

## 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 17, 2020 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 by**

**Phone:** R. Buford Sears, Committee Chairman (via WebEx)  
Anne Gioia  
Donna M. Gioia  
Candace Johnson, President & CEO  
Michael Joseph, Board Chairman (via WebEx)  
Gail Mitchell, Esq. (via WebEx)

### **Staff**

**Present:** Betsy Doty-Lampson, Board Administrator  
Errol Douglas, Sr. Vice President/Chief Human Resources Officer  
John Dudkowski, Manager, Classification & Compensation (via WebEx)  
Michelle Moore, Vice President of Human Resources  
Michael Sexton, Esq., Chief Administrative Officer, General Counsel  
and Secretary  
Anthony Woods, Assistant Vice President & Director of Classification  
and Compensation

### **Opening Remarks/Minute Review**

Mr. Sears opened the meeting and noted that the June Compensation Committee meeting is one of the most important Committee meetings of the year. He asked for a review of the draft Minutes of the Compensation Committee meeting held Wednesday, March 18, 2020. After review, *there was a motion by Mr. Joseph to approve those Minutes, seconded by Ms. Anne Gioia, and unanimously approved.*

### **Review of Business Judgement Factors for Executive Compensation Levels**

The meeting proceeded to a review of the Business Judgement Factors supporting the compensation of benchmark outliers in the management group. This is a group in which compensation either exceeds the 75<sup>th</sup> percentile or is less than the 25<sup>th</sup> percentile as presented in the Sullivan & Cotter Executive Compensation Benchmarking Report. Mr. Sears noted that of the forty (40) Executives in the group, six (6) of the Executives were over the 75<sup>th</sup> percentile, those being Drs. Johnson, Ernstoff, Kuvshinoff, Morrison and Schwaab, and Steven Wright, the Vice President of Facilities. The business judgement factors were reviewed and there were no expressions of concern. Mr. Sears commented on the justification for Carl Morrison, DVM, MD, noting Dr. Morrison's unique capabilities and value to Roswell Park.

*Ms. Donna Gioia then made a motion that the meeting move to Executive Session for a discussion of: 1) Roswell Park's strategic goal achievement for FY'20; 2) Strategic Business Goal Performance in the Variable Compensation Plan; 3) Status of Strategic Goal Performance in the FY'21 Plan; 4) Review Strategic Business Goal Performance for the CEO's LTIP for FY'18, '19 & '20; and 5) to Review scoring of the Executive Compensation Consultant RFP and to make a vendor selection. The motion was seconded by Ms. Anne Gioia and unanimously carried.*

### Strategic Goal Achievement for FY'20

In Executive Session, Dr. Johnson addressed the performance of strategic goals for the organization as a whole.

Goal performance in the variable compensation plan was reviewed. There was a discussion of two of the participants, Dr. Hershberger and Dr. Kuvshinoff who had goals that were not completed. Ms. Gioia asked about these and questioned whether they were related to disruptions caused by COVID-19.

After review of goal performance, *a motion was made for approval by Ms. Donna Gioia, seconded by Mr. Joseph and unanimously carried approving goal performance for Fiscal Year '20 in the variable compensation plan.*

Mr. Sears reviewed individual achievement levels for goals. There was a discussion that some had lower achievement levels than others in the plan. There was a discussion as to what this actually means in terms of performance evaluation. Each executive's circumstances should be evaluated in assessing overall performance.



Dr. Johnson noted that the Executive team performance was exceptional last year. She also feels that Roswell Park will get through the crisis without having to do layoffs or furloughs, and she noted that management had implemented a management confidential salary freeze and a hiring freeze to partially address COVID-19. She noted that it appeared the ramp up of clinical activity at Roswell Park was meeting milestones earlier than forecasted.

Ms. Mitchell agreed but indicated that she wanted to ensure that this discussion was put in front of the Board of Directors. Mr. Sears noted that the Compensation Committee uses best practices, utilizing the Sullivan & Cotter firm to ensure proper benchmarking, and noted that Roswell Park looks very good in comparison to benchmarks.

### **FY'21 Strategic Goal Updates**

Goal updates were reviewed for the current Fiscal Year '21 in the variable compensation plan. Dr. Johnson noted that Ms. MaryAnn Long has been added to the Executive team and is now a participant.

Dr. Johnson's long list of goals for the Fiscal Year '21 plan was reviewed. The Committee noted that it is unusual to have such a large number of goals, but it also noted that Dr. Johnson shares many of her goals with her Executive Team. *There was a motion to approve the updated status for the goals for Fiscal Year '21 variable compensation plan by Mr. Joseph, seconded Ms. Donna Gioia and unanimously carried.*

### **CEO LTIP Strategic Goals for FY'18, '19 & '20**

The LTIP Strategic Goals for the Chief Executive Officer were reviewed, and the CEO's performance under this program for the three-year period ended March 31, 2020 was discussed.

### **President and CEO Total Compensation Assessment**

Management obtained for the Committee a new benchmarking study for the compensation program for the President and Chief Executive Officer. This study, by Sullivan Cotter, was reviewed. It was determined that portions of this study, assessing Dr. Johnson's package in relation to her peers, should be made available at the Board of Director's meeting later in the month.

### **Executive Compensation and Benefits RFP Update**

The results of the request for proposal for compensation consulting were reviewed. Several firms responded and the scoring was reviewed and evaluated. Sullivan Cotter again had the highest score and a very competitive pricing proposal. The other responding firms of national prominence (Deloitte and Mercer) had extremely high fee proposals that were multiples of that proposed by Sullivan Cotter. *A motion was made by Anne Gioia, seconded by Mr. Joseph, to renew Sullivan Cotter for an additional contract term of up to six years, which motion was unanimously approved.*

*There was a motion to return to Open Session by Ms. Donna Gioia, which was seconded by Ms. Anne Gioia and unanimously carried.*

*Upon return to Open Session, there was a motion by Donna Gioia to share with the full Board at the June 25 meeting, pages 4-10 of the Sullivan Cotter CEO benchmarking study. The motion was seconded and unanimously approved.*

*There was a motion by Anne Gioia, seconded by Gail Mitchell, to approve the payout to executives in the Executive Variable Compensation Plan, which motion was unanimously approved.*

*There was a motion by Donna Gioia, seconded by Anne Gioia, to approve the payout to the CEO under the CEO LTIP Plan for the period 2018 to 2020, which motion was unanimously approved.*

*There being no further business, there was a motion for adjournment by Ms. Anne Gioia, which was seconded by Ms. Donna Gioia and unanimously carried.*



Michael B. Sexton, Secretary