

TEMPLE UNIVERSITY

BOARD OF TRUSTEES

POLICIES AND PROCEDURES MANUAL

Title: Executive Compensation Policy

Policy Number: 01.35.03

Issuing Authority: Board of Trustees

Responsible Officer: Secretary to the Board of Trustees

Date Created: May 11, 2010

Date Last Amended/Reviewed: May 11, 2010

Date Scheduled for Review: December 9, 2014

Reviewing Office: Office of the Secretary

Scope of Policy & Rationale:

This policy shall apply to Temple University – Of The Commonwealth System of Higher Education (the “university”).

Definitions

For purposes of this policy, the following terms shall have the meanings set forth below:

“Board of Trustees” means the governing body of the university.

“Compensation” means all remuneration (taxable and non-taxable) provided in exchange for services provided to or on behalf of the university.

“Compensation Committee” means the committee appointed by the chair of the board for determining the compensation of key employees-of the university pursuant to this policy.

“Key employees” means individuals identified by the university as key employees pursuant to IRS Form 990 instructions.

Policy Statement

The purpose of the Executive Compensation Policy is to provide guidance for setting compensation for key employees of the university.

The Executive Compensation Policy is designed to:

- Encourage the attraction and retention of high-caliber key executives possessing the experience and skills needed to improve the overall performance of the university in fulfilling its mission.
- Provide a competitive, market-based total compensation package, including benefits.
- Ensure that pay is fair and equitable.
- Be flexible to reward individual accomplishments as well as institutional success.

- Ensure that the compensation program is easy to explain, understand, and administer.
- Balance the need to be competitive with the limits of available financial resources.
- Ensure that the compensation program complies with applicable law and that compensation is presumed to be reasonable pursuant to IRS regulations.
- Ensure that no part of the organization's net earnings inures to the private benefit of any individual or group of individuals, as required for 501(c)(3) tax-exempt status.

Composition

The Compensation Committee shall be composed of no fewer than five independent members of the Board of Trustees of the university, including the chair of the board as a voting ex officio member. All members of the Compensation Committee shall be free from any relationships or conflicts of interest with the university or the subject key employee that may impair, or appear to impair, the member's ability to make independent judgments regarding compensation. The chair shall appoint the members and chair of the Compensation Committee.

Authority

By adopting this policy, each member of the Board of Trustees delegates to the Compensation Committee the authority and responsibility to review and approve compensation for the university's key employees consistent with this policy.

Roles and Responsibilities

The Compensation Committee has authority and responsibility to review and approve compensation for the university's key employees consistent with this policy.

Procedures

In reviewing and approving compensation for key employees, the Compensation Committee normally shall:

- Receive the report of an outside compensation consultant evaluating the key employee(s) proposed compensation, such report to include comparability analyses that take into account the job responsibilities of the position and the experience of the key employee.
- Annually approve the university's goals and objectives relevant to compensation of the president, evaluate the president's performance in light of those goals and objectives, and review and approve the president's total compensation payable by the university based on this evaluation.
- Annually review and approve the president's recommendations with respect to all other key employees of the university in the areas of (i) salary; (ii) bonus and/or incentive awards; (iii) supplemental benefits, including supplemental retirement benefits and deferred compensation; (iv) employment agreements, severance arrangements, and any amendments or waivers to these agreements or arrangements; and (v) perquisites.
- Ensure that meeting minutes are prepared no later than the next meeting; reflect compensation arrangements and terms reviewed, and the dates of review; indicate the

members present and how they voted on compensation approved; and attach documentation that fully supports compensation arrangements reviewed, the comparability data relied upon, and the decisions made.

- Periodically review this policy and the university's executive compensation philosophy to ensure that the policy appropriately supports its goals and mission and attracts and retains key executives on reasonable and competitive terms.
- Provide a report to the Executive Committee of the Board of Trustees on its activities and decisions with respect to the university's key employees.

Notes

1. Dates of official enactment and amendments:

Adopted by the Board of Trustees of Temple University on May 11, 2010.

2. History:

Adopted by the Board of Trustees of Temple University on May 11, 2010.

Initial Policy Effective Date:

Adopted by the Board of Trustees of Temple University on May 11, 2010 and effective immediately upon adoption.

Supersedes:

[Insert name(s), date(s), and reference number(s) of superseded policies.]

Last Amended:

[Insert effective date(s) of revisions and brief description of changes made.]

Reviewed By:

The president in Cabinet, the Committee on Trustee Affairs and the Board of Trustees.

3. Cross References/Appendix:

(Determine if this will only cross reference other policies within this manual or other documents)

Approvals

I, the undersigned Secretary of Temple University – Of The Commonwealth System of Higher Education, hereby certify that the foregoing is the text of the policy adopted by the Board of Trustees at its meeting held on May 11, 2010 at which a quorum was present.


Secretary

Temple University – Of The Commonwealth
System of Higher Education