

THE WALLACE FOUNDATION

COMPENSATION AND NOMINATING COMMITTEE CHARTER

The Compensation and Nominating Committee of the Foundation's Board of Directors (the Committee) has three primary responsibilities:

- to oversee the Foundation's compensation and benefits programs;
- to identify and recommend candidates for election to the Board of Directors; and
- to review the annual performance of the Board, president and senior management.

The Committee shall consist of non-employee directors and is authorized to undertake the following actions:

1. For all staff, review and approve the overall compensation program (salaries and benefits) from a competitive market position.
2. Review the Foundation's employee benefit programs for their compliance with applicable laws and regulations and recommend to the Board of Directors any additions, terminations or changes in such programs as may be desirable and appropriate.
3. Appoint and remove members of the Administrative Committee, which has responsibility for the day-to-day management of the Foundation's 403(b) Retirement Plan, its Cafeteria Plan, its Supplemental Executive Retirement Plan, and its 457(b) Deferred Compensation Plan, and review the Committee's annual report of actions taken.
4. Review and assess the annual performance of the Foundation's President, and recommend to the Board of Directors appropriate compensation for that position annually.
5. For senior management, review the president's assessment of performance and recommendations for merit increases.
6. Review management development and succession plans.
7. Review and recommend to the full Board the optimal size of the Board.
8. Review and recommend appropriate candidates for membership on the Board.
9. Review and recommend appropriate candidates for the position of chairman of the Board and all other officers of the Foundation.
10. Review and recommend appropriate candidates to serve as the members and chairs of Committees of the Board.
11. Lead the Board in an annual assessment of its performance.
12. Engage and work directly with appropriate expert advisors as necessary or advisable.
13. Periodically review the Committee's responsibilities and recommend any changes to the Board of Directors.
14. Perform such other functions as the Board of Directors shall designate from time to time.

The management liaison to the Compensation and Nominating Committee shall be the Director of Operations.