

## **Policy on Executive, Officer and Key Employee Compensation**

### **A. Application**

This policy shall apply to any individual employed as in the position of Executive, Officer or Key Employee with Oral Roberts University (“ORU”). The position of Executive shall be the President (Chief Executive Officer) as the top management official who has the ultimate responsibility for implementing the decisions of ORU’s governing body or supervising the management, administration, or operations of the University. An Officer is determined by ORU’s governing documents and applicable state law and includes any person elected or appointed to manage ORU’s daily operations and receiving compensation for such services, such as a Vice-President as well as the individual who has ultimate responsibility for managing ORU’s finances. A Key Employee is an individual employed by ORU who satisfies at least one of the following criteria:

1. \$150,000 Test - the employee receives reportable compensation from ORU (including any all related organizations) in excess of \$150,000 for the year; and
2. Responsibility Test - the employee: (i) has responsibility, powers, or influence over ORU’s operations that is similar to those of an Officer; (ii) manages a discrete segment or activity of ORU that represents 10% or more of the activities, assets, income, or expenses of the University; or (iii) has or shares authority to control or determine 10% or more of the ORU’s capital expenditures, operating budget, or compensation for employees; and
3. Top 20 Test - is one of the 20 employees (that satisfy the \$150,000 Test and Responsibility Test) with the highest reportable compensation from ORU (and any related organization) during the year.

In addition to the foregoing tests, a Key Employee will include any other person who, based upon the relevant facts and circumstances, has substantial influence over the affairs of ORU rendering them a “disqualified individual” under the definition of the Internal Revenue Code

### **B. Approval of Compensation**

Compensation for individuals employed as Executive, Officer and Key Employee of ORU shall be subject to review and approval. The process of review and approval of compensation shall include all of these elements: (1) review and approval by the board of directors or designated committee; (2) use of data as to comparable compensation; and (3) contemporaneous documentation and recordkeeping.

1. **Review and approval.** The compensation of an individual employed in a position of Executive, Officer or Key Employee is reviewed and approved by the Board of Trustees or its designated committee (Compensation/Human Relations). Persons with conflicts of interest with respect to the compensation arrangement at issue shall not be involved in the compensation review and approval process.

2. **Use of data as to comparable compensation.** The review and approval of compensation of the individual employed in the position of Executive, Officer or Key Employee shall be based upon data of comparable compensation for similarly qualified persons in functionally comparable positions at similarly situated organizations.
3. **Contemporaneous documentation and recordkeeping.** There shall be contemporaneous documentation and recordkeeping with respect to the review and approval of compensation paid to individuals employed in positions of Executive, Officer or Key Employee.

*Adopted 4-16-09 by ORU Board of Trustees*