

The David and Lucile Packard Foundation

COMPENSATION COMMITTEE CHARTER

Compensation Committee Purpose: The Compensation Committee (Committee) is established to define the total compensation strategy for the Foundation, consistent with its mission and values. The Compensation Committee is created by resolution of the Board of Trustees, as authorized by the Foundation's Amended and Restated Bylaws ("Bylaws")

Membership: The Committee shall be composed of at least two (2) members. All members will also be members of the Board of Trustees. If the Chairman of the Board is not a member of the Committee, the Chairman may attend Committee meetings and vote on Committee actions. The President and CEO shall not be a member of the Committee.

Authority and Responsibilities: The Board grants the Committee authority and responsibility to:

- (1) Approve the compensation strategy for the Foundation, consistent with its mission and values.
- (2) Review management proposals regarding the Foundation's compensation and benefits programs to ensure such programs support the established strategy.
- (3) Review benchmark information provided by outside consultants to ensure that compensation is reasonable.
- (4) Oversee loans to relocating employees for housing assistance.
- (5) With input from the Executive Committee regarding the performance of the President and CEO, recommend the CEO's compensation package for approval by the Board.
- (6) Approve the compensation of the Vice President and Chief Financial Officer, Officers, and other senior staff who report directly to the President and CEO, or are highly compensated as specifically reported on the Foundation's annual tax return.
- (7) Approve the design of incentive plans for the Chief Investment Officer and investment staff, including plan interpretation, eligibility and participation, and award determination.
- (8) With input from the Investment Committee regarding the performance of the Chief Investment Officer, recommend the Chief Investment Officer's compensation for approval by the Board.

- (9) Review annually the report of the Foundation's Employee Retirement Income Security Act (ERISA) Committee and oversee the financial aspects of nonqualified benefit plans established by the Foundation.
- (10) Oversee the Matching Grant Programs for Trustees, Employees, and Advisors to the Board Committees.
- (11) Report to the Board on Committee activities.
- (12) Review annually the Compensation Committee Charter and recommend any changes to the Board.

Operations of the Compensation Committee: The Committee Chairman, who shall be a member, shall preside at all meetings. Meetings may be in person or telephonic and the Chairman shall present any findings or recommendations to the Board. The Committee shall meet annually, and more often as needed. The Committee shall have the authority to delegate to subcommittees and to Foundation staff, consistent with the provisions of the Bylaws A quorum shall consist of a majority of the members. Minutes shall be kept of each Committee meeting and shall be filed with the corporate records. The Committee shall conduct a performance self-evaluation that considers matters related to its responsibilities every two years after, and with input from, the Board self-evaluation process.