

American Skin Association

Policy for Board Approval of Compensation

The President and CEO, Acting President, Executive Vice President and Managing Director of American Skin Association (“ASA”) are the principal representatives of ASA, and the persons responsible for the efficient operation of the organization. Therefore, it is the desire of ASA to provide a fair yet reasonable and not excessive compensation for these persons (and any other compensated employees and consultants).

The annual process for determining compensation is as follows: The Compensation Committee of the Board of Directors (“Board”) shall annually evaluate the President and CEO, Acting President, Executive Vice President and Managing Director on their performance, and ask for their input on matters of performance and compensation.

Board Approval. The Compensation Committee shall obtain the following information for each person whose compensation is to be considered:

1. Salary and bonus for the previous periods;
2. Vacation for the previous periods;
3. Any other benefits;
4. Amount of time devoted to ASA;
5. Other employment or nonprofit activities; and
6. Any recommendations from any officer or director concerning the future compensation of the individual.

In addition, the Compensation Committee will obtain information to facilitate the review of compensation arrangements, including reasonably available comparability data that documents compensation levels and benefits for similarly qualified individuals in comparable positions at similar organizations. This data may include the following:

1. Salary, bonus and benefit compensation studies by independent sources;
2. Written job offers for positions at similar organizations;
3. Documented telephone calls about similar positions at both nonprofit and for-profit organizations; and
4. Information obtained from the IRS Form 990 filings of similar organizations.

The Compensation Committee will then make a recommendation to the full Board, and the Board will decide whether to approve the compensation arrangements.

Concurrent Documentation. To approve the compensation for the President and CEO, Acting President, Executive Vice President and Managing Director (and other compensated employees and consultants) the Board must document how it reached its decisions, 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 Board 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 Board but who had a conflict of interest with respect to the decision on the compensation and benefits.

Independence in Setting Compensation. The Chairman of the Board, who is a volunteer and not compensated by ASA, will operate independently without undue influence from the President and CEO, Acting President, Executive Vice President and Managing Director.

No member of the Compensation Committee will be a staff member, the relative of a staff member, or have any relationship with staff that could present a conflict of interest.

Date Initial Compensation Approval Policy Was Adopted: April 22, 2014

Date of Amendments by Board: April 20, 2016