

National Association of Corporate Directors

COMPENSATION AND HUMAN RESOURCES COMMITTEE CHARTER

Purpose

The Compensation and Human Resources Committee shall (a) discharge the Board's responsibilities relating to compensation and benefits of the CEO and members of the CEO's designated senior leadership team, (b) provide general oversight of the Company's management compensation philosophy and practices and benefit programs, and (c) oversee the Company's leadership development and succession plans for the CEO and members of the senior leadership team.

The Committee shall report to the Board of Directors and be a resource to the CEO in ensuring that the Company provides a compensation and benefits program appropriate to maintain and develop management personnel of a caliber capable of ensuring the continued success of the Association. In addition, the Committee shall serve as a resource for the CEO to ensure that such program is appropriate to attract and retain the services of key employees whose judgment, interest and effort drive the successful conduct of the Association's operations.

Membership

The Committee shall be composed of three or more independent Directors as defined in the Governance Guidelines and appointed annually by the Board. The Board shall designate the Chair of the Committee.

Meetings

The Committee shall meet at least twice annually or more frequently as it shall determine is necessary to carry out its duties and responsibilities. The Chair will schedule regular meetings; additional meetings may be held at the request of two or more members of the Committee, the CEO, or the Chair of the Board.

Duties and Responsibilities

In carrying out its oversight responsibilities, the Committee shall:

1. Develop a compensation philosophy and policies for approval by the Board.
2. Review the Association's Balanced Scorecard for approval by the Board.
3. Approve total proposed compensation for any staff member whose total annual compensation may exceed \$200,000.
4. Annually evaluate the CEO's performance in light of these goals and objectives, and make a recommendation to the Board with respect to the CEO's compensation. Also annually

review the CEO's compensation recommendations for the senior leadership team and make recommendations to the Board.

5. Review the annual staff merit and bonus pool plan as recommended by the CEO. Annually review the CEO's and the CEO's senior leadership team compensation to ensure that such salaries, bonuses and benefits are appropriate and consistent with published compensation surveys or reports prepared for the Committee by outside consultants.
6. The Committee shall have the authority and funds to hire outside compensation consultants as needed.
7. Review all proposed employment contracts and severance agreements with the CEO and make recommendations for approval by the Board.
8. Annually review IRS Form 990 filings and any other required filings related to compensation and report findings to the Board.
9. Oversee the administration of NACD's compensation and benefits program for the CEO's senior leadership team, including a review of the NACD founder's retirement plan.
10. Review the succession plan for the position of CEO and submit such plan to the Board for approval.
11. Evaluate potential CEO successors and make recommendations to the Board.
12. Review the CEO's succession plan for the senior leadership team, and report to the Board on these professional development and succession planning matters.
13. Report regularly to the Board on the Committee's activities and actions, as appropriate. The Committee will maintain minutes of meetings and report to the Board the results of Committee meetings.
14. Annually review the Committee's own performance, and report the results of such review to the Board.
15. Annually review and reassess the adequacy of this charter and recommend any proposed changes to the Board for approval.
16. Perform such other duties as are necessary or appropriate to further the Committee's purposes or as the Board may from time to time assign to it.