

ROSWELL PARK CANCER INSTITUTE CORPORATION COMPENSATION COMMITTEE

A meeting of the Compensation Committee of the Board of Directors of Roswell Park Cancer Institute Corporation was held on Wednesday, June 15, 2022 at 10:30 a.m. in the Patrick P. Lee Conference Room, 9th floor of the Scott Bieler Clinical Sciences Center.

Present by

Phone: R. Buford Sears, Committee Chairman
Anne Gioia
Candace Johnson, President & CEO
Gail Mitchell, Esq. (*via Phone*)

Excused: Donna Gioia
Michael Joseph, Board Chairman

Staff

Present: Betsy Doty-Lampson, Board Administrator
John Dudkowski, Manager, Classification & Compensation
Michelle Moore, Vice President of Human Resources
Michael Sexton, Esq., Senior Vice President and Chief Legal Officer,
and Corporate Secretary
Anthony Woods, Assistant Vice President & Director of Classification
and Compensation

Opening Remarks/Review of Minutes

Mr. Sears opened the meeting, welcoming all and called for a review of the draft Minutes of the Compensation Committee meeting held Wednesday, March 16, 2022. After review, *a motion for approval of Minutes was made by Ms. Mitchell, seconded by Ms. Gioia, and unanimously approved.*

Review of Business Judgment Factors for Executive Compensation Levels

Mr. Sears then went on to a review of the Business Judgment Factors for Executive Compensation levels in excess of 75% of benchmarks or below 25% of benchmarks. Mr. Sears noted the unique character of several of the titles and the fact that with others the title was composed of portions of duties of several different titles. This made benchmarking difficult and may account in part of the benchmarking percentage. Ms. Mitchell noted the importance of the review of the business judgement factors so that the Board can evaluate the importance of the position and the performance of the executive in comparison to the benchmarks.

A motion was made to move to Executive Session by Ms. Gioia, for review of strategic goal achievement for FY'22 in the variable compensation plan, strategic goal updates in the FY'23 variable compensation plan and review of the final CEO LTIP strategic goals, seconded by Ms. Mitchell and unanimously carried.

Strategic Goal Achievement for FY'22

Mr. Sears noted that the budget circuit breaker for the FY'22 variable compensation plan had been met as the fiscal year's budget had been achieved. Overall, the Executive Team had achieved Institute organizational goals at a 135% achievement level. At that point, individual goals were reviewed with a focus on the goals of Dr. Johnson, Dr. Brentjens and Mr. Walker. These are the three highest level executives in the organization, and the goals for these three top leaders reflect the strategic plans for the organization. Dr. Johnson noted that the organizational goals and the team goals, those being goals in which multiple executives participate, help the team to work together cohesively. Mr. Sears noted that it is a good thing that the clinic wait time goal has multiple executives on it, due to the importance to the Board of Directors that this goal moves the needle in the right direction. After other individual executive goals were reviewed and a brief discussion about the several executive goals that were not met and the reasons therefore, *a motion was made by Ms. Gioia, seconded by Ms. Mitchell, to approve the goal achievement percentages, which motion was unanimously carried.*

FY'23 Strategic Goal Updates

The current status of goals for the FY'23 variable compensation plan was reviewed. Modifications to the goal slates for Dr. Kalinski and Ms. Cindy Eller were reviewed. With respect to Dr. Kalinski and Ms. Eller, there were modifications to the goals due to changes in conditions, and David Tear and Dr. Eric Knudsen are new executives joining the plan.

It was also noted that for the FY'23 plan there were changes to the organizational goals as well. The diversity goal was strengthened, and several executives were added to it. The employee engagement goal was modified by addition of Press Ganey response plans, and the patient experience goal was also strengthened.

There was a discussion about goals that are not accomplished, why that happens and what to do about it. Mr. Sexton gave a description of occurrences with himself and another member of his division who did not successfully complete all of their goals. Mr. Sears and Ms. Mitchell suggested that the compensation Committee should hold a meeting in the fourth quarter of each fiscal year going forward at which the compensation committee could be brought into the discussion about goals that are in danger of not being accomplished so that the committee can consider what if anything, should be done to address problems or conditions beyond the control of the executive.

At that point, *Ms. Gioia made a motion to approve the status of the FY'23 strategic goal achievements which was seconded by Ms. Mitchell and unanimously approved.*

CEO LTIP Strategic Goals for FY20, 21 & 22

Mr. Sears then reviewed the CEO LTIP program for FY'20-22. This is the final LTIP for the CEO as her compensation structure has been modified for FY'23 going forward. Benchmarking and the compensation consultants counsel had indicated that her compensation tilted too far toward incentives at the expense of base compensation. For this reason, base compensation was increased and the LTIP was dispensed with. The percentage achievement available for the short-term variable compensation plan was increased as well. It was noted that Dr. Johnson had achieved 140% of target for the LTIP for the last three years.


At that point, staff was excused from the meeting, so that the Committee alone could review the specific variable compensation plan incentives to be paid to the Executive Team for FY'22.

Following that review, the staff was invited back into the meeting. *Ms. Mitchell made a motion to return to the meeting to Open Session which was seconded by Ms. Gioia and unanimously carried.*

In Open Session, there was a review of the incentive payments to be made to the executive team for FY'22 in the variable compensation plan as well as the incentive to be made to the CEO for her final LTIP payment. After discussion, *there was a motion to approve the variable compensation plan payments in the total amount of \$3,641,465, which motion was made by Ms. Mitchell, seconded by Ms. Gioia and unanimously approved.*

Thereupon, *there was a motion for final payment of the LTIP to Dr. Johnson for FY'20-22 in the amount of \$329,858. This motion was made by Ms. Mitchell, seconded by Ms. Gioia and unanimously approved.*

There being no further business, *a motion for adjournment was made by Ms. Gioia, seconded by Ms. Mitchell, and unanimously carried.*


Michael B. Sexton, Secretary