

FOREST TRENDS STAFF AND CEO COMPENSATION POLICY

The total compensation policy at Forest Trends is designed to attract and retain talented staff critical to the success of the organization. In addition, Forest Trends believes that effective compensation programs support the organization's mission and values, promotes excellence in service and strategic growth, and provides competitive rewards to employees whose outstanding performance make significant contributions to the organization and its mission.

The total compensation policy seeks to:

- Present competitive base salaries, incentives and benefit components;
- Be consistent with the financial objectives and operating performance of Forest Trends;
- Review and set compensation annually in the context of the level of experience, and responsibilities of each staff member as well as the individual contributions made to the success of Forest Trends. Factors such as leadership skills, analytics skills and organizational development are important elements to take into account in considering levels of compensation; and
- Motivate staff to reach organizational performance goals while focusing on strategic objectives.

In compliance with applicable regulatory considerations, each year the FT Executive Committee of the Board of Directors reviews and approves the President & CEO's base salary and any proposed incentive compensation payments. Additionally, the President & CEO seeks approval from the FT Executive Committee of the Board of Directors for a compensation rate adjustments (increases) for staff each year.

Pay decisions are recommended at the start of each year by Director-level staff following a detailed Overall Performance Evaluation process. The salary recommendations are aggregated and reviewed by HR to ensure pay levels are market-competitive and internally equitable, then are reviewed with Finance to assess implications for the annual Budget, and, finally, are reviewed and approved by the President & CEO.

To ensure the competitiveness of Forest Trends total compensation program, FT will, periodically, commission compensation benchmarking studies from a qualified independent compensation consulting firm and/or a comparison study conducted by a professional consultant on the basis of suitable and current third-party compensation survey data.

DETERMINING COMPENSATION LEVELS

The process for determining starting salaries for new hires and the appropriate pay adjustments for existing employees is framed by salary ranges by position, and informed by the individual's position, job description, levels of competency as well as levels of responsibility and areas of oversight.

Pay decisions are recommended annually at the start of each year by Director-level staff following a detailed Overall Performance Evaluation process. The salary recommendations are aggregated and reviewed by the Director of Operations to ensure pay levels are market competitive and internally equitable.

The process for determining salaries and appropriate pay adjustments is informed by the individual staff's position, job description, experience, levels of competency and levels of responsibility and areas of oversight.

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Compensation is considered in the context of levels of competency including:

- Decision-making authority
- Supervisory\management level
- Required interpersonal skills
- Communication skills
- Job complexity and required conceptual thinking
- Impact of position on organizations strategy, goals and objectives

And considering the following areas of responsibility/oversight:

- Management (including personnel, work program, appraisal, selection, professional development and training)
- Financial management (including budget management, reporting, financial processes and procurement)
- Donors, networks, partners, collaborators, competitors ('client' orientation)
- Representing the organization
- Fundraising
- Strategic leadership and new business development