



Executive Compensation Process

Overall Compensation Philosophy

The Blandin Foundation's compensation program and practices strive to achieve the following objectives:

- Attract and retain employees who have the skills and capabilities that we seek, and who are committed to our mission.
- Ensure that employees are compensated in a manner that is competitive, appropriate and defensible to all stakeholders.
- Promote understanding and acceptance of compensation practices through a program that is straightforward, logical and transparent.
- Provide a compensation program and practices which reflect the Blandin Foundation's mission, vision and values.

Compensation Practices

A unique position description is developed for each position that describes the expectations, knowledge, skills and experience required for the position. The Foundation retains the services of an independent compensation professional to develop unique market-based pay ranges for each position based on reputable compensation survey sources. A full market review for the President/CEO is completed annually and every three years for all other staff.

Executive Compensation

In setting executive compensation, the Blandin Foundation is guided by "rebuttable presumption" rules set forth by the U.S. Treasury Department to ensure compensation is reasonable (defined as what similar persons in similar positions with similar duties at similar organizations are paid). Through use of such procedures, the Foundation seeks to follow rules which apply to private foundations and not expose the Foundation to self-dealing concerns or intermediate sanctions. "Rebuttable presumption" generally means that if certain steps are taken, then it is presumed that the person taking those steps acted in a certain way (fairly, reasonably, without negligence, etc.). The three conditions required to establish rebuttable presumption and the Foundation's approach are:

- Board Review and Approval:** Annually, the Executive Committee reviews the President/CEO position description, information from the independent compensation professional (market data, base pay range recommendation and annual adjustment recommendations) and prepares a recommendation for base pay adjustment (based on a thorough performance review). The Executive Committee subsequently reports to the full board and provides a recommendation. The full Board reviews and approves the President/CEO compensation.



- **Reliance on comparable data:** The Foundation contracts annually with an independent compensation professional that provides a compilation of data based on surveys from several independent reputable firms.
- **Concurrent Documentation:** Minutes documenting the basis for the recommendation of the Executive Committee and the decision of the Board are maintained which include: a) the details of the decision and the date it was approved; b) the committee and board members that were presented during the discussion of executive compensation and a record of the vote, c) that the decision is based on comparability data that was obtained and how the data was obtained; and d) any conflicts of interest that committee or board members may have related to the issue.