



EXECUTIVE COMPENSATION Policy Statement

It is the policy of the Parasol Tahoe Community Foundation (Parasol) to provide reasonable and competitive compensation for its executives, consistent with market-based compensation practices for individuals possessing the experience and skills needed by Parasol to achieve its goals and performance standards.

This policy applies to the Chief Executive Officer, Chief Financial Officer and other senior management positions that are approved by the Board. "Compensation" refers to all salaries, bonuses, benefits, perquisites and other cash and non-cash items provided to persons covered by the policy.

The Executive Committee is responsible for developing recommendations for executive compensation prior to hiring of each person and for subsequent adjustments to compensation. All executive compensation levels and changes thereto must be approved by the full Board. The following guidelines are to be followed in setting and modifying executive compensation levels:

1. Good faith efforts must be made to obtain market data on salaries paid by other organizations for comparable positions and to use such data in decision making. Market data shall be obtained for comparable nonprofit organizations within Parasol's geographic area, plus data from published compensation surveys for foundations and/or other comparable nonprofit organizations outside of Parasol's immediate geographic area. Parasol may also collect other published survey data, when appropriate, for public and/or for-profit organizations for specific functional competencies such as finance and human resources. The market data from these various sources shall be used to form a "market composite" of compensation for the executive position(s) under consideration.
2. In general, it is Parasol's policy to provide a total compensation package that is at or near the median of the market. However, flexibility exists to provide compensation above or below the median based on experience, unique skills or duties required by Parasol, job performance and business need to attract and retain specific talent. The rationale for compensation levels more than 20% above the median paid by other organizations for comparable positions must be fully documented as part of the board minutes approving such compensation.
3. The agenda for any Executive Committee or Board meeting that includes consideration of executive compensation must clearly list the nature of the compensation issue to be considered and the position(s) involved. This is to ensure that all board members have an opportunity to participate in discussions and decisions related to compensation.
4. Discussions within the Executive Committee or full Board related to executive compensation will be held in an executive session without staff present, except where

the Committee or Board specifically requests the CEO to be present for deliberations involving management positions other than the position of CEO.

5. All deliberations and decisions related to executive compensation are to be fully documented in the meeting minutes.
6. No persons with a conflict of interest may participate in any manner in making compensation decisions.

As specified in the bylaws, directors may not receive compensation other than reimbursement for reasonable expenses directly incurred in performance of duties as a director of Parasol.