Recruitment procedures in all personnel policies and handbooks;
- Employee selection process, including job requirements that meet the specific job descriptions, standards and procedures, pre-employment inquiries, application forms, testing and interviewing;
- Procedures for promotion and advancement, including job progressions, transfers, seniority and training;
- Wage and salary structure, including pay scales, raises and benefits;
- Benefits and conditions of employment, including areas such as insurance costs, transportation, parking, counseling, child care and special employment programs, and employment conditions, including employment tests and qualifications should encourage equal opportunities; and
- Policies regarding layoffs, demotions, discharges and disciplinary actions.

In addition, the Bank maintains policies that provide for compliance with the regulations against gender discrimination found at 41 CFR 60-20. If any problem areas are identified, *e.g.*, underutilization of women and minorities, application forms not in compliance with federal regulations, etc., the Bank will take the appropriate action to correct the situation. In addition, action-oriented programs shall be developed and executed to eliminate discriminatory underutilization of women and minorities and to attain the established goals and objectives.

POLICY STATEMENT

General

It is the policy of Montecito Bank & Trust that we will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, sexual orientation, gender identity, national origin, disability or protected veterans' status. Management will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to any employee or applicant for employment because of race, color, religion, sex, age, sexual orientation, gender identity, national origin, disability or protected veterans' status. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

The Bank shall maintain procedures to ensure that Compliance Reports are filed within such times and shall contain such information as to the practices, policies, programs, and employment policies, programs, and employment statistics of the Bank, and shall be in such form as prescribed by law. MB&T agrees to post in conspicuous places, available to employees and applicants for employment, this Affirmative Action and EEO Policy.

In addition, the Bank provides support to local and national community service and action programs designed to improve employment opportunities of women and minorities.

Equal Opportunity Survey

The Bank shall prepare and file with the EEOC an equal opportunity survey (EEO-1) that contains information about the Bank's personnel activities, compensation and tenure data, as well as information about the Bank's affirmative action program. The survey must be filed by September 30 of every year.

Confidentiality of Harassment Complaints

The Bank will protect the confidentiality of harassment complaints to the extent permissible.

Notices

The Bank will post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of the Bank's nondiscrimination policy as prescribed by law.

Advertising

The Bank will, in all solicitations or advancements for employees placed by or on behalf of the Bank, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, gender, sexual orientation or national origin, disability and protected veterans status. When the Bank advertises the availability of a position, careful attention is paid to the text of the advertisement, as well as to the media in which the advertisement is placed. Further, job titles used in advertisements will not indicate a preference or limitation based on an individual's race, color, religion, sex, or national origin, disability and protected veterans status. In addition, job responsibilities or job qualifications will not be described in a way that would tend to exclude applicants who are members of a protected class.

Non- discrimination pay transparency

The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

AUTHORITY AND RESPONSIBILITY

Board of Directors

It is the responsibility of the Board of Directors to maintain an EEO policy and to ensure the Executive Committee's commitment to complying with the policy. It is also the responsibility of the Board to assign responsibility and accountability for the Bank's Affirmative Action Program to an appropriate member of the Executive Committee, and to ensure that individual has the authority, resources, support of the Executive Committee and Senior Management to ensure the effective implementation of the affirmative action program.

Director of Human Resources

The Board has appointed the Director of Human Resources as responsible to maintain the Bank's policy statement, affirmative action program and internal and external communication procedures. The Human Resources Staff is responsible to assist the Director of Human Resources in the workforce analysis, developing solutions, designing and implementing audit methods and reporting systems and serving as a liaison between the company and enforcement agencies, minority groups, etc. The Director of Human Resources and is also responsible to keep management updated on the latest developments.

Management

- 1) Montecito Bank & Trust, through its responsible managers, recruits, hires, upgrades, trains, and promotes in all job titles without regard to race, color, religion, gender, national origin, age, sexual orientation, disability or because he or she disabled veterans, recently separated veterans, active duty wartime or campaign badge veteran, or Armed Forces service medal veterans (i.e., qualified protected veterans) except where an accommodation is unavailable and/or it is a bona fide occupational qualification.
- 2) Managers shall ensure that all personnel actions such as compensation, benefits, terminations, Bank-sponsored trainings, and social and recreational programs shall be administered without regard to race, color, religion, national origin, gender, age, sexual orientation and disability or qualified protected veteran status, except where an accommodation is unavailable and/or it is a bona fide occupational qualification.
- 3) Managers shall base employment decisions on the principles of equal employment opportunity and with the intent to further Montecito Bank & Trust's commitment to affirmative action and equal employment. At no time will any covered associate, or covered applicant for employment, who exercises his/her rights pursuant to Montecito Bank & Trust's Affirmative Action Policy be subject to discipline, or have his/her opportunities for employment adversely affected.
- 4) Managers shall take affirmative action to ensure that qualified minority group individuals, females, disabled, or protected veterans are introduced into the

workforce, are encouraged to aspire for promotion, and are considered as promotional opportunities arise.

- 5) Montecito Bank & Trust invites any associate or any applicant for employment to review Montecito Bank & Trust's written Affirmative Action Programs. These programs are available for inspection upon request between 8:00 AM - 5:00 PM at the Human Resources department. Any questions should be directed to your supervisor, senior manager, or Heather Ames, Equal Employment Opportunity Administrator.
- 6) Applicants and associates are encouraged to identify their race and gender. This self-identification is strictly voluntary and confidential and will not result in retaliation of any sort.
- 7) Applicants and Associates are invited to self-identify as an individual with a disability or protected veteran status. This self-identification is strictly voluntary, confidential and will not result in retaliation of any sort.
- 8) Associates and applicants shall not be subjected to harassment, intimidation, threats, coercion or discrimination because they have engaged in or may engage in any of the following activities: (1) filing a complaint; (2) assisting or participating in an investigation, compliance review, hearing, or any other activity related to the administration of Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA), as amended, or any other federal, state or local law requiring equal opportunity for disabled persons or qualified protected veterans or; (3) opposing any act or practice made unlawful by Section 503, VEVRAA or its implementing regulations in this part or any other federal, state or local law requiring equal opportunity for qualified individuals with disabilities and qualified protected veterans; or (4) exercising any other right protected by Section 503 or its implementing regulations in this part or any other right protected by VEVRAA or its implementing regulations in this part.

Audits

The Bank has designated the Chief Audit Executive (CAE) to manage a risk based audit calendar that includes independent, periodic reviews of the Bank's Human Resources function to ensure that an adequate system of internal controls exists. The internal audit may be conducted with internal resources or by an external audit firm overseen by the CAE.

The scope of the internal audit will include a review of policy and procedures, hiring and termination practices, employee performance and compensation process and compliance with Affirmative Action laws.

Results of the audit are reported to management and require corrective action if appropriate. Audit reports are also presented to Executive Management and the Audit Committee of the Board of Directors.

RECORD KEEPING AND DOCUMENTATION

The Bank maintains procedures to ensure information and reports are provided as required by Executive Order No. 11246, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto. The Human Resources Department maintains and makes available to OFCCP documentation for purposes of investigation to ascertain our compliance with such rules, regulations, and requirements detailed herein. Specifically, the Bank maintains any personnel or employment records made or kept for a period of three years from the date of the making of the personnel record or the personnel action, whichever occurs later. Examples of records that must be maintained include: job descriptions; job postings and advertisements; applicant flow data; records of job offers; hiring records; applications and resumes; interview notes; tests and test results; written employment policies and procedures; wage and job information, upward mobility action records, and records of terminations and demotions; and personnel files. If at any time the Bank has fewer than 150 employees, or a "government contract" as defined above of at least \$150,000, we may only keep records for one year.

Effective January 1, 2015, in compliance with new OFCCP regulations, the Bank must also collect information on applicants who self-identify as protected veterans and individuals with disabilities. This information must also be maintained for a period of three years.

Effective December 13, 2000, applicant records maintained by the Bank will identify (where possible) the gender, race and ethnicity of each applicant.

POLICY REVIEW

This policy shall be reviewed by Board of Directors, or a delegated committee, as necessary.

Signed by:



Heather Ames

Director of HR

Plan Year: January 1, 2016 – December 31, 2016