

**ROSWELL PARK CANCER INSTITUTE CORPORATION
COMPENSATION COMMITTEE
OF THE
BOARD OF DIRECTORS**

A meeting of the Compensation Committee of the Board of Directors of Roswell Park Cancer Institute Corporation was held on Wednesday, March 15, 2023 at 10:30 a.m. in the Scott Bieler Clinical Science Center, 9th Floor, Patrick P. Lee Board Room.

Present: R. Buford Sears, Committee Chair (*via Teams*)
Anne Gioia (*via Teams*)
Donna Gioia (*via Teams*)
Candace S. Johnson, Ph.D., President & CEO
Gail Mitchell, Esq. (*via Teams*)
Dennis Szeffel (*via Teams*)

Excused: Michael Joseph, Board Chairman

Present by

Invitation: Meghan L. Dobson, Esq., Associate General Counsel
Betsy Doty-Lampson, Board Administrator
Errol A. Douglas, Ph.D., Senior Vice President & Chief Human Resources Officer
John R. Dudkowski, Manager, Classification & Compensation
Michael B. Sexton, Esq., Senior President & Chief Legal Officer
Melanie A. White, Senior Compensation Analyst, Classification & Compensation
Anthony M. Woods, Assistant Vice President, Classification & Compensation

I. Opening/Minutes

Mr. Sears opened the meeting at 10:34 a.m. and introduced Mr. Szeffel as a new member of the Compensation Committee. Mr. Sears called for a review of the draft Minutes of the Compensation Committee meeting held on December 7, 2022. With no commentary or questions offered, *a motion for approval of those Minutes was made by Ms. Donna Gioia, seconded by Ms. Mitchell, and unanimously carried.*

II. Executive Compensation Market Letter Update for 2023

Mr. Sears moved to the Sullivan & Cotter Executive Compensation Market Update Letter (updated on February 16, 2023), highlighting that Roswell Park's aggregate compensation percentile positionings for total cash compensation and total compensation indicate that Roswell Park is positioned correctly in the market. There were no questions or further comments on this agenda item.

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A motion was made to move to Executive Session by Ms. Mitchell for review of Executive Salary Adjustments, Review of Business Judgment Factors for Compensational Levels, FY 23 Individual Goal Amendments, Variable Pay Program FY 23 Updates, Proposed FY 24 Organizational Individual Goals, and President & CEO Total Compensation Assessment and Contract. The motion was seconded by Ms. Donna Gioia and unanimously carried.

III. Executive Salary Adjustments

Dr. Johnson reviewed executive salary adjustments, noting that a four percent (4%) COLA salary adjustment was provided to all executive employees in accordance with Sullivan & Cotter guidance. Mr. Douglas provided additional commentary on this adjustment. Mr. Sears also indicated that he felt that this adjustment was modest and necessary to retain employees.

IV. Review of Business Judgements Factors

Dr. Johnson turned to a review of business judgement factors for executive compensation levels, pointing to those incumbents whose total compensation is projected to exceed the 75th percentile, and those incumbents whose total compensation is projected to be lower than the 25th percentile. She also highlighted the impact that Dr. Davila and Mr. Choi will have on cellular therapies at Roswell Park. Mr. Sears commended Dr. Johnson on her recruitment of these individuals. Mr. Sears also commented that Roswell Park has already implemented many of the best practices recommended by Sullivan & Cotter.

Mr. Sears also noted that typically executive compensation levels only fall below the 25th percentile during the period of time between the executive's start date and when the executive is eligible for variable pay.

V. FY 23 Goal Adjustments

Mr. Sears moved to a review of the individual goal amendments for the variable compensation, noting the amendment to Ms. Bennett's goals. Dr. Johnson advised that this change was necessary as Ms. Bennett has moved to a new role at Roswell Park.

VI. Variable Pay Program Updates

Mr. Sears reviewed the variable pay program updates for FY 23, noting that he focused on the performances of Dr. Johnson, Dr. Brentjens, Dr. Walker and Mr. Grady. Mr. Sears then highlighted Dr. Johnson's current performance for the Compensation Committee members. For Mr. Szeffel's benefit, the Compensation Committee members and attendees then explained the variable pay program and processes in detail. The individual goal updates of the following executives were also discussed in detail: Dr. Kuvshinoff, Mr. Putrelo, Mr. Rosen and Mr. Walker.

VII. Proposed FY 24 Organizational Individual Goals

Mr. Sears turned to a review of the proposed institution goals in the meeting materials, highlighting the “circuit breaker” for the payment of any FY 24 executive goals, which is Roswell Park meeting or exceeding the FY 24 budget (excluding consideration for post-retirement liability accruals).

Mr. Sears reviewed each of the eight (8) proposed organizational goals for FY 24 in detail. Mr. Sears noted that eight (8) goals may be too many goals, but he cannot find a goal to remove as each goal is important. He did, however, welcome suggestions on this point. Both Mr. Sears and Dr. Johnson noted the importance of Goal #2 (Reduce Health Care Disparities) and Goal #5 (Diversity, Equity and Inclusion Change Champions Work Group(s)). Mr. Sears also stressed the importance of Goal #4 (Financial Performance Improvements) given Roswell Park’s recent financial performance. He also noted that Goal #6 (Cancer Center Support Grant [“CCSG”]) will not apply next year. Dr. Johnson also noted that with respect to Goal #7 (Promote Roswell Park Expertise in Public Health and Cancer Related Issues), Roswell Park has recently doubled the number of high impact publications as the quality of science has improved at Roswell Park over the past several years.

Mr. Sears then reviewed Dr. Johnson’s proposed FY 24 individual goals. Dr. Johnson noted that she has eleven (11) goals, each of which are important. She acknowledged that Goal #2 (Enhance the educational, mentoring and training infrastructure to support participation from diverse and underrepresented backgrounds) could potentially be removed as Dr. Smith and her team are focused on this goal, but this goal is important for the CCSG grant. She also noted that Goal # 11 (Create a Clinical/Facilities Master Plan) could also potentially be removed. After some discussion, Mr. Sears advised that there was a consensus to leave all eleven (11) goals in place for Dr. Johnson, but to revisit whether any goals should be removed at a future Compensation Committee meeting. Ms. Donna Gioia noted a concern about the number of Dr. Johnson’s individual goals, but Mr. Douglas advised that there is still time to finalize individual goals. There being no further commentary, *a motion to approve the FY 24 Organizational Individual Goals was made by Ms. Donna Gioia, seconded by Ms. Mitchell, and unanimously approved.*

VIII. President & CEO Total Compensation Assessment for 2023 & CEO Employment Contract

Mr. Sears excused management attendees and proceeded to review with the Committee the total compensation assessment report on the President & CEO that was prepared by Sullivan & Cotter along with Dr. Johnson’s employment contract. The Committee agreed to a 5-year extension of Dr. Johnson’s employment term and also to provide a merit pay increase to her base salary. Mr. Sears will convey the terms to the Board Chair, who will advise Dr. Johnson.

Ms. Mitchell then made a motion to return to Open Session which was seconded by Ms. Donna Gioia and unanimously carried.

IX. Adjournment

There being no further business, *a motion to adjourn the meeting was made by Ms. Donna Gioia which was seconded by Ms. Mitchell, and unanimously approved.*



Michael B. Sexton, Secretary