

# **Charter for the Compensation Committee of the Board of Directors of Adopt-A-Classroom (*updated July, 2019*)**

**Purpose.** The Compensation Committee (the “Committee”) is established to consider all matters involving compensation and benefits of corporate officers, senior executives, including the Executive Director, and such individuals considered “disqualified persons” pursuant to Internal Revenue Code Section 4958, as designated by the Committee.

**Composition.** The Committee shall have at least 3 members (including a Chairman) elected by the Board of Directors. The majority of the members of the Committee shall be members of the Board who have no existing financial, family or other personal ties to management of the organization. No staff members of the organization will be eligible to serve on the Committee.

**Meetings.** The Committee shall meet at least every two years, but will meet more often if desired or deemed necessary, in order to discharge its responsibilities. All meetings may be held by telephone conference call or in person meeting. If members of the Committee are unable to attend the meeting, they may still vote by email based on their review of the relevant materials provided to all Committee members.

## **Specific Duties of the Compensation Committee**

- Discuss and prepare the Board for decision-making on the compensation philosophy and plan which reflects Adopt-A-Classroom’s charitable, tax-exempt mission and review and periodically update Adopt-A-Classroom’s compensation philosophy statement. Assure that the executive compensation program is administered in a manner consistent with the compensation philosophy.
- Ensure that Adopt-A-Classroom’s executive compensation program meets IRS requirements and achieves the “rebuttable presumption of reasonableness” for those disqualified persons as identified and defined by the Committee.
- Approve the total compensation and benefits package for the Executive Director (including a review of the value of each individual element of executive compensation: base salary, incentive payments, health and other insurance, deferred compensation and supplemental retirement benefits, as well as potential future costs such as severance pay and supplemental retirement payments) and determine that such compensation package is fair market value.
- Approve the total compensation and benefits package, or a market range for elements of the total compensation package, for other senior executives and disqualified persons identified by the Committee and determine that such compensation ranges are fair market value and reasonable. If the Committee approves a fair market value range of any element of compensation for each executive, the Executive Director may select compensation within such range, but compensation outside of such approved range must be submitted to the Committee for review and a determination that such compensation package remains fair market value.
- To carry out its responsibilities, the Committee shall review specific information, including salary surveys or other data from independent sources on executive compensation and benefits, for functionally comparable positions in comparable organizations for the Executive Director and all executives and disqualified persons under review.

- Ensure that the disinterested members of the Committee's consideration of appropriate comparability data is properly and contemporaneously documented in the minutes of the meetings of the Committee, and that the Committee's minutes are timely reviewed, approved, and provided to the Board.
- Ensure appropriate review of executive compensation and ensure that Adopt-A-Classroom has proper compensation documentation and that compensation is fully and fairly disclosed in its Form 990 as required. Such disclosure requirements include enhanced disclosures about certain compensation process and payments, including executive compensation.
- Report Executive Director and other disqualified person compensation to the full Board on an annual basis.
- Review all management incentive payments across the entire organization and ensure that all incentive compensation arrangements are supported specifically with a description as to how the incentive program furthers the tax-exempt mission, charitable purposes and business objectives of Adopt-A-Classroom.
- Review the Committee Charter at least every two years and recommend any changes to the Board.

**The Committee shall have access to the necessary resources to discharge its duties and responsibilities, including the rights to:**

1. Meet with, or speak with, the Executive Director to obtain any information it may require.
2. Retain, at Adopt-A-Classroom's expense, and obtain advice and assistance from persons that have special competencies, including without limitation, legal, accounting and/or other consultants and experts the committee deems necessary to fulfill its responsibilities.

**The Compensation Committee Report.** The Committee shall report its actions and recommendations to the Board at regular Board meetings. The Committee shall report to the Board at least once every two years regarding any proposed changes to this charter.