

## **Cambridge Credit Counseling Corp.**

### **EXECUTIVE COMPENSATION COMMITTEE CHARTER**

#### **I. General Statement of Purpose**

The Executive Compensation Committee (the “Committee”) of the Board of Directors of Cambridge Credit Counseling Corp. (the “Organization”), on behalf of the Board of Directors (the “Board”), discharges the Board’s responsibilities relating to compensation of the Organization’s directors, officers and employees making in excess of \$90,000 in annual base pay, and is responsible for producing an annual report on executive compensation for presentation to the Board. The primary objective of the Committee is to develop and implement compensation policies and plans that are appropriate for the Organization in light of all relevant circumstances, that enhance employee retention, that further the Organization’s key goals and that are consistent with the culture and mission of the Organization.

#### **II. Committee Composition**

The number of individuals serving on the Committee shall be fixed by the Board from time to time but shall consist of no fewer than three members, each of whom shall be an independent director. In addition, if any of the Organization's executive officers serve on the compensation committee of another company, none of the executive officers of that company may serve on the Committee.

The members of the Committee shall be appointed annually by the Board and may be replaced or removed by the Board at any time with or without cause. Resignation or removal of a Director from the Board, for whatever reason, shall automatically constitute resignation or removal, as applicable, from the Committee. The Board should promptly fill vacancies that occur. The Board shall designate one member of the Committee to serve as Chairman of the Committee.

#### **III. Meetings**

The Committee should meet periodically, as necessary and appropriate, to carry out its responsibilities. A majority of the members of the Committee shall constitute a quorum for purposes of holding a meeting and the Committee may act by a vote of a majority of members present at such meeting. In lieu of a meeting, the Committee may act by unanimous written consent.

Subject to the right of the Committee to meet in executive session at any time, the Chief Executive Officer (the “CEO”) of the Organization shall be invited to attend all meetings of the Committee, except that the CEO shall not participate in such portion of any meeting in which the CEO’s compensation is decided or the CEO’s performance is evaluated, except to the extent that the Committee requests the participation of the CEO to review the CEO’s performance and that of the Organization during the relevant period prior to going in to executive session in connection with the matters before the Committee. The Committee shall invite other members of management and such other persons whose presence the Committee believes to be necessary or appropriate to attend meetings and provide pertinent information, as necessary. The Chairman of the Committee shall set

the agenda for all Committee meetings and determine and communicate to management the information needs of the Committee. The agenda, along with appropriate briefing materials, will be prepared and provided in advance of meetings to Committee members. Minutes will be prepared and the Committee shall report to the Board the results of its meetings in accordance with the by-laws of the Organization.

#### **IV. Committee Responsibilities**

The Committee's responsibilities shall be to:

##### **A. Philosophy**

Establish and assure adherence to a compensation philosophy that reflects the charitable, tax-exempt mission of the organization. Review from time to time the stated philosophy.

##### **B. Rebuttable Presumption of Reasonableness**

Review and approve executive compensation in a manner that qualifies for the rebuttable presumption of reasonableness under the intermediate sanctions rules.

##### **C. Committee Charter**

Review and reassess the adequacy of the Committee's charter annually and submit any proposed changes to the Board for approval.

##### **D. Annual Report on Executive Compensation**

Produce an annual report on executive compensation for the Board in accordance with the Organization's by-laws and any rules and regulations that may be applicable to the Organization.

##### **E. Compensation of the Company's Chief Executive Officer**

Review and approve the corporate goals and objectives that may be relevant to the compensation of the Organization's CEO. Assure the formal and timely evaluation of the CEO's performance in light of the goals and objectives that were set for the CEO and determine and approve the CEO's compensation based on such evaluation.

##### **F. Compensation of the Officers Other than the Chief Executive Officer and employees making in excess of \$90,000 in annual base pay**

Review and approve the recommendations of the CEO with regard to the compensation of all officers of the Organization other than the CEO.

##### **G. Compensation of Non-Management Directors**

Review annually and recommend to the Board the amount of compensation for members of the Board who are not members of the management of the Organization.

##### **H. Employment Contracts**

Review and approve the terms of all employment contracts.

#### I. Form 990

Assure that compensation information is fully and fairly disclosed on the Form 990.

#### J. Annual Performance Evaluation of the Committee

Perform an annual performance evaluation of the Committee and report to the Board on the results of such evaluation.

### **V. General**

The Committee shall:

- Establish and delegate authority to one or more subcommittees consisting of one or more of its members, when the Committee deems it appropriate to do so in order to carry out its responsibilities.
- Make regular reports to the Board concerning areas of the Committee's responsibility.
- Assure that meeting minutes: are taken, prepared and approved within 60 days; contain terms of any approved compensation arrangements and the dates of approval; indicate the members present; have attached, documentation that fully supports any compensation arrangements contained therein.
- In carrying out its responsibilities, be entitled to rely upon advice and information that it receives in its discussions and communications with management and such experts, advisors and professionals with whom the Committee may consult. The Committee shall have the authority to request that any officer or employee of the Organization, the Organization's outside legal counsel, the Organization's independent auditor or any other professional retained by the Organization to render advice to the Organization, attend a meeting of the Committee or meet with any members of or advisors to the Committee. The Committee shall also have the authority to engage and terminate any legal, compensation or other advisors that are necessary to provide it with advice and information in connection with carrying out its responsibilities and shall have sole authority to approve any such advisor's fees. The Committee shall also assure that the consultant is independent (i.e. does not work for management or the Organization in any other capacity).
- Assure that the cost implications of any compensation arrangement it is asked to approve have been provided to the Committee.
- Have sole approval authority over any communications materials prepared in response to inquiries regarding executive compensation.
- Arrange for new members to receive a complete orientation regarding the

Organization's executive compensation process and all elements of the executive compensation program.

- Perform such other functions as may be requested by the Board from time to time.

Adopted by a resolution of the Board of Directors: April 15, 2009