

## 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 Thursday, June 27, 2018 at 10:30 a.m. in the Patrick P. Lee Conference Room, 9<sup>th</sup> floor of the Scott Bieler Clinical Sciences Center.

**Present:** R. Buford Sears  
Donna M. Gioia (telephonically)  
Candace S. Johnson, PhD, President & CEO  
Gail Mitchell, Esq.

**Excused:** Michael L. Joseph, Chairman of the Board

### **Staff**

**Present:** Errol Douglas, Vice President of Human Resources  
Betsy Doty-Lampson, Administrator to Board of Directors  
Michelle Moore, Assistant Vice President of Human Resources  
Michael Sexton, Esq., Chief Administrative Officer, General  
Counsel and Secretary  
Anthony Woods, Director of Classification and Compensation

### Opening Remarks and Minute Review

Mr. Sears opened the meeting with a review of the draft minutes from the meeting held March 29, 2018. After discussion, and *on motion by Ms. Gioia, seconded by Ms. Mitchell, those minutes were unanimously approved.*

### Review of Business Judgment Factors for Executive Compensation Levels

Mr. Sears then turned to the Business Judgment Factors levels for those executives whose total compensation sits above the 75<sup>th</sup> percentile. Mr. Sears once again stated that he feels comfortable with the review and detail of these factors.

*Ms. Mitchell made a motion to move the meeting into Executive Session for a discussion of the Variable Pay programs for the Executive Staff and CEO, including the strategic goals incident to those plans; a discussion of the proposal to extend the employment contract for the CEO and a review of the benchmarking study on CEO compensation performed on a confidential basis by Sullivan Cotter which was seconded by Ms. Gioia and unanimously approved.*

### Variable Pay

Mr. Sears and the committee discussed that only one person would not be eligible for the discretionary increase. The committee feels that the methodology has been effectively used for the

goals and objectives for all of the executive team. It was noted that Dr. Johnson, Mr. Douglas, Ms. Moore and Mr. Woods work very closely on reviewing these goals and objectives throughout the year.

Dr. Johnson indicated that she will be adding Dr. Carl Morrison into the variable pay program.

### **FY19 Individual Goal Updates**

The committee discussed the FY19 individual goal updates.

### **Post-Retirement Health Assessment**

At the March 29, 2018 Compensation Committee Meeting, the Committee requested that Mr. Woods review the public benefit corporation's post-retirement health insurance benefit with Sullivan, Cotter & Associates to determine whether or not the value of this benefit should be included in the total compensation benchmarking review. Mr. Woods discussed this with the consultant and the preliminary view was that the value of this benefit may be excluded from assessment since the benefit value varies by participant, is not guaranteed, and, would need to be formally determined upon vesting. However, knowing the potential estimated value may be informative. With this, the Committee requested that Mr. Woods inquire as to the projected costs for having a consultant assist with the actuarial and related calculations needed to determine the potential estimated value of the post-retirement health insurance benefit for each of the participants.

### **Summary of CEO's LTIP Goals**

Mr. Sears indicated that the LTIP goals for Dr. Johnson are weighted appropriately and in a represent a suitable cross-section of important initiatives.

### **Extension of CEO Employment Contract**

Dr. Johnson excused herself from the meeting and a discussion was had by the committee members to recommend to the Board to extend Dr. Johnson's contract for five years.

### **Total Compensation Assessment Report for CEO from Sullivan Cotter**

The Compensation Committee discussed the report prepared by Sullivan, Cotter & Associates, which updated the competitive assessment of the total compensation program for the President and Chief Executive Officer, Candace Johnson, PhD. The Committee discussed a proposal to extend Dr. Johnson's contract for an additional five years beyond the expiration of her current contract that is set to expire on March 31, 2020. With consideration of information contained in the Sullivan, Cotter & Associates report, the Committee also discussed a proposed adjustment to Dr. Johnson's salary.

*On motion by Ms. Mitchell, seconded by Ms. Gioia, the meeting returned to Open Session.*

Upon return to Open Session, the following approvals were made:

*A motion to approve the variable pay plan for the executive staff was made by Ms. Mitchell and seconded by Ms. Gioia and unanimously approved.*

*A motion to approval the strategic goals for the executive plan for fiscal year 2019 was made by Ms. Mitchell, seconded by Ms. Gioia and unanimously approved.*

*A motion to approval the CEO LTIP plan results for fiscal year period 2016-2018 was made by Ms. Mitchell, seconded by Ms. Gioia and unanimously approved.*

*A motion to make a recommendation to the Board of Directors for the extension and compensation adjustment for CEO employment contract was made by Ms. Mitchell and seconded by Ms. Gioia and unanimously approved.*

*There being no further business, on motion by Ms. Gioia, seconded by Ms. Mitchell and unanimously carried, the meeting the adjourned.*

  
Michael B. Sexton, Secretary