



## **HABITAT FOR HUMANITY OF GREATER NASHVILLE EXECUTIVE COMPENSATION POLICY**

Habitat for Humanity of Greater Nashville's primary objective is to provide a reasonable and competitive executive total compensation opportunity consistent with market-based compensation practices for individuals possessing the experience and skills needed to improve the overall performance of the organization.

The organization's executive compensation program is designed to

- Encourage the attraction and retention of high-caliber executives.
- Provide a competitive total compensation package, including benefits.
- Strongly support and further transition to a "pay for performance" culture.
- Reinforce the goals of the organization by supporting teamwork and collaboration.
- Ensure that pay is perceived to be fair and equitable.
- Be flexible to reward individual accomplishments as well as organizational success.
- Ensure that the program is easy to explain, understand, and administer.
- Balance the need to be competitive with the limits of available financial resources.
- Ensure that the program complies with state and federal legislation.

While Habitat of Greater Nashville focuses on comparable nonprofit organizations in its area to benchmark pay, it is also understood that the market for executive talent may be broader than this group. Habitat of Greater Nashville may collect published survey data, when appropriate, for for-profit organizations for specific functional competencies such as finance and human resources. Together with data from the comparable local organizations, data from these market segments are used to form a "market composite" to assess the competitiveness of compensation. An independent consultant is engaged to provide this data.

In general, Habitat of Greater Nashville positions total compensation, including benefits, at the median of the market. Programs are designed to be flexible so that compensation can be above or below the median based on experience, performance, and business need to attract and retain specific talent.

### **Governance and Procedures**

Habitat of Greater Nashville's executive compensation program is administered by the Executive Committee of the board. The Executive Committee is responsible for establishing and maintaining a competitive compensation program for the key executives of the organization. The Committee meets as needed to review the compensation program and make recommendations for any changes to the board, as appropriate.

The Executive Committee commissions a periodic review by an independent consultant to evaluate HFHGN's executive compensation program against the competitive market. The evaluation is intended to ensure that the compensation program falls within a reasonable range of competitive practices for comparable positions among similarly situated organizations.

The Committee reviews and approves, for selected key executives, base salaries and annual incentive opportunity adjustments, and objectives and goals for the upcoming year's annual plan. The Committee reviews and recommends to the board salary approval and incentive awards for the Chief Executive office.