



## SPECIFIC POLICIES AND ACTIONS

### A. OVERVIEW

The Compensation Committee (hereinafter “Committee”) is responsible for reviewing compensation policies and plans for senior officers and employees. The Committee must approve the overall compensation program for senior officers and will complete the performance evaluation of the CEO.

### B. MEMBERSHIP

The Committee shall include the Board Executive Committee (Chair, Vice Chair, two elected members) and one (1) other member may be appointed by the Board Chair. The Board Vice Chair is designated as Chair of the Committee. The Chairman shall appoint a secretary. Every committee member must be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment.

### C. RESPONSIBILITIES

The Committee will be accountable to and report only to the Board of Directors. The Committee will review and approve all compensation policy and plans as prepared by the CEO. The CEO, or a duly authorized delegate, will be responsible for establishing and implementing all compensation policy plans for senior officers and employees including incentive compensation, deferred compensation, and benefit plans. The CEO will report to the Committee on an annual basis with respect to the compensation policy of the Association. The Committee will also review employment contracts and severance agreements, on an as needed basis for members of senior management and CEO (as defined in the annual report). The Committee will establish and implement the compensation package for the CEO, including the negotiation and approval of an employment contract.

### D. RESOURCES

The Association will provide monetary and nonmonetary resources to enable the Committee to function. This includes access to outside experts or resources as well as direct access to internal staff (including management) and Association resources. The Committee is authorized to hire, retain, and terminate external advisors and/or legal counsel needed to perform its duties. Outside professionals will work directly for, and report directly to, the Committee and be independent of senior management.

The Committee shall have direct access to any advisors that management uses on compensation programs or practices.

The Committee shall have easy and ready access to Association resources and personnel, particularly senior officers and managers with human resources responsibilities.

The Committee shall have unrestricted access to personnel records and related documents of the Association.

### E. RECORDS

The Committee will keep written minutes of its meetings, including attendance by committee members. These records will be maintained for at least three (3) fiscal years by the CEO or delegate.

#### F. MEETINGS

The Committee will meet at least annually to review overall compensation policy. Additional meetings will be called at the discretion of the Committee chair. The Committee may meet in person or telephonically. The Committee shall report on its meetings during Executive Session at the next regular meeting of the board. Unless specifically invited by the Committee, Association employees should not attend a meeting where their performance or compensation will be discussed.

#### G. REPORTING

The Committee will report at least annually to the Board with its recommendation regarding the overall compensation policy of the Association and will seek ratification of Committee actions.

#### H. COMPLIANCE

In consultation with management, the Committee will review regulatory compliance and reporting with respect to compensation related matters.

#### I. CEO PERFORMANCE REVIEW

The Committee will complete the performance evaluation of the CEO. The Committee will report the results of the evaluations to the Board as soon as practical after completing the review.

#### J. CHARTER REVIEW

The committee will review and approve this Charter on an annual basis.

### **RESCISSIONS**

This policy supersedes all previous action of this Board on this subject which are hereby rescinded.

### **APPROVAL**

Approved by the Compensation Committee and Ratified by the Board of Directors: December 16, 2019

Cross reference: FCA Regulations 620.31, 630.6(b), Bookletter 060