

Department of Justice - Audit Report
 Goodwill Industries of the Columbia Willamette
 Detail of Compensation and Benefits paid to Michael Miller as reported on Form 990 returns

	2004	2003	2002	2001	2000	1999	1998
COMPENSATION							
Salary Base	284,797	281,907	274,238	267,837	254,811	227,027	231,596
Bonus	275,000	235,000	200,000	165,000	140,000	120,000	96,000
Retirement return due to contribution in excess of limits	3,184	2,188	1,833	1,958	2,598	2,174	1,378
Group Term Life > 50,000	1,942	1,915	1,843	1,753	890	1,213	1,560
Split Dollar Policy Insurance Value	2,170	1,988	1,792	1,610	1,498	1,386	2,198
Auto Personal Use	8,361	10,280	4,642	3,701	5,148	5,605	5,636
Medical Insurance/Reimbursement	-	-	-	-	413	5,118	7,883
Total Compensation	575,454	533,278	484,348	441,859	405,358	362,524	346,251
BENEFITS							
Rabbi Trust (Established 1994)							
Annual contribution 15.4% x (prior year base salary + retirement)	41,159	40,892	40,059	38,802	34,645	34,124	32,863
Change in accumulated balance due to Earnings(Loss)	100,478	92,176	(103,860)	(29,568)	(40,725)	17,109	41,615
	141,637	133,068	(63,801)	9,234	(6,080)	51,233	74,478
Unfunded Deferred Compensation (Established 1996)							
Change in present value	55,278	55,300	55,647	70,442	64,000	57,573	51,685
Miscellaneous							
Retirement plan contributions	26,509	25,852	25,871	21,919	21,955	20,635	20,635
Increase in accrued vacation balance	12,039	16,141	11,230	21,562	20,427	2,799	9,992
Medical	10,879	10,647	10,154	9,105	8,147	7,481	7,481
Execucare	3,174	4,570	4,693	5,014	4,713	1,022	-
Disability/Life Premiums	3,437	3,437	3,437	3,437	3,437	3,437	3,437
Annual Supplemental Disability	506	552	1,091	1,045	1,005	899	857
Short Term Disability	1,258	1,367	1,329	1,275	1,226	1,100	1,052
Long Term Disability	1,337	1,235	1,579	1,509	1,453	1,301	1,241
Life Insurance							
Total Miscellaneous	59,139	63,801	59,384	64,866	62,363	38,674	44,695
Total Benefits	256,054	252,168	51,229	144,540	120,283	147,480	170,858
Total Compensation & Benefits	831,508	785,446	535,577	586,399	525,641	510,004	517,109
Total with removal of Rabbi Trust change due to earnings/loss	731,030	693,270	639,437	615,967	566,366	492,895	475,494

GOODWILL INDUSTRIES
OF THE COLUMBIA WILLAMETTE

The business of changing lives.™

January 17, 2000

Kent Aldrich
Aldrich, Kilbride & Tatone
1011 Commercial Street NE, #220
Salem, Oregon 97301

Dear Kent:

On May 5, the Executive Committee met in closed session to conclude the evaluation of the performance, compensation and benefits of our CEO, Michael Miller. The committee agreed not to change his salary beyond the 1.6% increase in the CPI-W, which raised his salary from \$198,062 to \$201,231. However, we agreed that his performance merited an increase in bonus from \$96,000 to \$120,000. In due course, I conveyed these decisions to Michael and he expressed complete satisfaction with our decisions.

Also, we agreed as a committee that it was important to objectively determine the compensation Michael might be able to earn as an executive with a for-profit corporation. I undertook the task of identifying relevant information on this subject in order to assure ourselves and, if necessary, members of the press or public that Michael's compensation is fair and reasonable.

This summer I acquired a study conducted by James & Scott Associates, which was concluded in April 1999 for an identical purpose for another Goodwill. The study was designed specifically to develop an index of salary, bonus and stock options paid to for-profit executives in companies of relevant size to the nonprofit executive's. My review of the data developed by James & Scott Associates was reassuring. It seems clear that the compensation paid for-profit executives substantially exceeds the compensation we currently pay our CEO.

In addition, I submitted the complete study to our Board Treasurer, Kent Aldrich, who consulted with Bill Lovejoy of Benefit Brokers & Consultants, and Geoff Guilfooy, who recently chaired the State Compensation Committee charged with determining the compensation of Oregon's elected officials. Kent and all of the people he consulted agreed that it is appropriate for our committee to rely on the study.

In part, Kent determined:

"By interpolating the high correlation between sales and executive base salary, a base salary of \$282,484 would be suggested.

The chief executive of a retailing company in the 25th percentile received a base salary of \$223,300 with a bonus of 45%. A similar executive who was in the median range received a salary of \$279,800 with a bonus of 51%.

Competitive stock option multiples ranged from 159% to 183% of salary."

OFFICE OF THE PRESIDENT
1945 SE Sixth Avenue
Portland, Oregon 97214-3979
503/238-6137 • Fax 503/239-1702
e-mail: michaelm@teleport.com

January 17, 2000
Page 2

Kent's conclusions were summarized as follows:

<u>Relevant For-Profit Compensation</u>	<u>High Range</u>	<u>25th Percentile</u>
Salary	\$ 282,484	\$ 223,300
Bonus - 45%	127,118	100,485
Options - 159%	<u>449,150</u>	<u>355,047</u>
(For-profit sector compensation for responsibilities similar to Goodwill CEO)	\$ 858,752	\$ 678,832

I believe our research and findings adequately address the need to be able to "justify" the compensation of Goodwill's CEO with reference to the for-profit marketplace.

If you have any questions or suggestions that might shed further light on this matter or further solidify our position, I would like to hear from you.

Sincerely,


Thomas C. Young
Chairman

Goodwill Industries
 PAY SURVEY DATA UPDATED TO JULY 1999
 Prepared April 1999

COMPANY DATA		MARKETPLACE CONSENSUS Weighted averages of data below				
JOB TITLE		25th Pctl.	Median	75th Pctl.	90th Pctl.	
3 President priced as top executive of retailing company	PROJECTED SALES	\$223.3	\$279.8	\$350.6	\$429.3	
INCUMBENT	\$120 million	25th Pctl.	Median	75th Pctl.	90th Pctl.	
John Miller		\$264.7	\$362.1	\$496.1	\$658.4	
	TOTAL CASH less MEDIAN SALARY As % of Median Salary		\$82.3	\$216.3	\$378.6	
		0%	29%	77%	135%	

SURVEY	SURVEY POSITION	Reference	INDUSTRY/AREA/SCOPE	# of Cases	Survey Weight	UPDATED DATA		
						25th Pctl.	Median	90th Pctl.
Conference Board Top Executive Compensation	Chief Executive Officer	Job # -- Page # 92-94	Trade-Retail \$120 million	102	1.00	\$217.3	\$270.2	\$335.9
ECS/Watson Wyatt Top Management-Regression	Chief Executive Officer Bonus & No Bonus	Job # 0010 Page # 308-401	Retail Trade \$120 million	28	1.00	\$234.4	\$322.8	\$444.6
Mercer Executive Compensation	Chief Executive Officer	Job # 010 Page # --	Retail \$120 million	42	1.00	\$216.3	\$269.3	\$335.3
Mercer Financial, Legal & Accounting	Chairman & CEO	Job # 900 Page # App 25	General Industry \$120 million	185	0.00	\$224.6	\$290.3	\$375.3
						\$236.2	\$299.9	\$380.8
						\$355.2	\$473.3	\$668.3
						\$268.9	\$316.8	\$464.8
						\$315.1	\$436.8	\$605.3

Goodwill Industries
 PAY SURVEY DATA UPDATED TO JULY 1999
 Prepared April 1999

COMPANY DATA	MARKETPLACE CONSENSUS										
<p>TITLE 3 President priced as top executive of retailing company</p> <p>INCUMBENT John Miller</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; text-align: center;">25th Pctl.</td> <td style="width: 20%; text-align: center;">Median</td> <td style="width: 20%; text-align: center;">75th Pctl.</td> <td style="width: 20%; text-align: center;">90th Pctl.</td> </tr> <tr> <td style="text-align: center;">\$223.3</td> <td style="text-align: center;">\$279.8</td> <td style="text-align: center;">\$360.6</td> <td style="text-align: center;">\$429.3</td> </tr> </table> <p>SALARY (000)</p>	25th Pctl.	Median	75th Pctl.	90th Pctl.	\$223.3	\$279.8	\$360.6	\$429.3		
25th Pctl.	Median	75th Pctl.	90th Pctl.								
\$223.3	\$279.8	\$360.6	\$429.3								
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>BONUS as a % of Salary where bonus is paid</p> <p>STOCK OPTIONS as a % of Salary where options are given</p> </td> <td style="width: 50%; vertical-align: top;"> <p>For salary levels above:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">45%</td> <td style="width: 50%; text-align: center;">51%</td> <td style="width: 50%; text-align: center;">57%</td> <td style="width: 50%; text-align: center;">62%</td> </tr> </table> <p>For salary levels above:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">159%</td> <td style="width: 50%; text-align: center;">183%</td> <td style="width: 50%; text-align: center;">208%</td> <td style="width: 50%; text-align: center;">230%</td> </tr> </table> </td> </tr> </table>	<p>BONUS as a % of Salary where bonus is paid</p> <p>STOCK OPTIONS as a % of Salary where options are given</p>	<p>For salary levels above:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">45%</td> <td style="width: 50%; text-align: center;">51%</td> <td style="width: 50%; text-align: center;">57%</td> <td style="width: 50%; text-align: center;">62%</td> </tr> </table> <p>For salary levels above:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">159%</td> <td style="width: 50%; text-align: center;">183%</td> <td style="width: 50%; text-align: center;">208%</td> <td style="width: 50%; text-align: center;">230%</td> </tr> </table>	45%	51%	57%	62%	159%	183%	208%	230%
<p>BONUS as a % of Salary where bonus is paid</p> <p>STOCK OPTIONS as a % of Salary where options are given</p>	<p>For salary levels above:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">45%</td> <td style="width: 50%; text-align: center;">51%</td> <td style="width: 50%; text-align: center;">57%</td> <td style="width: 50%; text-align: center;">62%</td> </tr> </table> <p>For salary levels above:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">159%</td> <td style="width: 50%; text-align: center;">183%</td> <td style="width: 50%; text-align: center;">208%</td> <td style="width: 50%; text-align: center;">230%</td> </tr> </table>	45%	51%	57%	62%	159%	183%	208%	230%		
45%	51%	57%	62%								
159%	183%	208%	230%								

SURVEY	SURVEY POSITION	Reference	INDUSTRY	# of Execs	Survey Type of Data	PROJECTED MEDIAN OR MEAN INCENTIVE RATE FOR SALARY AT:				
						25th Pctl.	Median	75th Pctl.	90th Pctl.	
Annual Incentives										
ECS/Watson Wyatt Top Management-Industry	All executives at designated salary levels	Page # 1233	All Companies	4,872	1.00 Mean	41%	46%	51%	56%	Bonus as a % of Salary (where bonus is paid)
Hay Compensation, Benefits & HR Strategies	All executives at designated salary levels	Section # 3 & 10	General Industry	-	1.00 Median/ Mean	49%	56%	62%	68%	Bonus as a % of Salary (where bonus is paid)
Long-Term Incentives										
Hay Compensation, Benefits & HR Strategies	All executives at designated salary levels	Section # 11	General Industry	-	1.00 Median	159%	183%	208%	230%	Face Value of Stock Options as a % of Salary (where options are given)

Department of Justice - Audit Report
 Goodwill Industries of the Columbia Willamette
 Executive compensation of largest Goodwill organizations in United States

Form 990	Tax Year	Name	Title	Organization	City/State	Total Revenue	Comp.	Benefits	Total Comp. & Benefits	Total Comp. & Benefits as % of Revenue
1	2003 12/2003	John Miller	Pres. & CEO	Goodwill Industries of Southeastern Wisconsin, Inc.	Milwaukee, WI	112,628,191	276,201	135,250	411,451	0.37% a
2	2002 06/2003	Rex L. Davidson	President	Goodwill Industries of Greater NY & Northern NJ	Astoria, NY	62,551,064	339,192	80,958	420,150	0.67%
3	2003 12/2003	Michael Miller	President	Goodwill Industries of the Columbia Willamette	Portland, OR	58,130,276	533,278	159,992	693,270	1.19% b
4	2003 12/2003	Douglas H. Barr	Pres. & CEO	Goodwill Industries of So. California, Inc.	Los Angeles, CA	52,166,214	262,808	48,874	311,682	0.60% c
5	2003 12/2003	Dennis Pastrana	Pres. & CEO	Goodwill Industries of South Florida, Inc.	Miami, FL	48,104,385	194,476	3,000	197,476	0.41%
6	2002 01/2003	James M. McClelland	Pres. & CEO	Goodwill Industries of Central Indiana, Inc.	Indianapolis, IN	42,189,289	274,453	28,279	302,732	0.72%
7	2002 12/2002	Lewis Chartock	Pres. & CEO	MERS / Missouri Goodwill Industries	St. Louis, MO	40,369,061	198,078	18,253	216,331	0.54%
8	2003 12/2003	Dennis McLain	President	Eastern North Carolina, Inc.	Durham, NC	37,050,302	152,853	50,066	202,919	0.55% d
9	2002 06/2003	Kevin Baack	Exec. Dir.	Goodwill Industries of Northern NE	Portland, ME	36,448,792	136,877	104,588	241,465	0.66%
10	2003 01/2004	Mary Edington	President	Goodwill Industries of San Fran., San Mateo & Marin Ctys CA	San Francisco, CA	35,754,203	150,479	7,134	157,613	0.44%
11	2002 06/2003	R. Lee Watts	Pres. & CEO	Goodwill Industries - Suncoast, Inc.	St. Peters- burg, FL	35,244,466	194,654	112,958	307,612	0.87%

Department of Justice - Audit Report
 Goodwill Industries of the Columbia Willamette
 Executive compensation of largest Goodwill organizations in United States

Form 990	Tax Year	Name	Title	Organization	City/State	Total Revenue	Comp.	Benefits	Total Comp. & Benefits	Total Comp. & Benefits as % of Revenue
12	2002 07/2002 06/2003	Michael Smith	President	Goodwill Industries of Pittsburgh	Pittsburgh, PA	31,928,450	141,022	8,133	149,155	0.47%
13	2003 01/2003 12/2003	Robert Dugas	CEO	Goodwill Industries of San Antonio	San Antonio, TX	30,060,892	149,475	16,558	166,033	0.55%
14	2003 01/2003 12/2003	Terry Hayes	CEO	Tacoma Goodwill Industries	Tacoma, WA	28,239,153	188,168	4,439	192,607	0.68%
					Average	46,490,338	228,001	55,606	283,607	0.61%

Notes:

- a There are two related Goodwills in Milwaukee, WI (Goodwill Industries of SE Wisconsin & Goodwill Retail Services). John Miller is the President of both organizations, although he only receives compensation from SE Wisconsin. The combined revenue figure is reported on this schedule. In prior years there was only one organization, but beginning in 2002 the retail portion was broken out into a new organization.
- b The Form 990 benefits figure for Michael Miller has been reduced on this schedule by \$92,176 to remove the portion that relates to the change in the accumulated balance of the Rabbi Trust due to earnings. This removal is appropriate for comparability purposes as these earnings are not an actual expense to GICW.
- c The required detail statement of compensation was not attached to the 2003 Form 990. But the 2002 Form 990 reported that 100% of the Line 25 Compensation of Officers of \$253,892 (and \$42,910 in benefits) was paid to President, Douglas Barr. This schedule assumes the 2003 & 2002 years were comparable, therefore, 100% of the 2003 compensation is reported as being entirely paid to the President.
- d There are two related Goodwills in Durham, NC (Eastern North Carolina, Inc. & Goodwill Community Foundation, Inc.). Dennis McLain is the President of both organizations. His combined compensation/benefits are reported here along with the combined total revenue.

SUMMARY OF
NASCONet EXECUTIVE COMPENSATION DATA
GICW DOJ File No. XCT0020-04 v2

COMPANY (SIC CODE):	EXECUTIVE TITLE:	TOTAL REVENUE:	SALARY REPORTING YEAR:	SALARY:	STOCK OPTIONS & CONTRIBUTIONS:	PRESENT VALUE OF STOCK:	OTHER:	TOTAL COMPENSATION:	COMPENSATION AS A PERCENTAGE OF REVENUE:	
\$25 - 50 Million Employment & Occupations	Ada S. McKinley Community Services, Inc.	\$38,560,566	2003	\$186,134	N/A	N/A		\$186,134	0.48%	
	Cameron Works Inc.	\$32,535,152	2003	\$89,809	N/A	N/A	\$5,389	\$95,198	0.29%	
\$100+ Mil & Adult F&O	Fresno Area Workforce Investment	\$39,424,007	2003	\$110,004	N/A	N/A	\$21,900	\$131,904	0.33%	
	HoustonWorks USA	\$31,269,214	2003	\$209,881	N/A	N/A	\$33,231	\$243,112	0.78%	
	Portland Habilitation Center, Inc.	\$29,205,162	2003	\$120,000	N/A	N/A	\$9,980	\$129,980	0.45%	
	Social Vocational Services, Inc.	\$47,695,706	2003	\$368,508	N/A	N/A		\$368,508	0.77%	
	Wildcat Service Corporation	\$41,324,291	2003	\$262,308	N/A	N/A	\$83,073	\$345,381	0.84%	
	Alamo Workforce Development, Inc.	\$76,605,162	2003	\$105,000	N/A	N/A	\$6,825	\$111,825	0.15%	
	Catholic Community Services	\$61,387,296	2003	\$309,900	N/A	N/A		\$309,900	0.50%	
	Economic Opportunity Board of Clark County	\$48,943,808	2003	\$130,511	N/A	N/A	\$13,614	\$144,125	0.29%	
	Fedcap Rehabilitation Services, Inc.	\$57,597,261	2003	\$150,000	N/A	N/A	\$3,000	\$153,000	0.27%	
	Fresno County Economic Opportunities Commission	\$86,760,820	2003	\$133,838	N/A	N/A	\$11,492	\$145,330	0.17%	
Employment & Occupations \$50 - 100 Million	Lower Rio Grande Valley Workforce Develop Board, Inc.	\$53,758,330	2003	\$115,397	N/A	N/A		\$115,397	0.21%	
	NYSARC, Inc. Chautauqua Co. Chapter dba The Resource Center	\$62,783,925	2003	\$137,193	N/A	N/A	\$24,704	\$161,897	0.26%	
	NYSARC-Nassau County Chapter	\$93,229,266	2003	\$218,647	N/A	N/A	\$34,657	\$253,304	0.27%	
	Peckham Vocational Industries, Inc.	\$63,641,997	2003	\$147,146	N/A	N/A	\$12,072	\$159,218	0.25%	
	Upper Rio Grande Workforce Development Board	\$51,941,375	2003	\$112,500	N/A	N/A	\$6,750	\$119,250	0.23%	
	Experience Works, Inc.	\$131,734,043	2003	\$235,859	N/A	N/A	\$61,626	\$297,485	0.23%	
	Federation Employment and Guidance Service, Inc.	\$137,163,056	2003	\$444,196	N/A	N/A	\$137,099	\$581,295	0.42%	
	National Center for the Employment of the Disabled	\$167,463,364	2003	\$165,462	N/A	N/A		\$165,462	0.10%	
	AVERAGE COMPENSATION AS A PERCENTAGE OF REVENUE FOR ALL NON-PROFIT ORGANIZATIONS IN SURVEY:									0.40%

SUMMARY OF
ERI EXECUTIVE COMPENSATION ASSESSOR DATA
GICW DOJ File No. XCT0020-04

COMPANY (SIC CODE):	EXECUTIVE TITLE:	TOTAL REVENUE:	SALARY REPORTING YEAR:	SALARY:	STOCK OPTIONS & CONTRIBUTIONS:	PRESENT VALUE OF STOCK:*	OTHER:	TOTAL COMPENSATION:	AS A PERCENTAGE OF REVENUE:
Mankato Rehabilitation Center, Inc.	Executive Director	\$27,260,338	2003	\$92,233	N/A	N/A	\$5,305	\$97,538	0.36%
NISH	President/Chief Executive Officer	\$51,677,768	2003	\$247,247	N/A	N/A	\$26,025	\$273,272	0.53%
Pride Industries One, Inc.	President/Chief Executive Officer	\$34,281,697	2003	\$289,504	N/A	N/A	\$7,536	\$297,040	0.87%
San Diego Workforce Partnership, Inc.	President/Chief Executive Officer	\$48,447,615	2003	\$159,863	N/A	N/A	\$20,782	\$180,645	0.37%
AVERAGE COMPENSATION AS A PERCENTAGE OF REVENUE FOR ALL NON-PROFIT ORGANIZATIONS IN SURVEY:									0.40%

SUMMARY OF ERI EXECUTIVE COMPENSATION DATA
 (Sorted by Total Compensation)
 GICW DOJ File No. XCT0020-04

COMPANY (SIC CODE):	EXECUTIVE TITLE:	TOTAL REVENUE (in mil. \$):	SALARY REPORTING YEAR:	SALARY:	BONUS:	OTHER:	TOTAL COMPEN-SATION:	RATIO (Total Comp/Total Revenue %):
Harvey Electronics, Inc. Lynhurst, NJ (5731)	Chairman	\$42.50	2003	\$122,000			\$122,000	0.29%
Synergy Brands, Inc. Syosset, NY (5399)	President/CEO	\$40.50	2003	\$158,319			\$158,319	0.39%
Bestway, Inc. Dallas, TX (5995)	Chairman of the Board	\$37.90	2004	\$150,000		\$18,010	\$168,010	0.44%
Gaiam, Inc. Broomfield, CO (5961)	President/CEO of N. American Ops & Director	\$102.00	2003	\$170,812			\$170,812	0.17%
Geerlings & Wade, Inc. Canton, MA (5961)	CFO/Treasurer/Clerk	\$27.90	2002	\$184,325	\$2,500		\$186,825	0.67%
Mity Enterprises, Inc. Orem, UT (5712)	Chairman	\$44.40	2004	\$85,000	\$73,000	\$40,400	\$198,400	0.45%
Rag Shops, Inc. Hawthorne, NJ	President	\$115.50	2003	\$207,000			\$207,000	0.18%
Able Energy, Inc. Rockaway, NJ (5984)	CEO	\$34.00	2003	\$225,000	\$25,825	\$9,560	\$260,285	0.77%
Red Envelope, Inc. San Francisco, CA	CEO	\$79.30	2003	\$289,161			\$289,161	0.36%
Cost U Less, Inc. Preston, WA (5331)	President/CEO	\$177.10	2003	\$272,059	\$60,950		\$333,009	0.19%
Shoe Pavilion, Inc. Pinole, CA (5661)	Chairman/CEO	\$83.60	2003	\$343,829			\$343,829	0.41%
Sport Supply Group, Inc. Farmers Branch, TX (5961)	President	\$103.60	2002	\$330,000	\$25,295		\$355,295	0.34%
Harolds Stores, Inc. Norman, OK (5651)	CEO	\$91.70	2003	\$357,140			\$357,140	0.39%
Glacier Water Services, Inc. Vista, CA (5962)	President/CEO	\$72.30	2003	\$249,784	\$125,000		\$374,784	0.52%
Mediabav, Inc. Cedar Knolls, NJ (5961)	Former Executive Officer	\$36.60	2003	\$230,091	\$25,000	\$131,250	\$386,341	1.06%
Samuels Jewelers, Inc. Austin, TX (5944)	President/CEO	\$122.00	2002	\$325,000		\$561	\$406,061	0.33%
Winmark Corp Golden Valley, MN (5941)	President/Chief Operating Officer	\$31.20	2004	\$295,000	\$100,000	\$17,100	\$412,100	1.32%
Big Dog Holdings, Inc. Santa Barbara, CA (5651)	President/CEO	\$103.80	2003	\$347,922	\$92,097		\$440,019	0.42%

SUMMARY OF ERI EXECUTIVE COMPENSATION DATA

(Sorted by Total Compensation)

GICW DOJ File No. XCT0020-04

COMPANY (SIC CODE):	EXECUTIVE TITLE:	TOTAL REVENUE (in mil. \$):	SALARY REPORTING YEAR:	SALARY:	BONUS:	OTHER:	TOTAL COMPENSATION:	RATIO (Total Comp/Total Revenue %):
Bakers Footwear Group, Inc. St. Louis, MO (5661)	Chairman/CEO	\$148.20	2003	\$296,757	\$148,379		\$445,136	0.30%
Jennifer Convertibles, Inc. Woodbury, NY (5712)	Chairman/CEO	\$126.60	2003	\$447,093			\$447,093	0.35%
Design Within Reach, Inc. San Fransisco, CA	President/CEO	\$120.60	2003	\$354,573	\$153,495		\$508,068	0.42%
S&K Famous Brands, Inc. Richmond, VA (5611)	Chairman of the Board	\$176.20	2003	\$357,140	\$161,223		\$518,363	0.29%
Bernard Chaus, Inc. New York, NY (2339)	Chairwomen/CEO	\$145.80	2003	\$546,420			\$546,420	0.37%

Mean (average): \$89.7 mil

Mean (average): \$331,934

Mean (average): 0.45%

SUMMARY OF ERI EXECUTIVE COMPENSATION DATA
 (Sorted by Total Compensation)
 GICW DOJ File No. XCT0020-04

COMPANY (SIC CODE):	EXECUTIVE TITLE:	TOTAL REVENUE (in mil. \$):	SALARY REPORTING YEAR:	SALARY:	BONUS:	STOCK OPTIONS:	PRESENT VALUE OF STOCK:*	OTHER:	TOTAL COMPENSATION:	RATIO (Total Comp/Total Revenue %):
Harvey Electronics, Inc. Lynhurst, NJ (5731)	Chairman	\$42.50	2003	\$122,000					\$122,000	0.29%
Synergy Brands, Inc. Syosset, NY (5399)	President/CEO	\$40.50	2003	\$158,319					\$158,319	0.39%
Bestway, Inc. Dallas, TX (5995)	Chairman of the Board	\$37.90	2004	\$150,000				\$18,010	\$168,010	0.44%
Geerlings & Wade, Inc. Canton, MA (5961)	CFO/Treasurer/Clerk	\$27.90	2002	\$184,325	\$2,500				\$186,825	0.67%
Mity Enterprises, Inc. Orem, UT (5712)	Chairman	\$44.40	2004	\$85,000	\$73,000			\$40,400	\$198,400	0.45%
Able Energy, Inc. Rockaway, NJ (5984)	CEO	\$34.00	2003	\$225,000	\$25,825			\$9,560	\$260,285	0.77%
Rag Shops, Inc. Hawthorne, NJ	President	\$115.50	2003	\$207,000		63,400	\$60,272*		\$267,272	0.23%
Shoe Pavilion, Inc. Pinole, CA (5661)	Chairman/CEO	\$83.60	2003	\$343,829					\$343,829	0.41%
Sport Supply Group, Inc. Farmers Branch, TX (5961)	President	\$103.60	2002	\$330,000	\$25,295				\$355,295	0.34%
Glacier Water Services, Inc. Vista, CA (5962)	President/CEO	\$72.30	2003	\$249,784	\$125,000	6,500			\$374,784	0.52%
Mediabay, Inc. Cedar Knolls, NJ (5961)	Former Executive Officer	\$36.60	2003	\$230,091	\$25,000			\$131,250	\$386,341	1.06%
Cost U Less, Inc. Preston, WA (5331)	President/CEO	\$177.10	2003	\$272,059	\$60,950	66,667	\$55,872*		\$388,881	0.22%
Samuels Jewelers, Inc. Austin, TX (5944)	President/CEO	\$122.00	2002	\$325,000		80,500		\$561	\$406,061	0.33%
Winmark Corp Golden Valley, MN (5941)	President/Chief Operating Officer	\$31.20	2004	\$295,000	\$100,000	20,000		\$17,100	\$412,100	1.32%
Bakers Footwear Group, Inc. St. Louis, MO (5661)	Chairman/CEO	\$148.20	2003	\$296,757	\$148,379				\$445,136	0.30%
Big Dog Holdings, Inc. Santa Barbara, CA (5651)	President/CEO	\$103.80	2003	\$347,922	\$92,097	185,000	\$65,821*		\$505,840	0.49%
Galam, Inc. Broomfield, CO (5961)	President/CEO of N. American Ops & Director	\$102.00	2003	\$170,812		200,000	\$335,233*		\$506,045	0.50%
Design Within Reach, Inc. San Francisco, CA	President/CEO	\$120.60	2003	\$354,573	\$153,495				\$508,068	0.42%

SUMMARY OF ERI EXECUTIVE COMPENSATION DATA

(Sorted by Total Compensation)

GICW DOJ File No. XCT0020-04

COMPANY (SIC CODE):	EXECUTIVE TITLE:	TOTAL REVENUE (in mil. \$):	SALARY REPORTING YEAR:	SALARY:	BONUS:	STOCK OPTIONS:	PRESENT VALUE OF STOCK:*	OTHER:	TOTAL COMPENSATION:	RATIO (Total Comp/Total Revenue %):
S&K Famous Brands, Inc. Richmond, VA (5611)	Chairman of the Board	\$176.20	2003	\$357,140	\$161,223				\$518,363	0.29%
Bernard Chaus, Inc. New York, NY (2339)	Chairwomen/CEO	\$145.80	2003	\$546,420					\$546,420	0.37%
Harolds Stores, Inc. Norman, OK (5651)	CEO	\$91.70	2003	\$357,140		500,000	\$374,907*		\$732,047	0.80%
Red Envelope, Inc. San Francisco, CA	CEO	\$79.30	2003	\$289,161		98,717	\$463,616*		\$752,777	0.95%
Jennifer Convertibles, Inc. Woodbury, NY (5712)	Chairman/CEO	\$126.60	2003	\$447,093		300,000	\$370,021*		\$817,114	0.65%

Mean (average): \$89.7 mil

*According to Milliman study

Mean (average): \$406,966
Mean (average): 0.53%

GOODWILL INDUSTRIES

OF THE COLUMBIA WILLAMETTE
Our business is changing lives

GOODWILL INDUSTRIES OF THE COLUMBIA WILLAMETTE

EXECUTIVE COMPENSATION COMMITTEE CHARTER

I. OVERVIEW

The Board of Directors of Goodwill Industries of the Columbia Willamette (“GICW”), an organization qualified under Internal Revenue Code Section 501(c)(3), has approved the formation of a Compensation Committee (the “Committee”). The Board has delegated to the Committee the responsibility to review the total compensation and benefits levels provided to those executives (“Executives”) listed on Exhibit A. Exhibit A is intended to include all of those executives who are or may be “disqualified persons” within the meaning of Section 4958 of the Internal Revenue Code and the related Treasury Regulations (the “Intermediate Sanctions Rules”), which apply to any person who has “substantial influence” over a Section 501(c)(3) organization.

The process that the Committee shall follow in carrying out its responsibilities is summarized below. This process is intended to be consistent with GICW’s mission, the Compensation Philosophy approved by GICW’s Board of Directors, and current “best practices.” The process is further intended to satisfy the procedures for creating a rebuttable presumption that executive compensation is reasonable, as set forth in the Intermediate Sanctions Rules.

II. COMPOSITION OF THE COMMITTEE

The Committee will be composed of a minimum of five (5) members of GICW’s Board of Directors. No person shall be a member of the Committee who is an employee of GICW or who otherwise has an economic relationship with GICW that would create a conflict of interest as provided in the Intermediate Sanctions Rules and/or GICW’s Conflict of Interest Policy. Initially, the Chair will appoint three (3) directors to serve as Committee members for a two (2) year term and two (2) directors to serve as Committee members for a one (1) year term. Thereafter, all Committee members shall serve two (2) year terms. In appointing members to the Committee, the Board Chair will consider whether the resulting Committee composition will be such that at least half of the Committee members have had some past direct or indirect experience in establishing or evaluating compensation. The Committee shall include a minimum of two (2) Directors who are not members of GICW’s Executive Committee.

III. COMMITTEE AUTHORITY

Under the procedures set forth below, the Committee is authorized to do the following:

- Conduct an annual performance review of the President/CEO.

- Recommend a total compensation package for the President/CEO to the full Board of Directors for its consideration. The Committee shall not have the authority to approve the President/CEO's compensation.
- Approve a total compensation package for other Executives.

IV. COMMITTEE RESPONSIBILITIES

The Committee shall:

- Annually review the current compensation and benefits levels provided to the Executives and any contemplated adjustments to such compensation and benefits for the ensuing year with the assistance of such experts as it deems necessary. This review will encompass all elements of each Executive's compensation package, including without limitation, base salary, incentive compensation, employee benefits and perquisites (collectively referred to herein as "total compensation").
- Conduct an annual performance review of the President/CEO.
- Obtain the data and other information necessary to set reasonable total compensation packages for each Executive, or, in the case of the President/CEO, to make a recommendation for a total compensation package to the Board of Directors consistent with GICW's Compensation Philosophy.
- Make a formal recommendation to the Board of Directors regarding the President/CEO's total compensation package.
- Report on the Executive compensation packages approved by the Committee to the Board of Directors.
- Committee members shall treat the Committee's proceedings as confidential.

V. GENERAL PROCESS TO BE FOLLOWED IN DEVELOPING AND APPROVING EXECUTIVE COMPENSATION

1. Compensation Philosophy

The Committee shall, with the assistance of the compensation consultant (engaged as described below) and legal counsel, develop a Compensation Philosophy that is consistent with GICW's mission and organizational objectives. The Committee shall present such philosophy to the Board of Directors for review and approval. The Committee shall review the Compensation Philosophy on an annual basis to determine whether it continues to provide the Committee with useful compensation-setting guidance and shall report the results of such review to the Board of Directors. The Board of Directors shall approve any changes to the Compensation Philosophy.

2. Review of Executive Goals

The Board of Directors shall develop and approve annual goals and performance criteria to be used in determining merit increases and annual and long-term incentives for GICW's President/CEO. GICW's President/CEO shall establish such goals for the other Executives. These goals will be forwarded to the Committee to assist it in its work. The Committee will assess performance against these goals in consultation with such other Board committees as may be appropriate.

3. Engage Compensation Consultant

The Committee will select and engage a qualified compensation consultant to review and analyze the total compensation and benefits packages of the Executives. Items of total compensation to be analyzed include all forms of cash and noncash compensation, including salary, fees, bonuses, and severance payments; all deferred compensation attributed to the year in which services are performed; the amount of any premiums paid for liability and other insurance coverage; all other benefits, whether or not included in income for tax purposes, such as medical, dental, life insurance and disability benefits; and foregone interest on loans. The consultant may be engaged to provide such written opinions regarding reasonableness of compensation as the Committee determines to be advisable. At least every five (5) years, the Committee will engage in a performance review of its compensation consultant, and, based on such review, will either renew the engagement or select and engage a new consultant.

4. Obtain Compensation Surveys and Reports

The Committee will, as part of its analysis, direct the compensation consultant to gather appropriate comparability data (e.g., either published or specially conducted compensation surveys) consistent with GICW's Compensation Philosophy that would include total compensation paid by similarly situated organizations for positions that are functionally comparable to each of the GICW Executives.

The compensation data should cover employees with comparable responsibilities at a significant number of organizations and should be sorted by a number of different variables, including: the size of the organization, the geographic location of the organization, the nature of the services the organization provides, whether the organization is a nonprofit or for-profit venture, the level of experience and specific responsibilities of the employees surveyed, and the composition of the compensation packages offered to employees at those organizations. Survey results (e.g., in summary form) should be provided to the Committee, as well as a written analysis comparing the compensation of each Executive at issue to the compensation of individuals covered by the surveys.

5. Develop Compensation Recommendations

With respect to those Executives below the level of the President/CEO, the Committee will request that GICW's President/CEO work with the compensation consultants to formulate a compensation recommendation for each such Executive, consistent with GICW's Compensation Philosophy. In formulating recommendations, the President/CEO shall consider the comparability data obtained by the compensation consultants. The President/CEO shall present

such recommendations, along with the supporting comparability data and the compensation consultant's analysis, to the Committee at a Committee meeting.

With respect to the President/CEO, the Committee will work with the compensation consultant to formulate a compensation recommendation based on the comparability data, the President/CEO's performance, and GICW's Compensation Philosophy. The Committee shall conduct an annual performance review of its President/CEO to assist the Committee in its compensation review process. The Committee shall present the results of the performance review and its compensation recommendation to the full Board of Directors for consideration.

6. Review and Analyze Comparability Data

The Committee will consider the significant terms of the arrangement with each Executive, including the total compensation to be paid and the employee's duties and responsibilities. For those Executives below the level of President/CEO, the Committee will also consider the President/CEO's recommendations. The Committee will thoroughly review and discuss the comparability data gathered by the compensation consultant to determine whether the total compensation for each of the Executives is reasonable, taking into consideration the job duties of each position and the performance of each Executive. If applicable, the Committee also will consider any opinions from compensation consultants concerning the reasonableness of Executive compensation and any opinions obtained from legal or other consultants in their respective areas of expertise.

7. Approve Reasonable Total Compensation Packages for Executives Other Than the President/CEO

The Committee will approve total compensation packages for each of the Executives other than the President/CEO that are consistent with GICW's Compensation Philosophy, and, based on all of the information presented to the Committee, that are reasonable and in the best interest of GICW. The Committee may, if it chooses to do so, approve a range of compensation for one or more of the individuals below the level of the President/CEO and delegate to the President/CEO the authority to set compensation within the approved range, to the extent that the Committee determines such delegation to be advisable. Prior to any such delegation, the Committee will evaluate whether the delegation has any effect on reasonableness opinions that may have been requested of the compensation consultant.

8. Document Concurrently

The Committee's decisions regarding compensation for each Executive will be documented in written resolutions and minutes of the Committee. The Board of Directors' decisions regarding compensation for the President/CEO will be documented in written resolutions and minutes of the Board. In each case, the documentation will include:

- a. the significant terms of the arrangement and the date it was approved;
- b. the members of the Committee who were present during debate on the compensation arrangement that was approved and how each member voted;

- c. the comparability data obtained and relied on by the Committee and how the data was obtained;
- d. the actions taken with respect to consideration of the arrangement by anyone who is otherwise a member of the Committee but who had a conflict of interest with respect to the arrangement; and
- e. the specific reasons for any determination by the Committee that reasonable compensation for a particular arrangement should be higher than the range indicated by the comparability data obtained.

Written documentation of the Committee's or Board's decision should be prepared by the later of the next meeting of the Committee or Board or 60 days after the Committee's or Board's approval of compensation.

9. Reports to Board

The Committee shall promptly report its actions to the Board, which reports should be reflected in the Board's minutes.

10. Access to Legal Counsel

In performing its duties, the Committee will have access to outside legal counsel with experience in providing legal advice on executive compensation matters to tax-exempt organizations. Periodically, the Committee will review, in consultation with legal counsel, the list of Executives on Exhibit A who are or may be "disqualified persons" within the meaning of the Intermediate Sanctions Rules.

EXHIBIT A

Executives to Which Executive Compensation Policy Applies:

- President/CEO
- Chief Financial Officer
- [Others]

GOODWILL INDUSTRIES

OF THE COLUMBIA WILLAMETTE
Our business is changing lives

GOODWILL INDUSTRIES OF THE COLUMBIA WILLAMETTE

TOTAL COMPENSATION PHILOSOPHY

Goodwill Industries of the Columbia Willamette (“GICW”) is committed to making an exemplary contribution to the international Goodwill movement by providing outstanding vocational services for Oregonians who face barriers to employment. GICW strives to operate on a social entrepreneur model, achieving our mission on a self-sustaining basis with minimal reliance on government funding. We believe that our employees and the people we serve are our most valuable assets. Consequently, we seek to create an environment that fosters teamwork, achievement, recognition and responsibility.

Attracting and retaining talented and dedicated employees is important at every level of our organization. It is particularly important, however, for GICW to recruit and retain outstanding executive leaders who have a deep understanding of and commitment to our wide range of service programs and to a self-sustaining economic model, as well as the skill to oversee the large and complex retail operations upon which we rely for funding and job training. Talented entrepreneurial leadership is fundamental to our success. GICW strives at all times to be a model corporate citizen. Accordingly, fairness, integrity, and sound business practices are the cornerstones of our compensation philosophy. Our total compensation and benefits program is designed to attract and retain great people and hold them accountable for achieving our ongoing goals to improve the lives of Oregonians.

Our program is based on the following principles:

- *Reflective of values and legal requirements:* The design and administration of our compensation program will comply with all applicable laws and reflect the values of the community that GICW strives to serve. The compensation program will be guided by and supportive of GICW’s core organizational values of respect, partnership, service and stewardship.
- *Competitive:* We target total compensation packages—cash and benefits—at or near the median or average of the peer group labor market with which we compete to recruit and retain talented individuals, within the scope of our ability to pay.
- *Market-based:* For our most senior management we look to a national labor market made up of organizations with which GICW competes to recruit and retain talented leaders. For the rest of our positions we look to a regional and local labor market made up of organizations with which GICW competes for talent. Market data for purposes of setting compensation is selected on the basis of the similarity of the organization’s activities; the similarity of duties performed; the skills required to conduct the organization’s activities; the complexity and size of the organization; and the geographic scope of the organization. Market data shall include nonprofit organizations, and, where appropriate, for-profit organizations. Situations in which use of for-

profit market data in combination with nonprofit data is appropriate include, but are not limited to, situations where there are insufficient nonprofit comparables to formulate a meaningful and valid comparison, or where there is a single labor market in which both for-profits and nonprofits must compete for the same limited pool of qualified candidates.

- *Reasonable:* Each individual's total compensation package will be reasonable under all of the facts and circumstances, including, but not limited to: duties performed; amount and type of responsibility; performance; time devoted to duties; special knowledge and experience; individual ability; previous training; compensation paid in prior years; length of service; the availability of similar services in the geographic area; prevailing economic conditions; and local living conditions.
- *Knowledge, skills and performance driven:* To reward and retain the skilled employees necessary to maintain our success, we strive to recognize the knowledge and expertise of our employees as well as their ability to achieve GICW's articulated goals on a sustained basis.
- *Fair:* We strive to apply these common principles consistently across all employee groups within GICW.
- *Balanced:* We strive to set compensation to achieve balance in addressing external competition, internal fairness, our service goals in light of projected community needs, the expectations of our community stakeholders, and available financial resources.
- *Flexible:* Our total compensation program is designed to be responsive to changes in our market as well as changes in the focus of our service programs.
- *Comprehensive:* The combination of cash compensation and benefits is designed to provide reasonably priced health coverage, salary protection if an employee is unable to work, paid time off, and retirement planning in a way that meets our employee needs while maintaining good stewardship of our limited resources and maximizing the benefits we can provide to the community we serve.
- *Transparent:* Notwithstanding the use of various compensation elements, our compensation plan is intended to be easy to explain and administer.

GOODWILL INDUSTRIES OF THE COLUMBIA WILLAMETTE

EXECUTIVE COMPENSATION FRAMEWORK

Base Pay

Base pay ranges will generally be established at or near the median of the defined market for the position.

Annual Incentives

Executives are eligible for an annual incentive payment tied to organizational performance and to sustained individual contributions to achieving GICW's organizational goals. The amounts of annual incentive payments and the performance measures for receiving annual incentive payments shall be established in advance in a manner consistent with GICW's Compensation Committee Charter. Incentive amounts will be in line with median market practice for similar positions.

Long-term Incentives

The President/CEO will be eligible for a long-term incentive payment tied to sustained performance over a multi-year period (three to five years). The amounts of long-term incentive payments and the performance measures for receiving long-term incentive payments shall be established in advance in a manner consistent with GICW's Compensation Committee Charter. Long-term incentive payments combined with cash compensation (base pay plus annual incentive) shall be at or near the median for total direct compensation of the defined market.

Health and Welfare Benefits

Health and welfare benefits are targeted to provide median values.

2003 Executive Director Compensation for Prominent Oregon Nonprofits

Reg. #	Organization	Revenue	Compensation	Benefits	Total	Total Comp./ Revenue
12745	Oregon Food Bank	\$51,484,135	95,701	4,785	100,486	0.20%
12756	Mercy Corps	\$116,452,619	152,755	22,474	175,229	0.15%
13610	NW Medical Teams	\$147,380,056	114,069	10,436	124,505	0.08%
11277	Oregon Community Foundation	\$159,980,760	135,250	23,518	158,768	0.10%