

**COMPENSATION POLICY
OF
THE NEAL PEIRCE FOUNDATION**

Adopted by the Board of Directors as of September 29, 2020

**COMPENSATION POLICY FOR OFFICERS, DIRECTORS,
TOP MANAGEMENT OFFICIALS AND KEY EMPLOYEES**

1. Policy and Purposes

It is the policy of The Neal Peirce Foundation (the “*Corporation*”) that all compensation paid by the Corporation, if any, be reasonable based upon a review of comparability information. This policy provides a procedure for the review and approval of the compensation of the President or top management official and other officers and key employees of the Corporation who receive compensation (“*Compensated Individuals*”) consistent with applicable federal tax law and the laws of the District of Columbia. The provisions of this policy relating to the approval of compensation arrangements are intended to comply with the rebuttable presumption requirements of Section 53.4958-6 of the Treasury Regulations and the Internal Revenue Service (“*IRS*”) Form 990, and shall be interpreted and applied consistently therewith. (The IRS Form 990 definitions for some of the identified positions are used in this policy with the same meanings as provided in the Glossary to IRS Form 990.)

2. Procedure for Approval of Compensation

A. General. It is the general policy of the Corporation not to compensate directors or corporate officers for services rendered to the Corporation in such capacities. To the extent that the Board of Directors of the Corporation (the “*Board*”) determines that Compensated Individuals may receive compensation (to the extent permitted under the Bylaws of the Corporation), the Board shall review and approve the compensation of Compensated Individuals.

B. Specific Requirements. The Board reviewing and approving compensation for Compensated Individuals shall satisfy the following requirements or procedures:

(1) Approval by Persons Without a Conflict of Interest. Compensation shall be reviewed and approved by the Board, provided that persons with a conflict of interest with respect to the compensation arrangement at issue are not involved. Members of the Board do not have a conflict of interest if they (a) are not benefitting from or participating in the compensation arrangement (and are not a family member of any person benefitting from or participating in the compensation arrangement); (b) are not in an employment relationship subject to the direction or control of any person benefitting from or participating in the compensation arrangement;

(c) do not receive compensation or other payments subject to the approval of any person benefitting from or participating in the compensation arrangement; (d) have no material financial interest affected by the compensation arrangement; and (e) do not approve a transaction providing economic benefits to any person participating in the compensation arrangement, who in turn has or will approve a transaction providing economic benefits to the member. (Form 990, Part VI, Line 15, Instructions; Treas. Reg. § 53.4958-6(c)(1)(iii))

(2) Use of Comparability Data. In its review and approval of compensation, the Board shall affirmatively determine that the compensation arrangement in its entirety is reasonable to the Corporation based upon information sufficient to determine whether the value of services is the amount that would ordinarily be paid for like services by like enterprises, whether taxable or tax exempt, under like circumstances. Adjustments due to geographic area and other specific conditions are appropriate. Relevant information may also include, but is not limited to, compensation levels paid by similarly situated organizations, both taxable and tax exempt, for functionally comparable positions; the availability of similar services in the geographic area of the Corporation; current compensation surveys compiled by independent firms; and actual written offers from similar institutions competing for the services of the compensated person. (Form 990, Part VI, Line 15, Instructions; Treas. Reg. § 53.4958-6(c)(2))

(3) Recording Compensation Deliberations. The Board's review and approval of compensation shall be recorded in the minutes of its meetings and contain: (a) the terms of the compensation and the date approved; (b) the names of the members of the Board who were present during the discussion and those who voted on the approved compensation; (c) the comparability data obtained and relied upon, and how it was obtained; (d) any action taken with respect to consideration of the compensation by a member of the Board who had a conflict of interest with respect to the compensation; and (e) if the reasonable compensation is higher or lower than the range of comparability data obtained, the basis for the decision. Such minutes shall be reviewed and approved by the Board as reasonable, accurate and complete within a reasonable time after the review and approval of the compensation, but in any event before the later of the next meeting of the Board or 60 days after the relevant compensation arrangement is finally approved by the Board. (Form 990, Part VI, Line 15, Instructions; Treas. Reg. § 53.4958-6(c)(3))

3. No Liability

While the members of the Board have the duties and responsibilities set forth in this Policy, nothing contained in this Policy is intended to create, or should be construed as creating, any liability of members of the Board, except to the extent otherwise provided under applicable law.

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