



Executive Compensation Process

I. Purpose of the Compensation Process:

A. To assure that NMSI is able to retain high quality executive leadership of NMSI by providing reasonable compensation.

B. To assure that decisions regarding executive compensation are made through a process free of potential conflicts of interest.

II. Persons whose compensation is subject to this policy

A. The CEO/President's compensation shall be reviewed under this policy at the time of hire and annually thereafter.

III. Role of the Executive Committee

A. The Executive Committee of the board is authorized to make recommendations to the full Board regarding executive compensation.

B. Only those members of the Executive Committee who are free of conflicts of interest may be involved in evaluation of executive compensation.

C. The Executive Committee should, to the extent reasonably available, rely upon appropriate data as to comparability prior to making its recommendation, and shall contemporaneously place such data and other reasons for its recommendation in the minutes. Comparability data should include CEO/Executive leadership salary averages for comparable mission agencies of like size and scope.

1. If the Executive Committee does not have data as to comparability, it shall document any other bases for believing the proposed compensation is reasonable.

IV. Board Approval

A. Only those directors who are free of conflicts of interest may vote on executive compensation.

B. The Board shall review and approve executive compensation, after a review of comparability data or other evidence that compensation is reasonable, and shall contemporaneously substantiate its deliberation and decision in the minutes.