

WILDLIFE CONSERVATION SOCIETY

Executive Compensation Policy

This policy statement describes the design and administration of the executive compensation program of the Wildlife Conservation Society (“WCS”). The program is an important tool for attracting and retaining talented individuals who can contribute significantly to the success of WCS’s mission. This policy statement was adopted by the Human Resources and Compensation Committee of the Board of Trustees on June 2, 2010 and subsequently revised on June 3, 2013, and may be modified or rescinded, in whole or in part, by the Committee at any time.

Framework for Executive Compensation

The Wildlife Conservation Society is a tax-exempt charitable organization subject to both New York law regarding compensation of corporate officers and applicable Internal Revenue Code provisions (the “Code”) and Treasury Regulations concerning executive compensation. In making decisions concerning executive compensation, WCS is bound by and complies with provisions of the Code and Regulations and New York law, and guidance from the Internal Revenue Service (the “IRS”). WCS has adopted bylaw provisions in keeping with these requirements.

Under the WCS bylaws, the Human Resources and Compensation Committee of the Board of Trustees has the responsibility and authority to fix the compensation of all corporate officers. The bylaws provide that the Committee has and may exercise “all the authority of the Board to consider, determine, fix, approve and pay or cause to be paid reasonable compensation to any such corporate officer.” In reviewing compensation, the Committee is to consider whether such arrangements are reasonable and consistent with practices among not-for-profit, tax-exempt organizations generally and specifically in New York City. WCS and the Committee consult regularly with compensation consultants, legal counsel and WCS’s external auditors in order to establish procedures and make decisions and provide required public disclosures that comply with New York and federal law and regulations.

Executive Compensation Philosophy

WCS’s executive compensation philosophy has five objectives:

- *Attract and retain world-class talent:* In order to attract and retain outstanding executives, WCS’s compensation program reflects prevailing competitive practices balanced by the limitations of WCS’s financial resources.
- *Reward sustained high performance:* WCS uses compensation to encourage and reward outstanding performance. Accordingly, WCS may pay consistently outstanding performers above the middle of the competitive range.
- *Promote retention of high-performing executives:* In certain positions, high-performing incumbents become increasingly valuable to WCS as they serve longer in those positions. In these cases WCS may use deferred compensation and other means to encourage and reward length of service by high-performing executives.

- *Measure compensation on an all-in basis:* WCS's compensation program includes base salary, performance-based and retention-based incentives, retirement and other benefits, and deferred compensation. In assessing labor market competitiveness, WCS compares the total value of all compensation to competitive levels for compensation including the same elements.
- *Use a consistent, transparent and independent process:* WCS uses a consistent process from year to year. Decisions concerning senior executive compensation are made by the Human Resources and Compensation Committee of the Board of Trustees. Internal and external disclosures exceed minimum requirements to encourage understanding of context as well as the decisions themselves.

Competitive Positioning of Compensation

Competitive positioning answers two questions:

- To whom does WCS compare itself when assessing the competitiveness of its executive compensation levels? In other words, what is the peer group?
- What level of the competitive total remuneration range does WCS target?

Peer Group Selection

WCS is a unique and complex organization. In addition to operating the largest system of urban wildlife parks in the United States, serving over four million visitors a year, WCS is one of the largest wildlife conservation organizations in the world, with programs in over 60 countries. WCS is also a scientific research institution and a teaching institution.

Because of this complexity, WCS benchmarks compensation against position-specific peer groups for each executive position evaluated. These peer groups reflect a position's functional responsibilities and the relevant potential recruiting pool. The peers for a position are generally drawn analytically from positions at the following types of organizations:

- Zoos and aquariums – of which WCS is one of the largest
- Conservation organizations – of which WCS is one of the largest
- Cultural institutions – comparable to WCS in size, although WCS is often more complex
- Prestigious medium-sized universities – focused in the Northeast
- Charitable foundations
- Other leading New York-area tax-exempt organizations

Competitive Targeting

WCS generally targets the 50th percentile range of competitive practice. Consistent with WCS's focus on world-class talent, in appropriate instances WCS will target higher percentile ranges, for example the 75th percentile range.

Elements of Compensation

For each senior executive, all the elements of his or her compensation are reviewed and approved annually by the Trustees' Human Resources and Compensation Committee. The elements of WCS's total remuneration packages include the following:

- **Base Salary** - WCS sets base salaries to reflect prevailing competitive practice.
- **Incentive Compensation and Bonuses** - WCS may provide incentive compensation opportunities to executives whose positions have direct analogues in the for-profit world for which incentive compensation is used and whose performance is measurable consistent with for-profit practice. WCS may also provide end-of-year bonuses to executives whose performance has been demonstrably outstanding during the year.
- **Deferred Compensation** - WCS uses deferred compensation arrangements to provide retirement benefits to its executives which otherwise would be lost due to statutory limitations and to retain talent. For retention purposes, executives receive the deferred compensation only if they remain employed through a predetermined timeframe, typically five to ten years.
- **Benefits** - WCS executives receive the same health and welfare benefits, including retirement benefits, as other non-union employees. WCS does not offer any perquisites to its executives, with the exception of taxable car allowances provided to a few executives who travel regularly to the parks in their personal vehicles. Such car allowances are in lieu of reimbursement of automobile-related business expenses. WCS executives do not receive discretionary expense allowances, and they are subject to the same travel and business expense policies as all employees.

Housing - WCS provides housing to its President and Chief Executive Officer (the "President"). As a condition of employment, the President is required to reside in a WCS owned apartment, at which fundraising events and other meetings are held for WCS's purposes and benefit. In New York City other not for profit institutions similarly require their chief executives to reside in provided housing. The WCS apartment is in a central location, so the President has rapid access to any of WCS's five parks when necessary. WCS has taken a conservative position with respect to income tax by treating the apartment's rental value as a taxable benefit, and in its Form 990 WCS discloses the rental value..

Decision Process

In making executive compensation decisions, WCS follows leading governance standards and the requirements of the IRS.

The Internal Revenue Code prohibits "excess benefit transactions" by a tax-exempt organization with "disqualified persons" such as the organization's executives. Payment by an organization of reasonable compensation to its executive is not an "excess benefit transaction." The IRS has adopted regulations that define three criteria which, if met, will enable organizations such as WCS to establish a "rebuttable presumption" that payment of compensation is reasonable and not an excess benefit transaction. The criteria adopted by the IRS are: (1) approval by a governing body or committee thereof with appropriate authority and composed entirely of persons without a conflict with respect to the compensation decision; (2) reliance by the body or committee on appropriate data as to the reasonableness of the compensation (typically such data are referred to

as “comparability” data); and (3) adequate documentation of the basis for the decision by the body or committee at the time the decision is made. WCS’s Human Resources and Compensation Committee follows these criteria, as described below:

- The Committee, composed of persons without a conflict with respect to the compensation decision, makes all decisions regarding the form and amount of executive compensation.
 - The President provides the Committee with an annual written self-assessment of his performance, as well as an oral report. After discussing the President’s performance in executive session, without the President present, the Committee makes its decisions regarding the President’s compensation.
 - The President provides the Committee with an annual written assessment of the performance of each senior executive, as well as an oral report. The President recommends compensation decisions for each senior executive. After discussing the performance of each with the President, the Committee makes its decisions regarding each senior executive's compensation.
- The Committee regularly consults with advisors, including compensation advisors who are engaged directly by the Committee:
 - Every other year the Committee commissions its compensation advisors to prepare a competitive total remuneration analysis of the President’s position.
 - Every other year the Committee commissions its compensation advisors to prepare a competitive total remuneration analysis of all other corporate officers, key employees as defined by the Internal Revenue Service, and any other positions above a salary threshold (currently \$200,000).
 - A representative of the compensation advisory firm is present to advise the Committee as it deliberates and makes executive compensation decisions.
 - The Committee Chair also consults with the Committee’s compensation advisors on compensation-related issues, either with or without management present.
 - Regularly as needed the Committee and/or the Committee Chair consult(s) with outside legal counsel regarding Committee procedures and decisions.

The Committee receives a comprehensive report of travel and entertainment expenses incurred on WCS business by the President and other senior executives. These expenses are audited periodically by external auditors to assure that expenses are incurred in accordance with WCS’s travel expense policies for all employees

Form 990 Disclosure

WCS strives for completeness and transparency in its compensation disclosures. WCS values all elements of compensation and discloses them on its annual report to the IRS on Form 990, a public document. On its Form 990 WCS reports elements of compensation that other organizations may not report, such as health and welfare benefits, unvested deferred

compensation and housing. WCS provides on its Form 990 explanatory footnotes concerning the form, value, timing, and performance or service conditions of compensation provided to executives. To understand WCS's compensation program more fully in context, WCS encourages review of the charts and footnotes WCS provides on its Form 990.