



Be Peace. Choose Peace. Create Peace.

EXECUTIVE COMPENSATION POLICY

Approved by the Board of Directors on 10162016

Policy Purpose

To establish the criteria and process by which the Board of Directors of Peace Through Action USA (the "Corporation") sets the compensation of the chief executive officer.

Definitions

1. **Comparability Review**—Examination of salary and benefits data to learn the amounts that tax-exempt corporations with similar missions, of a similar budget size, and located in the same or a similar geographic area, offer their chief executive officers.
2. **Compensation**—All forms of cash and noncash payments or benefits provided in exchange for services, including salary and wages, bonuses, severance payments, deferred payments, retirement benefits, fringe benefits, and other financial arrangements or transactions such as personal vehicles, meals, housing, personal and family educational benefits, below-market loans, payment of personal or family travel, entertainment, and personal use of the organization's property.
3. **Independent Body**—The Board of Directors or a committee with board-delegated powers, and that excludes the chief executive officer, candidates for a vacant chief executive officer position, and employees and contractors over which the chief executive officer has control or influence.
4. **Interested Person**—Any director, officer, employee, contractor, volunteer, beneficiary of the Corporation's programs and services, or other individual with a specific interest in the Corporation.
5. **Rebuttable Presumption**—A three-step process for establishing reasonableness of compensation of the chief executive officer. The three steps are: 1) arrange for an independent body to conduct a comparability review; 2) conduct the comparability review; and 3) document the membership of the independent body, the body's process, information and sources of information for conducting the comparability review, the results of the comparability review, and a demonstration that the Board of Directors took the results into consideration when it set the compensation of the chief executive officer.

Policy

1. Peace Through Action USA (the "Corporation") aspires to provide the chief executive officer of the Corporation compensation appropriate to the position's roles and responsibilities and the competencies of the position holder.
2. The Corporation shall comply with all applicable laws regarding the setting of executive compensation.
3. The Peace Through Action USA Board of Directors (the "Board of Directors") shall set the compensation of the chief executive officer annually.
4. The Board of Directors shall set compensation of the chief executive officer in advance of paying compensation to the chief executive officer.
5. The Board of Directors shall set compensation of the chief executive officer at an amount that is reasonable and not excessive.

6. The Board of Directors shall follow the rebuttable presumption process to set the compensation it offers to the chief executive officer.
7. The Board of Directors may, pursuant to the Corporation's bylaws, establish a committee with board-delegated powers to function as the independent body.
8. The independent body shall, for purposes of geographic comparability, consider the geographic area in which the operations site of the chief executive officer is located to be the comparable geographic area.
9. The Board of Directors and Board of Directors members shall adhere to the Corporation's conflict of interest policy when determining whether they participate in or recuse themselves from setting compensation of the chief executive officer.
10. The Board of Directors shall take results of the comparability review into consideration when it sets the compensation of the chief executive officer.
11. The Board of Directors shall set the compensation of the chief executive officer by recorded vote.
12. The Board of Directors shall provide contemporaneous substantiation of its process for setting executive compensation, the terms of compensation and the date upon which compensation was set by including such substantiation in the minutes of the Board of Directors.
13. The Corporation instructs interested persons of the Corporation's executive compensation policy by an orientation to the policy, notices in the organization's print and online materials, and the distribution of policy and procedures.