



**William & Flora Hewlett Foundation**  
**Compensation Committee Charter**  
**Adopted: September 14, 2018**

**I. Purpose**

The Compensation Committee (the “Committee”) shall review the performance of and participate in the setting of just and reasonable compensation for the foundation’s officers in accordance with the applicable provisions of federal law and the California Nonprofit Integrity Act of 2004 (section 12586(g) of the California Government Code). The Committee may also be called upon to assist the board or the president to address any other issue regarding the staff’s compensation and benefits.

In meeting its obligations, the Committee shall follow the foundation’s compensation philosophy, which includes the following goals:

- to attract and retain highly qualified employees;
- to compensate them appropriately based on individual and collaborative contributions;
- to provide compensation that is competitive and reasonable within the relevant philanthropic sector; and
- to maintain a balanced total compensation package that emphasizes both base salary and benefits offerings.

**II. Status**

The Committee is a permanent standing committee of the board, authorized in section 6.5 of the foundation’s Amended and Restated Bylaws.

**III. Authority and Responsibilities**

The Committee’s primary responsibilities are:

- to review annually the performance of the foundation’s president and comparable compensation data and to recommend a compensation package to the board for its approval;

- to review annually, the performance of the foundation's other officers and the foundation's investment directors and comparable compensation data and, with the input of the foundation's president, to set compensation for them.
- to review at the request of, and consult with, the board and the foundation's president with regard to any issue involving staff compensation and benefits, including, without limitation, housing, and health and retirement plans, particularly new programs or amendments to existing programs; and
- other duties as prescribed by the board.

#### **IV. Membership**

The Committee must comprise no fewer than three voting members, all of whom must be directors of the foundation who are not also employees of the foundation. In addition, the chair of the board shall serve as an ex officio non-voting member of the Committee. Unless serving ex officio in accordance with the foundation's Amended and Restated Bylaws, committee members are appointed, and may be replaced, by action of the board.

#### **V. Meetings**

The chair of the Committee shall preside at each meeting of the Committee and set the length of each meeting and the agenda of items to be addressed at each meeting. The chair of the Committee shall ensure that the agenda for each meeting is circulated to each Committee member in advance of the meeting. In the absence of the chair, the other members of the Committee may appoint another member of the Committee to preside at a meeting.

The Committee shall meet regularly at least three times per year, preferably before the regular meetings of the board in March and July and the board retreat in September but subject to the schedules of the Committee members, and may meet specially as circumstances dictate. Meetings may be held in person or by conference telephone at the discretion of the chair of the Committee. The Committee shall maintain minutes or other records of its meetings and activities. The Committee shall, through its chair, report its decisions and actions to the board no later than the next regular board meeting.

The presence of a majority of the voting Committee members constitutes a quorum at each Committee meeting. Members are deemed present if (a) present in person, or (b) able to hear and communicate with the other members through telephonic or other means of communication. Each Committee member has one vote, and the majority vote of a quorum is the act of the Committee. Alternatively, the Committee may take action without a meeting in accordance with the provision for unanimous written consent of the foundation's Amended and Restated Bylaws.

## **VI. Outside Advisors**

The Committee may retain separate legal counsel, compensation experts, or other advisors at the foundation's expense as appropriate to assist it in the performance of its functions.