A meeting of the Compensation Committee of the Board of Trustees convened in Room 326 of Stewart Center, Purdue University West Lafayette, Indiana, at 10:00 a.m. on November 5, 2014.

Two of the three Committee members, constituting a quorum, were present in person or, where specifically noted, by means of electronic communication pursuant to the Electronic Meeting Policy: Michael Berghoff, chair (by phone), and JoAnn Brouillette. Don Thompson’s absence was excused. Thomas Spurgeon was also present, and other trustees in attendance by phone were Sonny Beck, Vanessa Castagna, John Hardin, and Gary Lehman. Kelsey Quin and Bruce White were not in attendance.

Also present were Steve Schultz, Legal Counsel, and Janice Indrutz, Executive Assistant to the Board and Corporate Secretary.

I. DETERMINATION OF PRESIDENTIAL PERFORMANCE AT-RISK PAY FOR 2013-2014

Trustee Berghoff first reminded those in attendance of the background of the President’s compensation structure. He observed that, upon his appointment, President Daniels had insisted that his overall compensation be set at a level lower than that of his predecessor, and that a portion of it be “at-risk” – meaning that it would be paid only to the extent relevant performance metrics were met. Trustee Berghoff then reviewed the four categories of performance on which the determination of President Daniels’ at-risk pay of $126,000 was based. As more particularly described in an addendum to President Daniels’ employment agreement, the categories (and the respective weights assigned to them) were student debt (25%), graduation completion (25%), fundraising (30%), and committee action (20%). He then explained how the Committee arrived at a recommended payout of 88%, or $110,880.

Trustee Brouillette moved to recommend Executive Committee approval of the payout amount, which Trustee Berghoff seconded to carry the motion. Trustee Brouillette commented that this was the Board’s first attempt to develop meaningful, impactful measures of President Daniels’ progress, and that the measures would continue to be refined in future years to reflect changes and refinements in the university’s goals and objectives. She also said that President Daniels had met the Board’s high expectations. Trustee Berghoff then pointed out the Committee’s realization that the metrics did not fully capture some of President Daniels’ key successes, such as in the student debt category, where he had made significant contributions that were not yet reflected in results. Trustee Berghoff continued that the Board of Trustees was extremely satisfied with President Daniels’ performance. Supporting documents were filed with the minutes.

II. ADJOURNMENT

By consent, the meeting adjourned at 10:10 a.m.