



# Compensation and Talent Management Committee Charter

Revised August 4, 2020

## **Purpose**

The purpose of the Compensation and Talent Management Committee (the “Committee”) is to develop the Company’s executive compensation philosophy and establish and monitor compensation programs designed with the following objectives; align a significant portion of compensation with the achievement of multiple performance goals that motivate and reward executives based on Company, business unit, and individual performance results; attract and retain world-class talent with the leadership abilities and experience necessary to develop and execute business strategies, achieve outstanding results, and build long-term stockholder value; support the achievement of the Company’s Noble Purpose and strategy; create an ownership mindset that closely aligns the interests of management with those of stockholders; and set performance goals under the Company’s annual and long-term incentive plans that provide an appropriate balance between the achievement of both short- and long-term performance objectives, with clear emphasis on managing the sustainability of the business and mitigation of risk.

## **Organization, Authority, and Resources**

The Board, upon the recommendation of the Corporate Governance and Nominating Committee, shall appoint annually no fewer than three of its members to serve as members of the Committee and shall designate the Chairman of the Committee from among the members of the Committee. All members of the Committee shall meet the independence requirements set forth in the Nasdaq Global Market (“Nasdaq”) listing standards, the rules and regulations of the Securities and Exchange Commission (the “SEC”), and the Internal Revenue Service, as applicable.

Members of the Committee shall serve until their successors are duly elected and qualified, or their earlier resignation or removal. The Board may remove or replace any member from the Committee at any time with or without cause.

The Committee may request any officer or employee of the Company or the Company’s outside counsel to attend a Committee meeting or to meet with any members of, or consultants to, the Committee. The Committee shall have the authority to retain and terminate any independent legal, compensation, or specialized consultants used in the review and evaluation of matters relative to compensation and talent management. The Company must provide appropriate funding for the payment of reasonable compensation, as determined by the Committee, to retain advisors.

## **Procedural Matters**

The Committee shall meet at such times as the Committee shall consider appropriate to fulfill its duties, but not less frequently than four times a year. A majority of the Committee shall constitute a quorum for the transaction of business and a vote of a majority of the members present at any meeting at which a quorum is present shall constitute the action of the Committee. Annually, the Committee will establish a calendar of agenda topics to be discussed during the year (to the extent these can be foreseen).

The Committee will keep a record of its meetings and report on them to the Board of Directors. The Committee may meet by telephone or videoconference and may take action by unanimous written consent in lieu of meeting.



The Committee may delegate any of its responsibilities to its Chairman or a subcommittee comprised of one or more members of the Committee in each case as it deems appropriate; provided, however, that the Committee shall not delegate any power or authority required by law, regulation or listing standard to be exercised by the Committee as a whole.

The Committee shall evaluate its performance on an annual basis based on the responsibilities defined in its Charter and other criteria developed by the Corporate Governance and Nominating Committee.

## **Duties and Responsibilities**

The Committee shall carry out the duties and responsibilities set forth below.

### *Executive Compensation*

1. Design and administer executive compensation programs and policies that are aligned with the Company's business and compensation objectives in order to: a) effectively attract and retain the executives necessary to successfully lead and manage the organization, b) fairly reward executives for achieving performance goals and objectives, and c) align long-term value creation with awards and effective risk management. Review executive compensation program designs and corporate governance practices relative to market typical and best practices and approve modifications as needed.
2. Annually establish performance objectives for the Chief Executive Officer ("CEO"); evaluate CEO performance and present such evaluation to the CEO, including consideration of ethical behavior, the extent to which achievement of established performance objectives shall affect compensation, and relative market comparisons; and determine and approve CEO compensation. The Chief Executive Officer shall not be present during the voting or deliberations on his/her compensation.
3. Annually review and determine the compensation of the Company's Senior Officers (Senior Vice President and above) and other individuals the Committee deems appropriate taking into consideration each individual's performance including consideration of ethical behavior, achievement of specific goals and objectives, relevant market comparisons, the recommendations of the CEO, and other factors the Committee deems relevant. No Senior Officer may be present during voting or deliberations on his/her compensation.
4. Annually, for Senior Officers, determine corporate and business unit financial goals and establish the level of performance that must be achieved for each goal at threshold, target, and maximum award payout levels pursuant to the Company's Short-Term Incentive Plan ("STIP") and Equity Incentive Plan ("EIP") for the Long-Term Incentive ("LTI") Performance Awards and certify the level of attainment of such performance goals following completion of the applicable performance period. Corporate measures and financial goals established annually by the Committee for the STIP and LTI Performance Awards are applicable to all Senior Officers. Approve the payment or vesting of such performance-based incentives to Senior Officers, individually, consistent with the achievement of performance goals for each.
5. Review, approve and when appropriate, recommend to the Board, the adoption, termination, or amendment of incentive compensation plans, equity based plans, tax qualified retirement and investment plans, supplemental benefit plans (including executive retirement plans), deferred compensation programs, perquisites/special benefits, severance plans, and employment, and separation agreements for Senior Officers. The Committee in its administration of these plans and agreements has the authority to amend these plans and agreements and may delegate authority to make amendments to certain plans and agreements to the Senior Officers or administrators specified under the terms of the plans.



6. Review the costs and benefits of the compensation arrangements they consider and approve for Senior Officers.
7. Review and amend, as appropriate, the stock ownership requirements for Senior Officers and at least annually review compliance with the guidelines. In addition, if there are non-compliance issues, the Committee has authority to pay earned cash incentive awards in restricted stock (units) or take other action as it deems appropriate to ensure timely compliance is achieved and maintained.
8. Review the potential impact of regulatory requirements on the Company's executive compensation programs and practices. Review disclosures and recommend changes as necessary or appropriate.

#### *Incentive Compensation, Equity Grants, and Benefit Plans*

9. Annually establish corporate financial goals and the level of performance that must be achieved for each goal at threshold, target, and maximum payout levels pursuant to the Company's STIP for participants below Senior Officer, certify the level of attainment of such performance goals following completion of the applicable performance period and approve payouts in the aggregate. Review plan metrics and payouts for all other incentive plans in the aggregate.
10. Approve the grant of stock, stock options, restricted stock (units), other stock-based awards (such as performance shares (units)), and cash-denominated performance awards pursuant to the Company's EIP, and the terms thereof, including:
  - the award opportunities, vesting schedule, performance goals, exercisability and term, to the Company's Senior Officers and other employees selected by the Committee to participate in such plans established for this group, namely the Company's LTI Awards; and
  - broad-based grants to employees below Senior Officer and review such individual awards made under delegated authority to other employees below Senior Officer.

Establish policy with respect to the timing of annual equity grants. Performance goals established by the Committee must be approved by the Board of Directors. Monitor compliance with all other terms of the EIP.

11. The determination of standard Company benefit programs is delegated by the Board to the Benefit Plans Committee, with an annual review to be performed by the Committee. Review, and when appropriate, recommend to the Board for approval, broad-based employee benefit plans for the Company, which includes the ability to adopt, amend, and terminate such plans.

#### *Talent Development and Succession Planning*

12. Review the Company's talent management programs and practices that provide for: leadership development, performance management, talent acquisition, and succession planning for the CEO, Senior Officers, and other individuals as designated in the Company's Bylaws, their direct reports and other potential successors. Advise the Board concerning the Company's management succession plans including plans for development of potential future Senior Officers and plans for succession in case of an unexpected disability or departure of a Senior Officer.
13. Review and approve performance goals and objectives for the CEO, Senior Officers, and other individuals as designated in the Company's Bylaws. Review the performance of each individual in light of his/her goals and objectives, taking into consideration the results of any performance evaluation or externally conducted 360° review, and feedback from the CEO and other members of senior leadership, including related compensation recommendations.



14. Review at least annually the Company's diversity, equality, and inclusion programs, policies, and practices to determine their effectiveness in seeking out untapped talent and providing mentorship and developmental opportunities at all levels of the organization.
15. Approve the hiring of a Senior Officer of the Company or the promotion of any Officer to Senior Officer position including the related compensation package, the terms and conditions of employment, and any benefits that may be provided upon the cessation of employment.
16. Review and affirm Officer (Officer Vice President level) appointments and recommend such candidates to the Board for annual or ad hoc election as Officer, including new hires, and report to the Board all Officer resignations and terminations.

#### *Executive Compensation Related Disclosures*

17. Annually review and discuss with management the Compensation Discussion and Analysis ("CD&A") and related proxy information (compensation tables, etc.) and recommend to the Board whether, based on that review and discussion, the CD&A should be included in the Company's proxy statement for the Annual Meeting of Stockholders and incorporated by reference into the Company's Form 10-K annual report. Approve the Compensation Committee Report required to be included in the Company's annual proxy statement.
18. Oversee the Company's submissions to stockholders on executive compensation matters, including review and recommend to the Board for approval the frequency with which the Company will conduct advisory votes on executive compensation ("Say on Pay Votes"), review and approve proposals regarding the Say on Pay Vote to be included in the Company's proxy statement, and consider the results of the most recent advisory vote on executive compensation and other factors deemed relevant in discharging its responsibilities. Ensure proxy statement provides clear communications to stockholders about executive compensation programs.

#### *Risk Management*

19. Oversee the assessment of risks associated with the Company's compensation policies and practices. Review at least annually, reports on the Company's compensation and benefits programs, policies and practices as they impact all employees to determine whether they create risks that are reasonably likely to have a material adverse effect on the Company. Discuss at least annually the relationship between risk management policies and compensation practices, the manner in which risks arising out of the Company's compensation policies and practices are monitored and mitigated, and any adjustments to compensation policies and practices that should be made to address changes in the Company's risk profile. Review any material changes to the Company's compensation and benefits plans as needed. Report to the Board of Directors its findings, including if any compensation program is reasonably likely to have a material adverse effect on the Company.
20. Make all determinations under the Incentive Compensation Recovery ("Clawback") Policy, including without limitation, (i) whether the policy should be applied to a particular payment or award, (ii) the amount of compensation to be repaid or forfeited by the covered Senior Officers and Officers, (iii) whether the covered Senior Officers and Officers should be provided an opportunity to respond to any claim of misconduct whether in writing or at a meeting, and (iv) the period of repayment and form of repayment.

#### *Director Compensation*

21. Typically, on a biennial basis, conduct a formal market review of director compensation practice and as determined appropriate, make recommendations to the Board regarding any change to



directors' compensation, including cash payments, equity-based awards, and other benefits. In considering directors' compensation and other benefits, the Committee may take into consideration the relative responsibilities of directors in serving on the Board and its standing Committees, including the role of Chairman of the Board, and the status of the Board's compensation in relation to similarly situated companies. Directors who are Company employees, shall not be compensated for their services as directors.

22. The Committee will periodically review the design of the Non-Employee Director Deferred Compensation Plan.
23. Review and amend, as appropriate, the stock ownership guidelines for the Board, and at least annually review compliance with the guidelines.

#### *External Advisors*

24. The Committee is directly responsible for the appointment, compensation, retention, and oversight of the work performed by any retained independent compensation consultant, independent legal counsel, or other advisor (each, a "compensation advisor") that its members deem necessary to assist them in carrying out their prescribed duties and is responsible for the selection and termination of these advisors.
25. Before selecting any compensation advisor (excluding in house counsel) and annually thereafter, the Committee must take into account the following factors affecting the independence of the compensation advisor as required by the Exchange Act Rule 10C-1, as well as factors deemed relevant by Nasdaq in its listing standards as the same may be amended from time to time:
  - the provision of other services to the Company by the entity that employs the compensation advisor;
  - the amount of fees paid by the Company to the entity that employs the compensation advisor as a percentage of that entity's total revenue;
  - the policies and procedures of the entity that employs the compensation advisor that are designed to prevent of conflicts of interest;
  - any business or personal relationship of the compensation advisor with any member of the Committee, other member of the Company's Board of Directors, or Executive Officer;
  - ownership by the compensation advisor of the Company's common stock; and
  - any business or personal relationship between the compensation advisor or the entity that employs the compensation advisor and a Senior Officer of the Company.

If a conflict of interest is assessed, the nature of the conflict and how it was addressed must be disclosed in the Company's proxy statement, as required by SEC Regulation S-K Item 407(e)(3)(iii).

26. The Committee is not required to implement or act consistently with the advice or recommendations of the compensation advisor, nor does the selection of a compensation advisor by the Committee affect its ability or obligation to exercise its own judgment in fulfillment of Committee duties.



*General*

27. Carry out such other duties that may be delegated to the Committee by the Board from time to time.

*Reliance on Others*

Nothing in this Charter is intended to preclude or impair the protection provided in Section 141(e) of the Delaware General Corporation Law for good faith reliance by members of the Committee on reports and other information provided by others.