

**CHARTER OF THE  
COMPENSATION COMMITTEE OF THE  
BOARD OF TRUSTEES OF  
ALLIANT INTERNATIONAL UNIVERSITY<sup>1</sup>**

**I. Statement of Policy**

The Board of Trustees of Alliant International University delegates authority to the Compensation Committee, a subcommittee of the Executive Committee of the Board of Trustees, to set and establish the compensation and benefit arrangements (including qualified and non-qualified benefit plans) provided to the President, and review and approve the President's recommendations regarding the senior executive management of the University (officers and deans). The Compensation Committee shall report its actions to the Executive Committee and through the Executive Committee shall report to the Board of Trustees at least annually on the results of its work.

**II. Organization and Membership**

The Compensation Committee shall be a sub-committee of the Executive Committee of the Board of Trustees) comprised of three trustees, each of whom must be an Independent Director as the definition is set forth in Attachment A, and free of any relationship that, in the opinion of the Board, would interfere or appear to interfere with their exercise of independent judgment in carrying out the responsibilities of a member of the Committee or a Trustee.

The Chair of the Board shall appoint the members of the Committee at the Board's annual meeting (November meeting) who shall serve for one-year terms. The Board Chair shall appoint one member of the Committee as chairperson.

**III. Meetings**

The Chairperson of the Committee will establish the agenda for each committee meeting. The Committee will hold at least 2 meetings per year or more frequently as circumstances dictate. The Committee shall meet in executive session to discuss and approve the compensation of the President. The President should not be present for, or participate in, Committee deliberations concerning his/her compensation (other than to answer questions) but may, with the approval of the Committee, participate in the deliberations concerning the compensation of other members of senior executive management.

The Committee will keep minutes of its meetings that document the basis for each decision and recommendation.

#### **IV. Powers and Responsibilities**

The Committee will:

- a. Pursuant to its delegated authority without full Board action or ratification, determine and set the compensation of the University's President including bonuses and other incentive compensation plans and report its determination to the Board in executive session. In determining the appropriate compensation to be awarded to the President, the Committee will consider:
    1. The evaluation of the President's performance in light of university goals and objectives (after seeking input from a representative group regarding the President's performance) and furthering the university's tax-exempt mission and charitable purposes;
    2. The University's performance, including the level of achievement of quantified objectives that are in alignment with the overall strategic vision established by the Board;
    3. The recommendations of independent consultants;
    4. Reviews of compensation paid to presidents at other comparable universities as determined by the Committee.
  
  - b. Receive and review the President's recommendations regarding the compensation of the Senior Executive Management (Officers and Deans) of the University and advise the Board on these recommendations. The President will convey to the Committee, and the Committee will consider, the information, including performance assessments and compensation data, which he/she used to make his/her recommendations.
  
  - c. The Committee has sole authority, without full Board action, to retain and terminate outside compensation consultants and legal advisors when deemed necessary and advisable by the Committee.
-

---

## **Attachment A**

### **Definition of Independent Director**

To be considered “independent” for purposes of serving on the Compensation Committee, a director, including his or her relatives, would have to be free of any relationship with the University, its management or affiliates that may impair or appear to impair the director’s ability to make independent judgments. Stated simply, an independent director is a person whose directorship constitutes his or her only connections to the University.

A director will not be considered independent if he or she:

- a. Is, or in the past 5 years has been, or whose relative is, or in the past 5 years has been, employed by the University or employed by or a director of an affiliate or related entity including predecessor companies;
- b. Is, or in the past 5 years has been, or whose relative is, or in the past 5 years has been, an employee, director or owner of a firm that is one of the University’s or its affiliates paid advisers or consultants or that receives revenue of at least \$50,000 of being a paid advisor or consultant to an executive officer of the University;
- c. Has, or in the past 5 years has had, or whose relative has paid or received more than \$50,000 in the past 5 years under a person contract with the University, an officer of the University or any affiliate of the University.

“Relatives” include spouses, parents, children, step-children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, aunts, uncles, nieces, nephews, and first cousins, and anyone sharing the director’s home.

---