

# Executive Compensation Committee Charter

*Adopted October 24, 2007 / Effective January 24, 2008*



Robert Wood Johnson Foundation

## **I. PURPOSE**

The purpose of the Executive Compensation Committee (the “Committee”) of the Board of Trustees (the “Board”) of the Robert Wood Johnson Foundation (the “Foundation”) is to assist the Board in ensuring the reasonableness of the compensation paid to the president and chief executive officer and to the chairman of the Board of Trustees of the Foundation.

## **II. AUTHORITY**

The Committee is charged with the annual review of the total compensation proposed for two positions: the president and chief executive officer and the chairman of the Board of Trustees of the Foundation. Based on the results of its review, the Committee shall recommend compensation packages for the approval of the Board.

The Committee has the authority to retain, at the Foundation’s expense, special legal, accounting, compensation or other consultants or experts it deems necessary for the performance of its duties.

## **III. COMPOSITION**

The Committee shall be comprised of the chairs of the following Board committees: Audit, Finance, Human Resources, Investment, and Nominating and Governance. Each member must be free from any conflict of interest that would interfere with the exercise of his or her independent judgment as a member of the Committee. In particular, and without limiting the preceding sentence, each member of the Committee must not have any material financial interest affected by the compensation paid to the president and chief executive officer or to the chairman of the Board of Trustees. Further, no member of the Committee should stand to benefit financially from any transaction that has been or, in the reasonably foreseeable future, will be approved by the president and chief executive officer or the chairman of the Board of Trustees.

## **IV. RESPONSIBILITIES**

The Committee shall undertake all actions necessary to carry out the purposes of the Committee, including but not limited to:

- Annual review of the performance of the president and chief executive officer and the chairman of the Board based upon evaluation criteria developed by the Committee.
- Annual review of compensation comparability data for the positions of president and chief executive officer and the chairman of the Board. Comparability data shall consist of information on compensation paid to individuals with functionally equivalent positions to those of the president and chief executive officer and the chairman of the Board by institutions comparable to the Foundation. For these purposes, the Committee shall retain a professional independent compensation consultant to provide such data and to assist in evaluating the data. Where available, the Committee may also use actual written offers from similar organizations competing for the individual in question for a position comparable to his or her position at the Foundation.

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- Annual review of the independence and performance of consultants or experts to determine whether to reappoint or discharge such consultants or experts.
- Annual report to the Board on the substance of the Committee's performance evaluation and compensation review process, including the recommended compensation packages, the names of the members of the Committee who participated in the Committee's deliberations, the comparability data relied upon by the Committee and the reasons for any departure from the range of reasonable compensation provided by such data. In the event any member of the Committee had a conflict of interest with respect to the compensation for the president and chief executive officer or the chairman of the Board, the Committee's report shall reflect any actions, including recusal, taken by that member with respect to the Committee's deliberations. Each year's report shall be kept as part of the permanent records of the Board.