



## Compensation Committee Charter

1. **Purpose:** The Compensation Committee (“Committee”) is established by the Board (“Board”) of the Foundation for the National Institutes of Health (“FNIH”) to assist the Board in making decisions as to the President and Executive Director’s compensation and overseeing the Foundation’s overall compensation philosophies and practices.

2. **Members:** The Compensation Committee shall consist of at least three voting, independent members of the Board of Directors. A majority of the Committee’s voting membership shall constitute a quorum to conduct business.

The Chair of the Board shall serve as an *ex officio* member.

3. **Meetings:** The Compensation Committee shall meet at those times and places as determined by the Chair of the Committee, and normally not less than once per year. It shall meet with the President and Executive Director, and any other Officers or employees the Committee deems appropriate, to discuss and review matters contemplated by this Charter.

Reasonable notice of meetings shall be given to all Committee members, or may be waived in the same manner as required for meetings of the Board. Meetings of the Committee may be held by means of conference telephone or other communications equipment that allow all persons participating in the meeting to hear and speak to each other.

In carrying out its role, the Committee may form subcommittees or retain outside consultants so long as it is within a budget approved by the Board for that purpose.

4. **Minutes:** The Compensation Committee shall maintain minutes of its meetings and regularly report to the Board on its findings, recommendations, actions, and any other matters the Committee deems appropriate or the Board requests.

5. **Responsibilities:** The Compensation Committee shall from time to time unless another interval is stated:

- Ensure compliance with the Foundation’s overall staff compensation philosophy, policies, procedures, and practices as set in place by the FNIH and report to the Board on these.
- Approve the compensation level, including any incentive awards and material perquisites, of the President and Executive Director. In making such determination, the Committee shall normally:
  - Consider the President and Executive Director’s performance
  - Rely upon comparability data of compensation paid to chief executives of similarly situated organizations
  - Minute or document the basis for making its approval
  - Ensure that only independent members of the Committee make the recommendation.

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- Review and concur with the President and Executive Director's decisions with regard to establishing and adjusting the senior executive team's annual salaries.
- Ensure that the FNIH provides reasonable compensation to the Foundation's employees based on what would ordinarily be paid for like services by similar organizations under similar circumstances. In providing guidance, the Committee shall ensure that:
  - The President and Executive Director relies upon comparability data of compensation paid in similarly situated organizations
  - The Committee periodically reviews compensation levels, benefit or severance agreements for key employees in consultation with the President and Executive Director
  - Minute or document that the Committee has reviewed compensation practices with the President and Executive Director
  - The President and Executive Director reports back to the Committee on how the Committee's input has been implemented
  - Compensation decisions are incorporated into the annual budget.
- Consider issues related to retention, incentives, and other compensation matters.

Approved by the Board of Directors on May 23, 2019.