**EXECUTIVE COMPENSATION POLICY**

**Philosophy and Objectives**  
Carnegie Council’s primary objective is to provide a reasonable and competitive executive total compensation opportunity consistent with market-based compensation practices for individuals possessing the experience and skills needed to improve the overall performance of the organization.

The organization’s executive compensation program is designed to:

* Encourage the attraction and retention of high-caliber executives.
* Provide a competitive total compensation package, including benefits.
* Reinforce the goals of the organization by supporting teamwork and collaboration.
* Ensure that pay is perceived to be fair and equitable.
* Be flexible to reward individual accomplishments as well as organizational success.

**Governance and Procedures**Carnegie Council’s executive compensation program is administered by the Compensation Committee of the board. The Compensation Committee has general oversight of the organization’s human resource plan. The Compensation Committee is responsible for establishing and maintaining a competitive compensation program for the key executives of the organization. The Committee meets as needed to review the compensation program and make recommendations for any changes to the board, as appropriate.

* The Compensation Committee conducts an annual salary review to evaluate the organization’s executive compensation against the competitive market.  The evaluation is reviewed in the spring of each year and is intended to ensure that the compensation program falls within a reasonable range of competitive practices for comparable positions among similarly situated organizations.
* Following this review, the Committee reviews and approves, for selected key executives, base salaries and annual incentive opportunity adjustments, and objectives and goals for the upcoming year’s annual incentive plan.
* The Committee presents its findings and recommendations, in an executive session without the Chief Executive present, to the full Board for review and approval.
* The Committee and/or the Board chair (a member of the Committee) then meet with the Chief Executive to discuss and document strengths, weaknesses, and goals for the upcoming year. Compensation for the upcoming year is also discussed and documented.

**Concurrent Documentation**

To approve the compensation for the Executive Director (and other highly compensated employees and consultants) the Board must document how it reached its decisions, including a description of the data on which it relied, in minutes of the meeting during which the compensation was approved. Documentation will include:

a) A description of the compensation and benefits and the date it was approved;

b) The members of the board who were present during the discussion about compensation and benefits, and the results of the vote;

c) A description of the comparability data relied upon and how the data was obtained; and

d) Any actions taken (such as abstaining from discussion and vote) with respect to consideration of the compensation by anyone who is otherwise a member of the board but who had a conflict of interest with respect to the decision on the compensation and benefits.

**Independence in Setting Compensation**

The Chair of the board of trustees, who is a volunteer and not compensated by the Council, will operate independently without undue influence from the Executive Director.

No member of the Executive or Compensation Committees will be a staff member, the relative of a staff member, or have any relationship with staff that could present a conflict of interest.