

**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, December 6, 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*)
Donna Gioia
Candace S. Johnson, Ph.D., President & CEO
Gail Mitchell, Esq. (*via Teams*)
Lee Wortham
Dennis Szeffel (*via Teams*)

Excused: Anne Gioia

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
Michelle Moore, Vice President, Human Resources Management
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 Remarks/Calendar/Minutes

Mr. Sears opened the meeting at 10:32 a.m. and welcomed Mr. Szeffel as a community member of the Committee. He also acknowledged Mr. Woods' upcoming retirement.

Mr. Sears then turned to a review of the draft Minutes of the Committee meeting held on September 13, 2023. 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 Total Review Report

Mr. Sears then began the Committee's review of the 2024 Executive Total Compensation Review Report prepared by Sullivan & Cotter ("S&C"). He highlighted that the report found that Roswell Park's executive compensation is aligned with the market benchmarks relating to base and total cash compensation, as well as overall compensation including benefits. He also noted that the report reviewed the demographics of the executive team.

There was then a lengthy discussion about the best practices for compensation committees that S&C outlined in the report. Several attendees proposed changes to the Committee's current governance structure that aligned with these best practices. Ms. Donna Gioia proposed improvements to the current succession planning process. She also addressed the variable pay plan, recommending that the Committee consider modifying the plan's circuit breaker. Mr. Sears recommended that the Committee be more transparent with the Board. Ms. Mitchell and Mr. Sears proposed that Board committees jointly review Dr. Johnson's individual goal performance. The discussion concluded with Mr. Sears highlighting the importance of the Committee adopting a governance structure that incorporates the best practices identified in S&C's report.

The Committee then discussed whether Roswell Park should commission S&C to benchmark its executive team's demographics against a nation-wide pool of peer institutions to support Roswell Park's diversity, equity & inclusion ("DEI") efforts. Mr. Woods advised that the cost would be approximately \$3,400. Mr. Wortham requested that any such report include granularity on the peer organizations. Ms. Mitchell requested that the demographic data of each peer organization's catchment area be provided as well. Ms. Mitchell then commented that the demographics of the executive team should be compared against the demographics of Roswell Park's entire workforce. Mr. Woods noted that he would provide demographic data on the entire workforce, which is currently available. Dr. Johnson then advised that every cancer center must report on the demographics of its workforce and catchment area. This data will be provided to the Committee. The discussion concluded with Ms. Mitchell advising that she will recommend to the Diversity Committee that S&C undertake this study. There being no further discussion, *a motion was then made by Ms. Donna Gioia to approve an expenditure of approximately \$3,400 to engage S&C to benchmark the demographics of Roswell Park's executive team against peer organizations, which was seconded by Mr. Wortham, and unanimously approved.*

III. Review of Business Judgement Factors

Mr. Sears then led a discussion on the business judgement factors for executive compensation levels, highlighting the revisions to the business judgment factors supporting Dr. Brentjens' compensation. Mr. Sears acknowledged that S&C identified two executives whose total compensation was under the 25th percentile, but noted that he expects their compensation to move towards the median over time. Mr. Sears concluded the discussion by highlighting that S&C continues to issue high ratings on the business judgment factors utilized by Roswell Park to support executive compensation levels.

IV. Executive Benefits

Mr. Sears then facilitated a discussion on Roswell Park's executive benefit program, noting that the program aligns with the market with one exception. He explained that Roswell Park offers more benefits to its assistant vice presidents than those offered by peer organizations.

Mr. Woods then provided a presentation on the new Flex PTO Program, explaining that this program replaces each executive's personal leave, holiday, float holiday, and vacation accruals. Before the end of this calendar year, Roswell Park will pay out each executive's vacation accruals up to a 240-hour cap. The total payout amount is approximately \$1.9 million. Mr. Woods and Mr. Douglas also outlined the program's financial savings. Mr. Sears then advised that S&C reviewed the 240-hour accrual cap, finding that it aligned with the market media.

[REDACTED]

There being no further discussion, a motion was then made by Ms. Mitchell to approve the extension of this Flex PTO Program to Dr. Johnson and to payout Dr. Johnson's vacation accruals up to a 240-hour cap, which was seconded by Ms. Donna Gioia and passed. Dr. Johnson did not vote as she returned to the meeting after the motion passed.

V. Variable Pay Plan

Mr. Sears then led the Committee's evaluation of the appropriate "circuit breaker" provision for the variable pay plan, highlighting the importance of this provision. He noted that if the current provision remains as-is, then the variable pay plan will likely not be funded this fiscal year as the current circuit breaker provision requires Roswell Park to achieve 100% of budget. He strongly recommended that the Committee consider modifying the current circuit breaker provision. He also pointed the Committee members to the S&C report provided in the meeting materials. In this report, S&C discussed circuit breaker considerations and approaches for Roswell Park, and also identified current market practices for circuit breaker provisions.

Mr. Wortham inquired about the Committee's authority to use its business judgment and discretion to modify the plan's circuit breaker provision. Mr. Sexton advised that the Committee is permitted to modify the plan using its business judgement. Mr. Woods further advised that the Committee's charter charges the Committee with responsibility for reviewing and overseeing the design and administration of the variable pay plan and setting award levels.

The Committee then discussed at length the variable pay plan's current circuit breaker provision and potential modifications to it. Mr. Szeffel cautioned against deviating from the circuit breaker provision set forth in the variable pay plan. Mr. Sexton clarified that a permanent change to the plan's circuit breaker provision was under consideration rather than a one-time deviation from it. Mr. Sears advised that S&C reached out earlier this fiscal year to recommend that Roswell Park consider modifying its circuit breaker given current market practices. Mr. Sears noted that to the extent it was legally permissible, he supported a tiered approach that provides for different funding levels based on tiers of financial performance.

Mr. Woods then reviewed the two alternative FY'24 circuit breaker options that S&C proposed in its report. One model consisted of a direct percentage of budget attained approach while the other model was the tiered approach recommended by Mr. Sears. A lengthy discussion on these models ensued. Mr. Sears considered whether the executive team would be responsive to either approach. Dr. Johnson responded that she believed the executive team would respond positively, and these approaches offered more fairness and flexibility. Mr. Wortham contemplated what minimum level of budget Roswell Park should achieve to fund the plan. He also proposed that a portion of senior leadership's individual goals be dependent on pure financial metrics as Roswell Park's failure to achieve these financial metrics will result in a decrease the amount of variable pay

that could be earned. Mr. Woods responded that the FY'25 goals will incorporate a financial performance component.

The Committee then discussed whether an immediate change to the circuit breaker provision should be adopted this year with a more sophisticated circuit breaker provision adopted later for future fiscal years. The Committee concluded that it favored adopting a circuit breaker provision that applied for the current and future fiscal years.

There being no further discussion, a motion was then made by Mr. Wortham to modify the circuit breaker provision in the FY'24 Variable Pay Plan by adopting the tiered funding approach option outlined by S&C in its report. This motion was seconded by Ms. Donna Gioia, and unanimously carried.

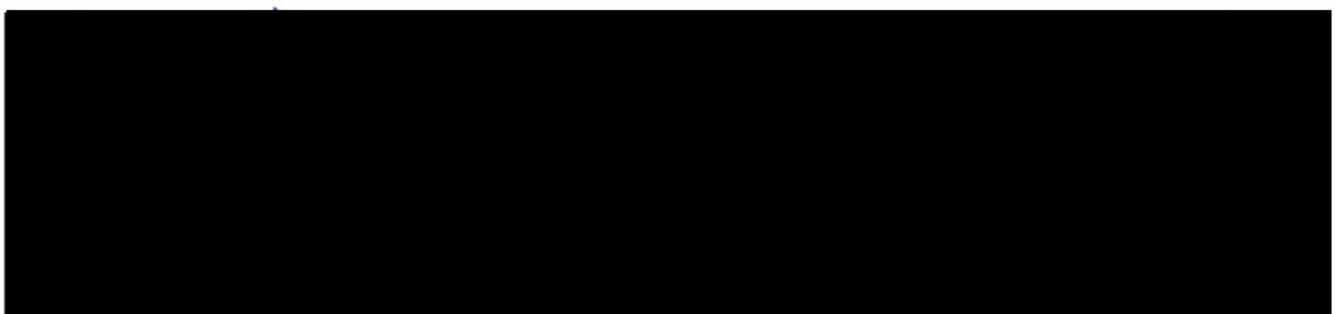
After the motion passed, Mr. Woods confirmed with the Committee that it approved the exact tiered funding levels outlined in the S&C report, which were:

- No funding if below 75% of budget is achieved.
- 50% funding if between 75% to 89.99% of budget is achieved.
- 75% funding if between 90% to 99.99% of budget is achieved.
- 100% funding if 100% of budget or above is achieved.

Mr. Wortham then asked HR leadership to ensure that the FY'25 performance goals for the senior leadership team incorporated a financial goal dependent solely on Roswell Park's financial performance. Mr. Woods concluded the discussion on this agenda topic by explaining that Roswell Park's executive compensation philosophy statement may be the appropriate document in which to discuss the variable pay plan's circuit breaker.

A motion was then made to move to Executive Session by Ms. Donna Gioia for discussion of individual goal updates for the FY'24 Variable Compensation Plan and the President and CEO's Total Compensation Assessment. The motion was seconded by Ms. Donna Gioia and unanimously carried.

VI. FY'24 Individual Goal Updates



Dr. Johnson then noted that several individuals have also joined the plan. Mr. Sears concluded the discussion by commenting that he reviewed Ms. Rodriguez-Dabney's individual goals and is comfortable with how ambitious her goals are given how critical her role is to the institution.

VII. President and CEO Total Compensation Assessment

In executive session the Committee reviewed the S&C evaluation of Dr. Johnson's compensation package.

VIII. Adjournment

There being no further business, *a motion to adjourn the meeting was made and seconded, and unanimously approved.*

Michael B. Sexton, Secretary