A meeting of the Compensation Committee of the Board of Trustees convened at 10:54 a.m. on Friday, October 14, 2016, in Room 326 of Stewart Center on the campus of Purdue University in West Lafayette, Indiana.

All members of the Committee were present: Thomas Spurgeon, chair; Gary Lehman; and Don Thompson. All other trustees were present: Sonny Beck; Michael Berghoff; JoAnn Brouillette; Vanessa Castagna; Malcolm DeKryger; Michael Klipsch; and Cameron Mann.

Officers and administrators present included: Bill Sullivan, treasurer and chief financial officer; Jim Almond, senior vice president and assistant treasurer; Steve Schultz, legal counsel; Janice Indrutz, executive assistant to the Board and corporate secretary; Tom Keon, chancellor of Purdue University Northwest; and Vicky Carwein, chancellor of Indiana University-Purdue University Fort Wayne.

I. APPROVAL OF MINUTES

Upon proper motion duly seconded, the Compensation Committee voted unanimously to approve the minutes of its last meeting held on December 18, 2015.

II. DETERMINATION OF PRESIDENTIAL PERFORMANCE AT-RISK PAY FOR 2015-2016

Trustee Spurgeon discussed the Finance Committee’s recommendation that President Daniels receive 96% of the potential at-risk pay available to him for 2015-2016, or $201,600. Trustee Spurgeon reviewed the four categories on which the at-risk pay was based (student affordability, student success, fundraising, and institutional reputation and excellence), and he outlined President Daniels’ achievement in each. Trustee Spurgeon stated that each year, President Daniels had improved results, which included a decrease in undergraduate student debt, decreased cost of attendance, increased four-year graduation rate, and an increased number of donors.

Chairman Berghoff noted that President Daniels was not in attendance. Trustee Lehman reiterated Trustee Spurgeon’s statement that President Daniels’ compensation was in the lower third of the Big Ten, and he compared President Daniels’ performance to the other Big Ten presidents. He emphasized that, based on President Daniels’ excellent performance, Purdue “was getting a bargain.” Trustee Thompson remarked that when the Board had discussed increasing President Daniels’ salary, President Daniels asked that any increase be in at-risk pay, not base salary, and he said that President Daniels had been true to his word about being fiscally responsible. Trustee Spurgeon confirmed that President Daniels’ base salary had not increased since he became president.

Upon proper motion duly seconded, the members of the Compensation Committee voted unanimously to recommend full Board approval to award President Daniels 96% of his at-risk pay for 2015-2016. Supporting documents were filed with the minutes.
III. ADJOURNMENT

By consent, the meeting adjourned at 11:00 a.m.

IV. REMARKS TO PRESIDENT DANIELS

President Daniels entered the room at the conclusion of the meeting. Trustee Spurgeon shared with him that the Compensation Committee had approved a recommendation to award him 96% of his at-risk pay. On behalf of the Committee, Trustee Spurgeon congratulated and thanked President Daniels for his extraordinary performance.