



Executive Compensation Policy

(Found in *PRAD Headquarters Office Financial Policies & Procedures Policy*)

PHILOSOPHY

1. The compensation plan will support our organization's mission, strategy, and values.
2. We will pay for performance, skills and competencies, development and growth and effective visible commitment to the organizations.
3. The compensation structure will encourage recruitment, retention and motivation of outstanding executives so that the organization can achieve its mission and objectives.
4. Our compensation structure may include base salary, retirement and other benefits and performance-based pay appropriate to the nonprofit marketplace.
5. Our compensation system will include periodic adjustments to pay ranges based on changes in the marketplace, subject to organizational financial constraints. All adjustments to pay will be consistent with practice in the nonprofit marketplace.
6. The marketplace adequacy of the compensation structure will be judged in terms of total compensation, including benefits, medical, dental, and/ or life insurances, paid time off or any other benefit provided by Partners Relief & Development will be competitive with the marketplace, subject to organizational financial constraints.
7. The compensation structure will be linked to an effective performance management system with individual growth and development as well as professional achievement goals. Each role / position will have a detailed job description along with Key Performance Indicators (KPIs) that are understood by the employee.

Compensation will take into effect both KPIs as well with intangible characteristics such as work-ethic, dedication, improvement, attitude, team unity, as well as other factors deemed necessary by the supervisory manager.

APPROVING COMPENSATION

1. The compensation of all "disqualified" persons (defined below) for each year, or the terms of compensation for a multi-year contract will be established by the Executive Team in advance. No "disqualified" person or family member of "disqualified" persons may be allowed to serve on the Executive Team. The Executive Team will meet as necessary and

publish meeting minutes outlining decisions made with regard to Executive Compensation to the general Board members.

2. “Disqualified” persons:

A. The primary definition includes Board of Director members, President or any member of the Executive Team responsible for a substantial portion of the organization or any person able to exercise substantial influence over the affairs of the organization.

B. Any person who has held any of the positions noted above within the past five (5) years.

C. Any family member of an employee who holds one of the positions noted above, including spouse, descendants, siblings, spouses of siblings and spouses of descendants.

3. Executive Compensation will be determined based on several factors. The Executive Team will use, at a minimum, two sources for appropriate comparable salary and benefits data. The committee will state the names of these organizations in its minutes. The committee will document the basis for its determination of compensation by publishing the minutes at which the decision was made. The committee may also take into consideration organizational financial constraints and organization objectives. The committee may also request input from the “disqualified” person with regard to their needs and expectations.

4. Comparable Salary and Benefits data include:

A. Researching compensation paid by similarly situated organizations.

B. Using a current compensation survey compiled by and independent firm specializing in compensation / Human Resources packages within the NGO (Non-Governmental Organization or not-for-profit industry).

5. The vote by the Board of Directors regarding Executive Compensation will be presented, voted upon, and recorded in the meeting minutes from the annual Fall board meeting within (60) days after the meeting, including the amount authorized and references to the comparison information.

Filing Requirement: This policy will be part of the Employee Handbook

Update Requirement: This policy will be reviewed annually to conform to current Federal and State Guidelines if applicable and to review feasibility of administering the policy in its current form. Policies may be revised for ease of administration as long as Federal and State guidelines are maintained. Reviews of all employment time, wage, or benefit policy should be audited prior to December 01st on an annual basis.