

**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, March 18, 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  
Anne Gioia  
Donna M. Gioia  
Candace Johnson, President & CEO  
Michael Joseph, Board Chairman  
Gail Mitchell, Esq.

**Staff**

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

**Opening Remarks/Minute Review**

Mr. Sears opened the meeting by welcoming all in attendance and noting that all of the Committee members were attending via telephone due to the COVID-19 crisis.

There was a review of the draft Minutes of the Compensation Committee meeting held Wednesday, December 4, 2019. After review, *there was a motion by Ms. Donna Gioia to approve those Minutes, seconded by Ms. Mitchell, and unanimously approved.*

*Ms. Mitchell made a motion to move to Executive Session for a discussion of Roswell Park's Executive Compensation Philosophy, the benchmarking report from SullivanCotter, strategic business goal performance and the variable pay plan, and to review strategic business goal assignment and performance for the CEOs compensation program. That motion was seconded by Ms. Donna Gioia and unanimously carried.*

### **Executive Compensation Philosophy**

Mr. Sears turned to a review of the Executive Compensation Philosophy. He noted that there were a couple of amendments made to the policy reflecting commentary by Ms. Mitchell and others at the previous Compensation meeting. Those amendments were reviewed, and the Committee expressed satisfaction with the Executive Compensation Philosophy.

### **Executive Compensation Update Letter for 2020**

Mr. Sears turned to a review of the Executive Compensation benchmarking update letter submitted by SullivanCotter consulting firm for the current year. This is the Executive Compensation consultant benchmarking process that takes place each year. The consultant advised that Executive Compensation in the industry is experiencing approximate three percent (3%) cost-of-living increases. Ms. Mitchell questioned the compensation level for the incumbent in the Senior Vice President Clinical Investigations role. She noted that Dr. Puzanov was coming off of the benchmarking. Dr. Johnson noted that Dr. Puzanov is extremely busy and did not want this role. Dr. Ernstoff has retaken the position and is returning to his formerly held Senior Vice President role, and so is back in the benchmarking survey. Mr. Sears reviewed the SullivanCotter benchmarking update and noted that this is a best practice to obtain this on an annual basis and given the cost it is a good value for Roswell Park.

### **Executive Salary Adjustments**

Mr. Sears then reviewed then Executive salary adjustments proposed by Dr. Johnson for the executive team. Dr. Johnson is planning to implement a three percent (3%) across the board cost-of-living increase for the Executive team, as recommended by SullivanCotter.

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

The meeting then turned to a review of the business judgement factors for certain Executives whose compensation is considered to be outliers under the benchmarking study. These are any individuals whose compensation is either above the 75<sup>th</sup> percentile or below the 25<sup>th</sup> percentile. It was noted that Drs. Johnson, Ernstoff, Kuvshinoff, Morrison and Schwaab, along with Anthony Woods and Steven Wright have compensation exceeding the 75<sup>th</sup> percentile for their respective benchmarks. The business rationales for those compensation levels were reviewed and there were no questions. A question was raised as to the compensation for Dr. Morrison. The question was whether Dr. Morrison's compensation was sufficient given the benchmarks for the position. Dr. Johnson noted that Dr. Morrison is a .8 FTE, and this is probably the explanation, but she noted that she would take a specific look at his compensation to ensure that it was appropriate.

### **Variable Pay Program, Update for FY20**

Mr. Sears then turned to the variable pay program update for the FY20 plan. The status of goal achievement was reviewed. Mr. Sexton gave a brief presentation on an Institutional goal that was not able to be achieved. The goal involved the Press Ganey patient survey process and the results of that process. Press Ganey insisted on a new contract for the current year and also insisted on significantly adverse terms in the proposed new business associate agreement that would be part of the relationship. The Legal Department was eventually able to negotiate a somewhat better set of

terms, but it took until January, 2020 to get the new agreement in place. This left only one quarter of data to be used to measure the achievement of the Institutional goal. Using only one quarter of data would not be a useful indicator of improvement in performance. As a result, Dr. Johnson has requested that this goal be removed from the variable pay plan. There was a discussion among the Committee members, and it was the consensus of the Committee that would be acceptable. There was a further review of individual goals to the Committee's satisfaction.

### **Proposed FY21 Organizational and Individual Goals**

Mr. Sears then reviewed the new strategic goals presented by the management team for the fiscal year 2021 variable compensation plan. There was a specific review of a lengthy list of individual goals for Dr. Johnson and there was a discussion as to the appropriateness as to Dr. Johnson having this number of goals. Because all of the goals were shared goals with individual members of the Executive team, the Committee determined that this acceptable.

A question was raised about the status of Dr. Mohler in the plan. Dr. Johnson noted that Dr. Mohler's status at Roswell Park is changing as his job duties are changing. He will no longer be in the plan as of the FY21. Dr. Johnson also noted that Ms. Wicher will no longer be in plan as well as she is retiring shortly. There was also a discussion of Dr. Mohler's salary and Dr. Johnson noted that his salary is being adjusted downward to reflect his reduction in duties.

*Ms. Mitchell made a motion to approve the FY21 Strategic Goals for the Executive team, which was seconded by Ms. Anne Gioia and unanimously carried.*

### **Summary of CEOs LTIP Goals, Status of CEO LTIP Goals for FY'18, '19 & '20 and for FY'19, '20 & '21 and for FY'20, '21 & '22 and Proposed CEOs LTIP Goals for FY'21, '22 & '23**

The current status of achievement of the CEO LTIP goals for the three (3) year period 2018-2020 was reviewed and there were no questions. The proposed goals for the CEO LTIP for FY21-23 were reviewed, there was a discussion of one proposed goal that was removed, that being the retention of faculty goal. SullivanCotter was very negative on this type of goal as it could actually provide a disincentive to remove underperforming faculty or administration. SullivanCotter's position is that sometimes turnover is a good thing and having this type of goal would create potential conflicting opportunities. *There was a motion by Ms. Anne Gioia to approve the CEO LTIP Goals for FY21-23, which was seconded by Ms. Mitchell and unanimously carried.*

As the meeting was in Executive Session, no motion was required but staff was excused so the Committee could discuss a potential salary increase for Dr. Johnson.

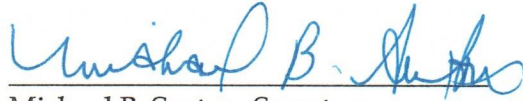
### **Executive Session**

During this extended Executive Session, the Committee determined that a three percent (3%) raise was appropriate for Dr. Johnson at the present time. A SullivanCotter comprehensive review of CEO compensation is being prepared and will be reviewed by the Committee at the next meeting.

*There was a motion to return to Open Session by Mr. Sears, which was seconded by Ms. Mitchell and unanimously carried.*

Ms. Anne Gioia took the opportunity to thank Dr. Johnson for her leadership through COVID-19 crisis, which is ongoing. The Committee also recognized the staff for its exemplary work during this challenging time.

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



Michael B. Sexton, Secretary