

Compensation Committee Charter

As approved by the SPIE Board of Directors 13 Nov 2020

Purpose

The Compensation Committee (“the Committee”) is appointed by the Board of Directors (“the Board”) to assist the Board in its responsibilities regarding compensation of the Chief Executive Officer (“the CEO”), Senior Executives and “disqualified persons” (as defined in the Internal Revenue Code).

Goals and Deliverables

- CEO Performance Management. The Committee annually will approve goals and performance criteria relevant to compensation of the CEO, evaluate the CEO’s performance in light of these goals and performance criteria, and review and approve the CEO’s compensation and benefits, including incentive bonus awards, based on the Committee’s evaluation. This information will be reported to the Executive Committee and SPIE Board.
- Senior Executive Compensation. The Compensation Committee annually will review the CEO’s total compensation and the CEO’s recommendations for all other executives or key employees who may be “disqualified individuals” potentially subject to intermediate sanctions to determine whether total compensation, including benefits, is within benchmarks.
- Disclosure. The Compensation Committee will review the disclosure of executive compensation in form 990 and notify the Executive Committee or the Board of any issues raised by the disclosure.
- Reporting. The Compensation Committee will review its performance against this charter and provide a report to the Executive Committee annually on its activities and decisions. Proposed changes will be sent to the Board for approval.
- Oversight. The Compensation Committee will review on a periodic basis the Society’s management compensation programs, including any Senior Executive incentive compensation plans as well as plans and policies pertaining to perquisites, to determine whether they are appropriate, properly coordinated and achieve their intended purpose(s), and recommend to the Board any appropriate modifications or new plans or programs. In addition, the Compensation Committee will review and authorize any employment contract, compensation, benefit or severance agreement with key executives.

Membership

- Qualifications. The SPIE Compensation Committee will be comprised of the previous year’s SPIE Executive Committee with the Treasurer from that Committee serving as Committee Chair. The Committee Chair will have the option of including up to two additional members who are current Board Members. The newly-elected SPIE Vice-President and, if appropriate, newly-elected Treasurer will be non-voting Committee Observers. Each Compensation Committee member shall be free from any conflicts of interest with respect to the organization or the organization’s staff that may impair, or appear to impair, the member’s ability to make independent judgments regarding compensation policies.

- Removal. Members of the Compensation Committee may be removed by the Board at any time with or without cause.
- Term. Appointed Members of the Compensation Committee shall serve a one-year term and may be asked to extend their membership for additional terms.
- Voting. All Members, with the exception of the Committee Observers, will vote on all matters requiring committee approval.
- Chairman. The Chairman will be responsible for leadership of the Compensation Committee including preparing the agenda, presiding over the meetings, making committee assignments, keeping appropriate records of committee activities, and reporting for the Compensation Committee to the Executive Committee and Board.

Meeting logistics

The compensation committee will meet in-person at Photonics West when practical. Additional meetings may be arranged as needed.

Decision making authority

The Compensation Committee is a Standing Committee of the Board and shall report and make recommendations directly to the Board.

- Independence. The Committee will have the sole authority to (i) retain its compensation consultants, in accordance with the Company's Corporate Governance guidelines, to assist in matters pertaining to the compensation of the CEO, Senior Executives or directors and (ii) approve any consultants' fees and other terms of retention. The committee will also have authority to obtain advice and assistance from the internal or external legal, accounting or other advisers and to meet or otherwise coordinate its activities, with other committees of the Board as appropriate.
- Authority. The Compensation Committee has the authority to set its own rules, policies, procedures, and agendas. The Committee will have the authority to (i) retain its compensation consultants, in accordance with the Company's Corporate Governance guidelines, to assist in matters pertaining to the compensation of the CEO, Senior Executives or directors and (ii) approve any consultants' fees and other terms of retention. The committee will also have authority to obtain advice and assistance from the internal or external legal, accounting, or other advisers and to meet or otherwise coordinate its activities, with other committees of the Board as appropriate. The Committee approves the CEO compensation as well as compensation of other named executives as outlined above.
- Documentation. The Chairman will document how the Compensation Committee reached its recommendations. The Board will document when pay decisions are approved including the data on which it relied in minutes of the meeting during which the compensation was approved. Documentation will include:
 - a) A description of the compensation and benefits and the date it was approved;
 - b) The members of the committee who were present during the discussion about compensation and benefits, and the results of the vote;

- c) A description of the comparability data relied upon and how the data was obtained; and
- d) Any actions taken (such as abstaining from discussion and vote) with respect to consideration of the compensation by anyone who is otherwise a member of the committee but who had a conflict of interest with respect to the decision on the compensation and benefits.

Quorum for decision making

Quorum is established for in-person and virtual meetings by a simple majority of committee members, inclusive of the Chair. Once a quorum is established, a majority of the votes cast is required for the passage of a motion made during in-person and virtual meetings (abstentions and recusals do not count for or against a motion). The Chair may choose or choose not to vote on any motion or may choose to only vote in order to break a tie.

Ground rules or agreements

- Signed Conflict of Interest & Confidentiality Policies
- Signed Anti-Harassment Policy