

AGENDA
EXECUTIVE COMPENSATION COMMITTEE OF THE
EL CAMINO HOSPITAL BOARD OF DIRECTORS

Tuesday, September 22, 2020 – 4:00pm
 El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040

PURSUANT TO STATE OF CALIFORNIA EXECUTIVE ORDER N-29-20 DATED MARCH 18, 2020, EL CAMINO HEALTH WILL NOT BE PROVIDING A PHYSICAL LOCATION FOR THIS MEETING. INSTEAD, THE PUBLIC IS INVITED TO JOIN THE OPEN SESSION MEETING VIA TELECONFERENCE AT:

1-669-900-9128, MEETING CODE: 369-007-4917#. No participant code. Just press #.

PURPOSE: To assist the El Camino Hospital (ECH) Board of Directors (“Board”) in its responsibilities related to the Hospital’s executive compensation philosophy and policies. The Executive Compensation Committee shall advise the Board to meet all applicable legal and regulatory requirements as it relates to executive compensation.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
1. CALL TO ORDER/ROLL CALL	Bob Miller, Chair		4:00-4:01pm
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Bob Miller, Chair		4:01 – 4:02
3. PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda.</i> b. Written Correspondence	Bob Miller, Chair		information 4:02 – 4:05
4. CONSENT CALENDAR <i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i> Approval a. Minutes of the Open Session of the ECC Meeting (7/28/2020) Information b. Progress Against FY21 Committee Goals c. Article of Interest	Bob Miller, Chair	<i>public comment</i>	motion required 4:05 – 4:06
5. REPORT ON BOARD ACTIONS ATTACHMENT 5	Bob Miller, Chair; Julie Klinger, Vice Chair		information 4:06 – 4:11
6. EXCISE TAX OVERVIEW ATTACHMENT 6	Heidi O’Brien, Mercer		discussion 4:11 – 4:16
7. FY20 ORGANIZATIONAL PERFORMANCE GOALS SCORE ATTACHMENT 7	Dan Woods, CEO	<i>public comment</i>	possible motion 4:16 – 4:26
8. FY20 CEO PERFORMANCE REVIEW PROCESS AND FY21 RECOMMENDATIONS ATTACHMENT 8	Heidi O’Brien, Mercer; Bob Miller, Chair	<i>public comment</i>	possible motion 4:26 – 4:41
9. EXECUTIVE COMPENSATION COMMITTEE SELF-ASSESSMENT ATTACHMENT 9	Bob Miller, Chair; Cindy Murphy, Director of Governance Services	<i>public comment</i>	possible motion 4:41 – 5:06

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
10. ADJOURN TO CLOSED SESSION	Bob Miller, Chair		motion required 5:06 – 5:07
11. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Bob Miller, Chair		information 5:07 – 5:08
12. CONSENT CALENDAR <i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i> Approval <i>Gov't Code Section 54957.2:</i> a. Minutes of the Closed Session of the ECC Meeting (7/28/2020)	Bob Miller, Chair		motion required 5:08 – 5:09
13. Health & Safety Code Section 32016(b) for a report and discussion involving health care facility trade secrets; <i>Gov't Code Section 54957.6</i> for a conference with labor negotiator Dan Woods: - FY20 Individual Performance Goals Scores	Dan Woods, CEO		possible motion 5:09 – 5:24
14. Gov't Code Section 54957.6 for a conference with labor negotiator Dan Woods: - Proposed FY20 Performance Goal Payouts	Dan Woods, CEO		discussion 5:21 – 5:34
15. Health & Safety Code Section 32016(b) for a report and discussion involving health care facility trade secrets; <i>Gov't Code Section 54957.6</i> for a conference with labor negotiator Dan Woods: - Proposed FY21 Individual Performance Goals	Dan Woods, CEO		discussion 5:34 – 5:54
16. Health & Safety Code Section 32016(b) for a report and discussion involving health care facility trade secrets; <i>Gov't Code Section 54957.6</i> for a conference with labor negotiator Dan Woods: - Proposed CHRO Goals and Payout a. FY20 CHRO Performance Goal Score b. Proposed FY20 CHRO Goal Payout c. Proposed FY21 CHRO Goals	Dan Woods, CEO		possible motion(s) 5:54 – 6:04 possible motion discussion possible motion
17. Gov't Code Section 54957.6 and 54957.6 for report and discussion on personnel matters: - Geographic Differential	Heidi O'Brien, Mercer		discussion 6:04 – 6:24
18. Gov't Code Section 54957.6 for a conference with labor negotiator Dan Woods: - Proposed FY21 Executive Base Salaries	Dan Woods, CEO		discussion 6:24 – 6:32
19. Gov't Code Section 54957.6 for a conference with labor negotiator Dan Woods: - Proposed FY21 CHRO Base Salary	Dan Woods, CEO		discussion 6:32 – 6:35
20. Gov't Code Section 54957.6 for a conference with labor negotiator Bob Miller: - Proposed FY21 CEO Base Salary	Bob Miller, Chair		discussion 6:35 – 6:45
21. ADJOURN TO OPEN SESSION	Bob Miller, Chair		motion required 6:45 – 6:46

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
22. RECONVENE OPEN SESSION/ REPORT OUT	Bob Miller, Chair		information 6:46 – 6:47
To report any required disclosures regarding permissible actions taken during Closed Session.			
23. GEOGRAPHIC DIFFERENTIAL	Bob Miller, Chair	<i>public comment</i>	possible motion 6:47 – 6:49
24. PROPOSED FY20 PERFORMANCE GOAL PAYOUTS	Dan Woods, CEO	<i>public comment</i>	possible motion 6:49 – 6:51
25. PROPOSED FY21 EXECUTIVE BASE SALARIES	Dan Woods, CEO	<i>public comment</i>	possible motion 6:51 – 6:52
26. PROPOSED FY21 CEO BASE SALARY	Bob Miller, Chair	<i>public comment</i>	possible motion 6:52 – 6:53
27. RFP AD HOC COMMITTEE REPORT ATTACHMENT 27	Jaison Layney, Ad Hoc Committee Chair	<i>public comment</i>	possible motion 6:53 – 7:03
28. FY21 PACING PLAN ATTACHMENT 28	Bob Miller, Chair		discussion 7:03 – 7:04
29. CLOSING COMMENTS	Bob Miller, Chair		discussion 7:04 – 7:05
30. ADJOURNMENT	Bob Miller, Chair	<i>public comment</i>	motion required 7:05pm

Upcoming Meetings: Regular Meetings: November 5, 2020; March 4, 2021; May 27, 2021



**Minutes of the Open Session of the
Executive Compensation Committee
of the El Camino Hospital Board of Directors
Tuesday, July 28, 2020**

Pursuant to State of California Executive Order N-29-20 dated March 18, 2020, El Camino Health did not provide a physical location for this meeting. Instead, the public was invited to join the open session meeting via teleconference.

Members Present

Teri Eyre**
Jaison Layney**
Julie Kliger**, Vice Chair
Bob Miller**, Chair
George Ting, MD
Pat Wadors**

Members Absent

None
**via teleconference

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Executive Compensation Committee of El Camino Hospital (the “Committee”) was called to order at 4:00pm by Chair Bob Miller. A verbal roll call was taken. All Committee members were present and participated via teleconference and videoconference pursuant to Santa Clara County’s shelter in place order. A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020 and N-29-20 dated March 18, 2020.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Miller asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were noted.	
3. PUBLIC COMMUNICATION	Mr. Jeremy Miller expressed concerns about the financial impacts of the pandemic on frontline employees.	
4. CONSENT CALENDAR	Chair Miller asked if any member of the Committee or the public wished to remove an item from the consent calendar. No items were removed. Motion: To approve the consent calendar: Minutes of the Open Session of the Executive Compensation Committee Meeting (5/28/2020); CEO Assessment Timeline. Movant: Kliger Second: Layney Ayes: Eyre, Kliger, Layney, Miller, Ting, Wadors Noes: None Abstentions: None Absent: None Recused: None	<i>Consent calendar approved</i>
5. ADJOURN TO CLOSED SESSION	Motion: To adjourn to closed session at 4:05pm. Movant: Kliger Second: Ting Ayes: Eyre, Kliger, Layney, Miller, Ting, Wadors Noes: None Abstentions: None Absent: None Recused: None	<i>Adjourned to closed session at 4:05pm</i>

<p>6. AGENDA ITEM 14: RECONVENE OPEN SESSION/ REPORT OUT</p>	<p>Open session was reconvened at 5:08pm. Agenda items 9-13 were addressed in closed session.</p> <p>During the closed session, the Committee approved the Minutes of the Closed Session of the Executive Compensation Committee Meeting (5/28/2020) by a unanimous vote in favor of all members present by teleconference (Eyre, Kliger, Layney, Miller, Wadors, Ting).</p>	
<p>7. AGENDA ITEM 15: FY20 INCENTIVE METHODOLOGY CALCULATION</p>	<p>Motion: To approve a 12-month measurement period for individual executive incentive goals.</p> <p>Movant: Kliger Second: Eyre Ayes: Eyre, Kliger, Layney, Miller, Ting, Wadors Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>12-month measurement period for FY20 individual goals approved</i></p>
<p>8. AGENDA ITEM 16: FY21 INCENTIVE GOAL WEIGHTING</p>	<p>Motion: To weight FY21 goals as written in the Incentive Plan and to direct staff to bring forward FY21 individual goals for the Committee’s review and approval.</p> <p>Movant: Eyre Second: Layney Ayes: Eyre, Kliger, Layney, Miller, Ting, Wadors Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Standard goal weighting approved</i></p>
<p>9. AGENDA ITEM 17: PROPOSED FY21 ORGANIZATIONAL GOALS</p>	<p>Motion: To recommend approval of the goals as presented subject to the confirmation by the Quality Committee of the goals under their purview.</p> <p>Movant: Kliger Second: Ting Ayes: Eyre, Kliger, Layney, Miller, Ting, Wadors Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>FY21 Proposed Organizational Goals recommended for approval</i></p>
<p>10. AGENDA ITEM 18: PROPOSED FY21 CFO BASE SALARY</p>	<p>Motion: To approve a CFO Base Salary of \$565,000.</p> <p>Movant: Layney Second: Wadors Ayes: Eyre, Kliger, Layney, Miller, Ting, Wadors Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>CFO Base Salary approved</i></p>
<p>11. AGENDA ITEM 19: RFP AD HOC COMMITTEE REPORT</p>	<p>Heidi O’Brien from Mercer discontinued participation in the meeting.</p> <p>Jaison Layney, Ad Hoc Committee Chair, explained that Ms. Fisk and Ms. Johnston will be revising a timeline for the RFP process. The Committee reviewed the firms under consideration. Chair Miller suggested adding Frederick Cook to the list. Ms. Johnston noted that one of the potential firms expressed concerns about the public nature of the Committee meeting materials.</p> <p>Staff and the Committee discussed the market data that is used in the Letters</p>	

	of Reasonableness. Mr. Layney reported the Ad Hoc Committee's recommendation to request a new principal consultant from Mercer.	
12. AGENDA ITEM 20: FY21 PACING PLAN	There were no comments on the Pacing Plan.	
13. AGENDA ITEM 21: CLOSING COMMENTS	Chair Miller thanked the Committee for their work. Ms. Kliger thanked Chair Miller for his stewardship of the meeting.	
14. AGENDA ITEM 22: ADJOURNMENT	Motion: To adjourn at 5:22pm. Movant: Second: Ayes: Eyre, Kliger, Layney, Miller, Ting, Wadors Noes: None Abstentions: None Absent: None Recused: None	<i>Meeting adjourned at 5:22pm</i>

Attest as to the approval of the foregoing minutes by the Executive Compensation Committee and the Board of Directors of El Camino Hospital.

Bob Miller
Chair, Executive Compensation Committee

Julia E. Miller
Secretary, ECH Board of Directors

Prepared by: Sarah Rosenberg, Contracts Administrator/Governance Services EA

FY21 COMMITTEE GOALS

Executive Compensation Committee

Update for 9/22/20 Meeting

The purpose of the Executive Compensation Committee (the “Committee”) is to assist the El Camino Hospital (ECH) Hospital Board of Directors (“Board”) in its responsibilities related to the Hospital’s executive compensation philosophy and policies. The Committee will advise the Board to meet all legal and regulatory requirements as it relates to executive compensation.

STAFF: **Kathryn Fisk**, Chief Human Resources Officer (Executive Sponsor); **Julie Johnston**, Director, Total Rewards

The CHRO shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair’s consideration. The CEO, and other staff members as appropriate, may serve as a non-voting liaison to the Committee and may participate at the discretion of the Committee Chair. These individuals shall be recused when the Committee is reviewing their individual compensation.

GOALS	TIMELINE	METRICS
1. Provide oversight and approvals for compensation-related decisions, including performance incentive goal-setting and plan design	Q1	<ul style="list-style-type: none"> - Review and approve FY21 executive base salaries (not including the CEO) - on track - Review and recommend FY20 Organizational Incentive Score - on track - Approve FY20 individual executive payout amounts (pending Board approval of incentive score) - on track
	Q3	<ul style="list-style-type: none"> - Review and recommend approval of letter of reasonableness
	Q4	<ul style="list-style-type: none"> - Review and recommend proposed FY22 organizational incentive goals - Review and approve FY22 individual executive incentive goals
2. Review executive benefits design	Q2	<ul style="list-style-type: none"> - Review (November 2020) and recommend benefit policy changes to the Board - postponed until Q3 per revised Pacing Plan
3. Evaluate the effectiveness of the independent compensation consultant	Q2/Q4	<ul style="list-style-type: none"> - Conduct semi-annual evaluation of ECC consultant - on track
	Q1 – Q4	<ul style="list-style-type: none"> - Appoint an Ad Hoc Committee (if desired) - completed - Conduct Interviews - Interview finalists with the whole Committee - Select consultant and sign contract
4. Review Executive Leadership Development Plan/Succession Planning	Q3	<ul style="list-style-type: none"> - Presentation in March 2021
5. Evaluate the effectiveness of the Committee	Q1	<ul style="list-style-type: none"> - Complete Committee Self-Assessment

SUBMITTED BY: Chair: Bob Miller | **Executive Sponsor:** Kathryn Fisk

Approved by the ECH Board of Directors 6/10/2020

Workspan Daily | July 23, 2020

Experts Discuss Exec Comp Options in the Wake of COVID-19

BY BRETT CHRISTIE, WORLDATEWORK

This is the first of two articles on the session “Executive Compensation in Unpredictable Times” from week three of WorldatWork’s “Total Resilience Virtual Conference & Exhibition.” The second article will focus on ESG and D&I in exec comp, as well as what might change as a result of COVID-19.

The COVID-19 pandemic has been a unique crisis in that it has had a broad spectrum of influence on business. While many companies are reeling from the financial effects of the pandemic, others, particularly those in the consumer-packaged goods sector, technology and streaming, have flourished because of it.



These wide-ranging, unforeseen outcomes lead to complicated decision-making when it comes to executive compensation. A group of panelists — Kathryn Neel, managing director at Semler Brossy Consulting Group, Steve Harris, president and head of the Atlanta Office at FW Cook, and Gregg Passin, senior partner and executive solutions leader at Mercer — provided tips for how to navigate the terrain in a session at week three of WorldatWork’s [“Total Resilience Virtual Conference & Exhibition”](#) on Wednesday.

To illustrate this point, session attendees were asked how the pandemic has affected their company. Most (50%) said their company had some negative impact, which is requiring managing the business more carefully, while 32% said their business is generally holding steady. However, 12% said it has had a significantly negative impact on their business, which is requiring meaningful action to manage liquidity, while 4% said their business has actually benefitted from the pandemic thus far.

The dicey situation organizations are facing is how to handle annual incentives, especially if the company hasn't set goals yet. For companies in the session that have already set annual incentive goals, 38% said they have maintained those goals, but anticipate discretionary adjustments while 30% said they are maintaining those goals and programs. 13% said they will reset performance goals once the COVID-19 impact is better understood. For companies that haven't set goals yet, 5% added a supplemental plan, 11% have made no changes and 6% said they've delayed goal setting until there's a greater line of sight.

Neel said one approach she's seen from clients in the retail sector is scrapping incentives for the first half of the year and focusing on the second half of the year with hopes of motivating with incentives aligned with the holiday season. Another approach, she said, is companies developing a framework around how they might apply discretion; a scorecard that has objectives or key indicators that would determine whether a bonus is paid out to executives.

Passin said when going about discretionary design, it's important to also consider the optics.

"As you're thinking about any action, whether it's 2020 incentives or setting 2021 design, it's important to make sure there's an alignment between the executives and the rest of the organization," he said. "Especially if you've taken any workforce actions, either positively or negative — make sure that executives aren't being advantaged at the expense of the rest of the organization."

Harris said companies considering discretionary adjustments should begin a structured process to inform conversations with the compensation committee and other board members. The four considerations should be:

- **Financial performance** — What are the projections you're seeing in your financial results compared to your original incentive plan goals? What are your projections for the post-pandemic performance? Results that would exclude impacts of the pandemic, to the degree that you can isolate. How do those two compare?
- **Peer comparisons** — How are other companies similar to yours performing?
- **Qualitative performance** — How have you responded to the pandemic? Have you managed the spread of the virus within your own organization? What are you doing in terms of environmental, social and governance (ESG)? What operating improvements are you making and are you structuring the business in a way that will set you up for success after the pandemic?
- **Additional considerations** — Has your company undergone furloughs and layoffs? What kind of pain has been felt within the organization and what are the implications of that?

“The nature of your incentive program should help drive what you do,” Harris said. “If you have a very granular program and it has not only financial but operating types of metrics that signal to participants what they need to be doing from a behavior standpoint, then [consider] accuracy of goals and how you approach goal setting and maybe the time frame of goal setting.”

Long-Term Incentive Plans

For those companies in the session that have already set goals for their long-term incentive plans (LTIs), 42% said they are maintaining those goals and programs, while 28% said they are maintaining goals but anticipate discretionary adjustments. However, 8% said they have or are considering resetting performance goals once the COVID-19 impact is better understood, with actions such as “ring-fencing” 2020 results, lowering thresholds or targets based on new forecasts and changing metrics.

Neel said she’s seeing companies take more of a “let things play out” approach and potentially consider adjustments when it’s closer to the end of the usual three-year performance period. For companies thinking about making changes with new incentive cycles, Neel encouraged transparency with investors.

“Have a dialogue about what changes you’re considering and why. What are the constraints you’re facing as you look to launch your new PSU (performance stock units) award and why might you not feel it’s appropriate to maintain an existing design,” Neel said. “I think investors are going to be understanding and open to dialogue about why change is needed, so I would suggest considering that as part of the process and not doing it too late down the road.”

Neel added that there’s a concern for asymmetry in incentive plans forming as a result of the pandemic. While it’s expected companies that have been negatively impacted will make positive adjustments to their incentive payouts, will companies that have been positively affected make negative adjustments?

Harris added that many companies in the consumer-packaged goods sector that have performed exceedingly well as a result of the pandemic are unlikely to make negative discretion adjustments. The reason for this, he said, is that in order to produce a strong performance, they’ve had to kick their business into overdrive and get creative to meet the consumer demand.

“If you’re an organization that has worked really hard to meet that demand that has allowed strong results,” he said, “then it’s certainly reasonable not to have any negative adjustment.”

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
COMMITTEE MEETING MEMO**

To: Executive Compensation Committee
From: Cindy Murphy, Director of Governance Services
Date: September 22, 2020
Subject: Report on Board Actions

Purpose: To keep the Committee informed with regards to actions taken by the El Camino Hospital and El Camino Healthcare District Boards.

Summary:

1. **Situation:** It is important to keep the Committees informed about Board activity to provide context for Committee work. The list below is not meant to be exhaustive, but includes agenda items the Board voted on that are most likely to be of interest to or pertinent to the work of El Camino Hospital's Board Advisory Committees.
2. **Authority:** This is being brought to the Committees at the request of the Board and the Committees.
3. **Background:** Since the last Executive Compensation Committee meeting, the Hospital Board has met twice and the District Board has met twice. In addition, since the Board has delegated certain authority to the Compliance and Audit Committee and the Finance Committee and those approvals are also noted in this report.

Board/Committee	Meeting Date	Actions (Approvals unless otherwise noted)
ECH Board	August 12, 2020	<ul style="list-style-type: none"> - FY21 Organizational Performance Goals - FY20 Period 12 Financials - FY21 Capital and Operating Budget - Increased Funding For Radiation Oncology Equipment - Medical Staff Report Including Credentials and Privileges Report
	September 9, 2020	<ul style="list-style-type: none"> - FY21 Period 1 Financials - Medical Staff Report Including Credentials and Privileges Report - Appointment of Rich Juelis to the Investment Committee - Appointment of Wayne Doiguchi to the Finance Committee
ECHD Board	August 12, 2020	<ul style="list-style-type: none"> - FY21 ECHD Consolidated and Stand Alone Budgets - Resolution Setting Annual Tax Appropriation Limit (Gann Limit)
	September 10, 2020	<ul style="list-style-type: none"> - Disbanded Compliance Issue Ad Hoc Committee
Compliance and Audit Committee	N/A	
Finance Committee	July 27, 2020	<ul style="list-style-type: none"> - Funding for Replacement Sterile Processing Equipment NTE \$1.85 million

List of Attachments: None.

Suggested Committee Discussion Questions: None.

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
COMMITTEE MEETING MEMO**

To: Executive Compensation Committee (“ECC” or “Committee”)
From: Kathryn Fisk, Chief Human Resources Officer
Date: September 22, 2020
Subject: Excise Tax

Purpose: To update the Committee of the impact of the excise tax effective in 2018.

Summary:

1. **Situation:** The Tax Cut and Jobs Act of 2017 amending the Internal Revenue Code of 1986 changed a number of corporate tax provisions effective for tax years beginning after December 31, 2017.

Section 4960 imposed an excise tax on compensation paid by some tax-exempt organizations to a covered employee. The tax applies to:

- remuneration paid to a covered employee in excess of \$1 million for a tax year; and
- excess parachute payments made to a covered employee contingent on separation from employment.

The rate of the excise tax mirrors the corporate income tax rate, which is now 21 percent, and the employer is liable for the tax.

2. **Authority:** The Controller, under the supervision of the Chief Financial Officer, is responsible for tax reporting including filing Form 4720 and payment of the excise tax. The Controller consulted with El Camino’s CPA who advised us that the excise tax must be paid.
3. **Background:** As a tax exempt 501(c)(3) corporation, El Camino Hospital is required to pay an excise tax of 21% for any compensation received by an individual in excess of \$1M per year. As such, the Hospital filed IRS Form 4720 *Return of Certain Excise Taxes Under Chapters 41 and 42 of the Internal Revenue Code* for 2018. The return was filed in November 2019 for calendar year 2018 and paid the \$84,679 tax. The Hospital will be filing a return for calendar 2019 no later than November 15, 2020.
4. **Assessment:** N/A
5. **Other Reviews:** N/A
6. **Outcomes:** N/A

List of Attachments: Mercer summary

Suggested Committee Discussion Questions: None.

Excise Tax on Pay over \$1M for Tax-Exempt Employers

Pay over
\$1M

- 21% excise tax on pay in excess of \$1M to any of the 5 highest-paid employees¹
 - Includes salary, incentive pay, newly vested 457(f) deferred compensation, and any other taxable value
 - Includes pay from related organizations
 - Excludes pay to medical professionals for clinical care
 - Excludes payments from qualified retirement plans, 457(b) plans, and most non-taxable benefits
-
- Pay is measured for the calendar year ending in the employer's fiscal year
 - Regulations became **effective for fiscal years beginning in 2018**

Currently applies for ECH's CEO, and potentially for other ECH executives in the future

¹ Any current or former employee who was ever one of the 5 highest paid in a fiscal year beginning after 2016

Excise Tax on Excess Parachute Payments for Tax-Exempt Employers

Excess Parachute Payments

- 21% excise tax on “excess parachute payments” to any of the 5 highest paid employees
- Pay triggered by *involuntary separation* exceeding 3 x pay
 - Tax is on amount in excess of 1 times pay
 - Excludes pay to medical professionals for clinical care
 - Excludes payments from qualified retirement plans and 457(b) plans
- Excise taxes for pay over \$1M and for excess parachute payments are not stackable (i.e., **no double excise tax** on the same compensation)

Not expected to apply to ECH, based on current severance program

Excise Tax – Actions Organizations are Considering

Many organizations view the excise tax as an unavoidable cost of business. However, some are considering program changes to mitigate exposure, such as:

Split Dollar Loan Arrangements

Split dollar plans have been heavily marketed to healthcare organizations, as split dollar value is not subject to excise tax (due to its tax-free nature).

However, these arrangements remain uncommon, and come with significant complexity and risk.

SERP Vesting Changes

457(f) plans, such as ECH's SERP, are taxed (and therefore count toward excise tax) when vested. Many plans with single vesting dates are being updated to spread vesting over multiple years.

ECH's SERP is not as problematic, as the vesting schedule is already spread over many years.

Long-Term Incentive (LTI) Plans

Some organizations with end-to-end performance cycles are considering a shift to overlapping cycles, in an effort to reduce spikes in taxable income.

LTI is not currently in place at ECH.

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
COMMITTEE MEETING MEMO**

To: Executive Compensation Committee
From: Dan Woods, Chief Executive Officer
Date: September 22, 2020
Subject: FY20 Organizational Performance Goal Scores

Recommendation:

Possible motions: To recommend the Board 1) modify the target and stretch metrics to reflect an 8-month goal period and 2) approve the FY20 organizational score.

Summary:

1. **Situation:** In October 2019, El Camino Hospital's (ECH) Board of Directors approved FY20 Organizational Performance Goals for the Executive Performance Incentive Plan. The same goals and measures are used in the Management Performance Incentive and the Employee Engagement and Recognition plans. Due to the impact of the COVID-19 pandemic, the organization was forced to shift focus mid-year. On June 10, 2020, the Board approved (1) recalibration of the FY20 Organizational Performance Goals to an 8-month period ending February 2020 and (2) elimination of the People Goal with redistribution of its weight to the other goals.
2. **Authority:** The Committee may recommend organizational goals, measurements, and weights to the Board and may recommend exceptions for Board approvals. The Board approved recalibrating, but not the specific changes. Leadership is requesting that the Committee review the proposed changes for recommendation to the Board.
3. **Background:** In October 2019, when FY19 final results became available, we were able to set the baselines and the Board approved the minimum, target, and stretch metrics for the FY20 Organizational Performance Goals. In June 2020, the Board approved recalibration and elimination of the People Goal. Management's proposed approach to the recalibration is described in the attached presentation.

I shared the approach to recalibrate the metrics with the Board on September 9, 2020.

4. **Assessment:** The proposed approach to recalibration reflects having 8 months (as opposed to 12 months) to achieve the goals and a higher overall score than without recalibration.
5. **Other Reviews:** The approach has been discussed with the executive team and the Board. Hospital associations and executive compensation consulting firms, including Mercer, have reported that other organizations are recalibrating goals in light of COVID-19.
6. **Outcomes:** FY 20 Executive Performance Incentive Payouts amounts are based on the organizational score and the individual goal scores approved by the Committee.

List of Attachments:

1. Presentation
2. Historical Org Goal Scores

Suggested Committee Discussion Questions:

1. Does the Committee understand the proposed approach to recalibrating metrics from 12 to 8 months?
2. Are there any concerns that need to be addressed before a recommendation can be made?



FY20 Organizational Performance Goals, Recalibration, and Proposed Scores

Executive Compensation Committee

Dan Woods, CEO

September 22, 2020

Board-Approved Metrics, October 2019

STRATEGY	Weight	GOAL	OBJECTIVES/ OUTCOMES	Benchmark		Measurement Defined			Measurement Period
Finance	Threshold	Budgeted Operating Margin				95% of Budgeted			FY20
				Internal Benchmarks	External benchmarks	Minimum	Target	Stretch	
Quality and Safety	37.5%	Zero Preventable Harm	Risk-Adjusted Inpatient Mortality Index	1.05 in FY 18. 0.90 FY19 through 11/18. FY 19 actual: 0.97	Premier Standard Risk Calculation	0.95	0.90	0.85	FY20
			Risk-Adjusted Readmission Index	1.08 in FY 18. 1.00 through 11/18; FY 19: 0.99	Premier Standard Risk Calculation	0.99	0.96	0.94	
Service	37.5%	Exceptional Personalized Experience, Always	HCAHPS : Staff Responsiveness	65.1 through 12/18. FY19 goal 67.0; FY19 actual: 65.7	HCAHPS baseline: 65.1 (Q417-Q318)	65.7	67.1	69.7	FY20
			HCAHPS: Discharge Information	86.8 through 12/18; FY19 actual: 86.7	Improvement based on Press Ganey data for FY19 all hospitals	86.7	87.3	88.4	FY20
Growth	25.0%	Market Relevance and Access	Adjusted Discharges	Adjusted discharges 0.7% below budget through P8FY19. Planned growth is 4% in FY20		98% of Budget	100% of Budget	102% of budget	FY20

Approach to Recalibration of Metrics

- Proposed changes are based on making 8/12^{ths} of the targeted and stretch annual improvement during July 2019 - February 2020 (8 months)
- For example
 - Original Metric: Improve by 1.2 and 1.8 points at target and stretch
 - Recalibrated Metric: Improve by 0.8 and 1.2 points at target and stretch
- Recalibration was calculated if internal metric (readmissions, mortality) and using Press Ganey modeler if external metric based on % of improvers (service)
- Adjusted discharges did not require recalibration since used YTD February actual / budget

Proposed Recalibration Measurements

STRATEGY	Weight	GOAL	OBJECTIVES/ OUTCOMES	Benchmark		Measurement Defined			Measurement Period
Finance	Threshold	Budgeted Operating Margin				95% of Budgeted			YTD P8 FY20
				Internal Benchmarks	External benchmarks	Minimum	Target	Stretch	
Quality and Safety	37.5%	Zero Preventable Harm	Risk-Adjusted Inpatient Mortality Index	1.05 in FY 18. 0.90 FY19 through 11/18. FY 19 actual: 0.97	Premier Standard Risk Calculation	0.95	0.92	0.89	YTD P8 FY20
			Risk-Adjusted Readmission Index	1.08 in FY 18. 1.00 through 11/18; FY 19: 0.99	Premier Standard Risk Calculation	0.99	0.97	0.96	YTD P8 FY20
Service	37.5%	Exceptional Personalized Experience, Always	HCAHPS : Staff Responsiveness	65.1 through 12/18. FY19 goal 67.0; FY19 actual: 65.7	HCAHPS baseline: 65.1 (Q417-Q318)	65.7	66.6	68.3	YTD P8 FY20
			HCAHPS: Discharge Information	86.8 through 12/18; FY19 actual: 86.7	Improvement based on Press Ganey data for FY19 all hospitals	86.7	87.1	87.8	YTD P8 FY20
Growth	25.0%	Market Relevance and Access	Adjusted Discharges	Adjusted discharges 0.7% below budget through P8FY19. Planned growth is 4% in FY20		98% of Budget	100% of Budget	102% of budget	YTD P8 FY20

Summary of Recommended Changes

Mortality Index: Change Target from 0.90 to 0.92. Stretch from 0.85 to 0.89

Readmissions: Change Target from 0.96 to 0.97. Stretch from 0.94 to 0.96

Staff Responsiveness: Change Target from 67.1 to 66.6 and Stretch from 69.7 to 67.3

Discharge Information: Change Target from 87.3 to 87.1 and Stretch from 88.4 to 87.8

Proposed Organizational Score based on Recalibrated Metrics: Scored with Target 100%

STRATEGY	Weight	GOAL	OBJECTIVES/OUTCOMES	Measurement Defined			Measurement Period	Goal Results		
								Results	Score as a % of Target	Weighted Score
Finance	Threshold	Budgeted Operating Margin		95% of Budgeted			YTD P8 FY20	8.5% vs. 6.9% budget		
				Minimum	Target	Stretch				
Quality and Safety	37.5%	Zero Preventable Harm	Risk-Adjusted Inpatient Mortality Index	0.95	0.92	0.89	YTD P8 FY20	0.69	150.0%	28.1%
			Risk-Adjusted Readmission Index	0.99	0.97	0.96	YTD P8 FY20	0.98	75.0%	14.1%
Service	37.5%	Exceptional Personalized Experience, Always	HCAHPS : Staff Responsiveness	65.7	66.6	68.3	YTD P8 FY20	66.30	83.4%	15.6%
			HCAHPS: Discharge Information	86.7	87.1	87.8	YTD P8 FY20	87.70	142.8%	26.8%
Growth	25.0%	Market Relevance and Access	Adjusted Discharges	98% of Budget	100% of Budget	102% of budget	YTD P8 FY20	108.2% based on 25,603 actual/23,658 budgeted	150%	37.5%
Proposed Score									122.1%	

Recommendations to the Committee

- The Committee will approve the recommendations it will make to the Board of Directors
- CEO's recommendation is as follows:
 - ❖ FY20 Organizational Score of 122.1% (of target)
 - Score without recalibration would be 113.7% of target
 - Proposed score is 81.4% of maximum
 - ❖ Recalibration of Metrics based on 8 months
- Additional actions: approval of FY20 individual payouts based on proposed organizational and individual scores (subject to Board's approval of org score)

Historical Goal Performance
ORGANIZATIONAL PERFORMANCE INCENTIVE SCORES FY 2010-19

Goal	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	Average Score
Organizational Score	80.00%	96.70%	80.70%	67.00%	63.60%	93.00%	71.00%	87.00%	93.00%	0.00%	73.20%

Scores Reported as Percent of Maximum

*As approved by Board for Executive Compensation Plan only

CEO Performance Evaluation Process

- Overall, feedback from FY 2020 participants on the annual performance evaluation process was positive.
- Potential process improvements for the FY 2021 cycle:
 - **Administer CEO self-assessment after the end of the fiscal year to include full fiscal year results; Proposed timeline:**
 - **July:** Send CEO self- assessment and board assessment surveys
 - **August:** Assessments are completed, Mercer gathers results, creates summary and presents to Board Chairs
 - **September:** Board Chairs meet with CEO
 - **October:** Board makes decisions regarding CEO salary and discretionary score
 - **November:** ECC discusses process and potential future improvements
 - **Allow CEO 4 weeks to complete assessment (month of July), rather than 2 weeks**

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
COMMITTEE MEETING MEMO**

To: Executive Compensation Committee
From: Cindy Murphy, Director of Governance Services; Erica Osborne, Via Healthcare Consulting
Date: September 22, 2020
Subject: Executive Compensation Committee Self-Assessment Review

Purpose: To discuss the results of the Committee Self- Assessment and reach consensus on two “Committee Self- improvements” the Committee as a whole (1) would like to achieve in FY21 and (2) what measures it will take to achieve them.

Summary:

1. **Situation:** Every other year, the El Camino Hospital Board’s Advisory Committees participate in a Self-Assessment. In late June, eight of thirteen committee members responded to a survey administered by Via Healthcare Consulting. The survey consisted of 15 questions and an opportunity for open-ended responses.
2. **Authority:** The Governance Committee Charter provides that it will ensure that each Committee participates in a biennial self-assessment.
3. **Background:** Governance best practices call for boards and their committees to regularly evaluate performance and adopt improvements to fulfill their duties and responsibilities more effectively. This type of governance assessment can help a committee ensure that its structures, composition, policies and practices provide a platform for thorough oversight and deliberation, effective policy making, efficient decision making, and strong ties with and accountability to the board, the community and external regulators.
4. **Assessment:** The attached report provides a summary of the findings that were identified during the process and includes recommendations for the committee’s consideration.
5. **Other Reviews:** The Governance Committee also reviewed each of the Committee Self-Assessment reports and agreed that there is an opportunity for more robust communication between the Board and the Committees.
6. **Outcomes:** N/A

List of Attachments:

1. Executive Compensation Committee Self-Assessment Report and Executive Summary

Suggested Committee Discussion Questions:

1. Do Committee members who did not participate in the survey have the same or different perspectives from what is shown in the results?
2. What improvements would the Committee like to focus on for FY21?
3. What measures should the Committee take to achieve those improvements?



2020

**Executive Compensation
Committee**

Prepared by



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Introduction and Executive Summary

In the interest of enhancing their committee effectiveness, members of the El Camino Hospital (ECH) Executive Compensation Committee (ECC) participated in a committee self-assessment process in the summer of 2020. Erica Osborne, Principal at Via Healthcare Consulting, provided the consulting and analysis for this effort. This report provides a summary of the issues that were raised during the process and includes recommendations for the committee's consideration.

Governance best practices call for boards and their committees to regularly evaluate performance and adopt improvements to fulfill their duties and responsibilities more effectively. This type of governance assessment can help a committee ensure that its structures, composition, policies and practices provide a platform for thorough oversight and deliberation, effective policy making, efficient decision making, and strong ties with and accountability to board, the community and external regulators. In today's rapidly changing marketplace, effective and efficient governance has never been more important to organizational performance.

Executive Summary

ECC members strongly believe the committee is performing well as indicated by ratings of 4.0 or higher in all areas. Key areas of strength include:

- All members indicate they are confident that the committee understands and effectively and efficiently carries out its responsibilities.
- The majority of members believe the number of agenda topics allows for the adequate exploration and discussion of relevant issues.
- Most believe meetings are well run and the committee chair provides strong and appropriate leadership in directing the work of the committee as indicated by a score of 4.60.

While the committee believes it is functioning well, the assessment identified several opportunities for improvement.

- As with all committees, more effective bi-directional communication between the committee and the board would better inform the committee's work.
- Several members suggested that additional exposure and education regarding the principles of executive compensation and the committee's work would be beneficial to the board.
- While most agree that current orientation practices are appropriate, committee might consider reviewing its process to ensure all members understand what is available. It might also be an opportunity to determine how it could be enhanced.

These assessment results will be discussed with committee members at the September 2020 committee meeting. It is important to note that this assessment process was designed to gauge the effectiveness and efficiency of the committee as a whole, not of the individual committee members. In addition, it was focused on the governance of the committee, not management or operations.

Overview of the Process

A customized committee assessment was administered via the Microsoft Forms online survey tool. Committee members were asked to rate their level of agreement with 15 statements of committee effectiveness using a scale of 1-5 from strongly agree to strongly disagree. The self-assessment also invited open-ended responses. Six out of seven ECC members responded.

Recommendations

Based on the results of the 2020 ECH Committee Self-Assessment Process and our extensive experience in the area of governance effectiveness, Via Healthcare Consulting recommends ECH consider the following recommendations. In addition, additional education topics requested are listed below.

RECOMMENDATIONS

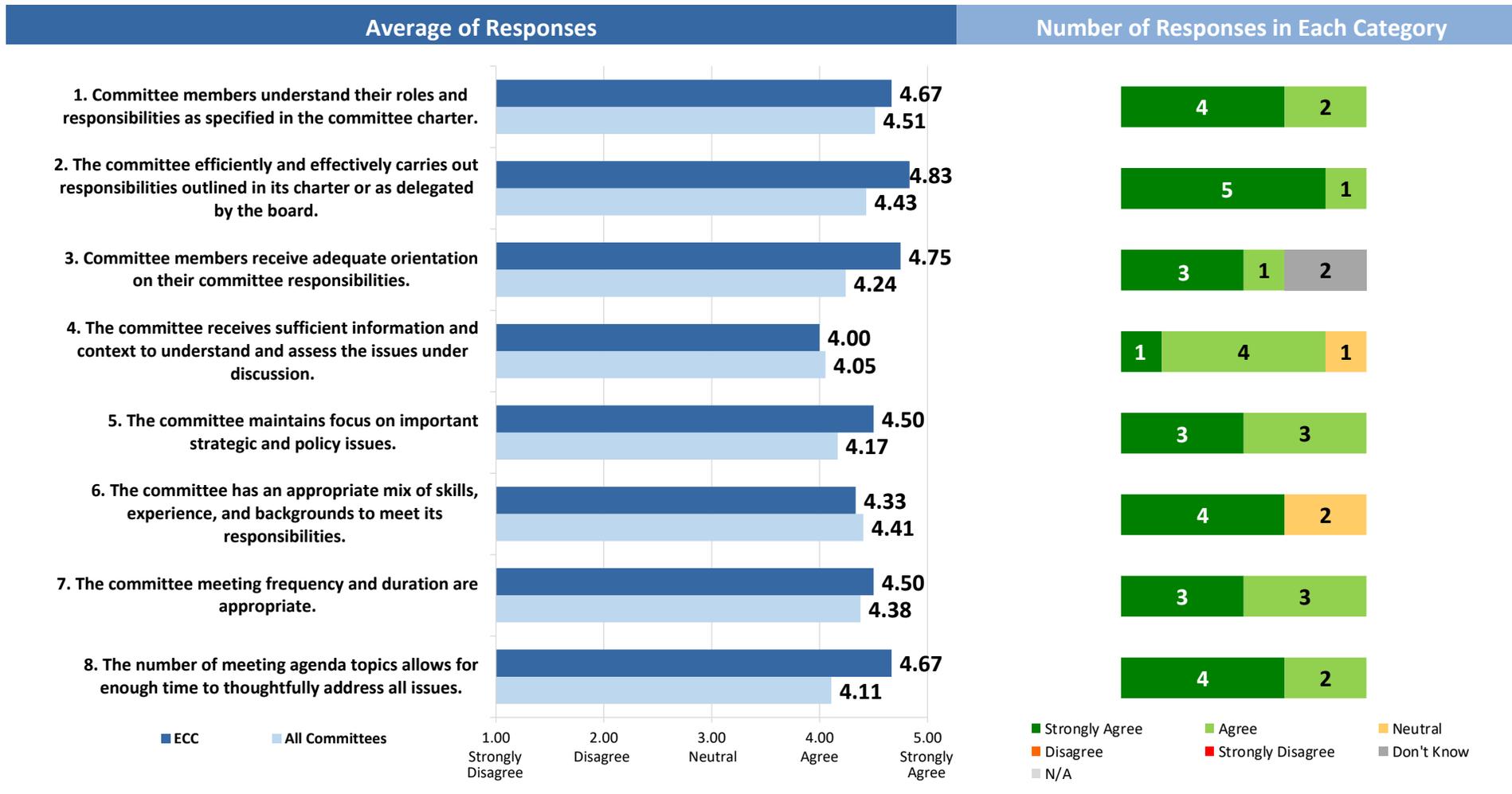
1. Board and committee leadership should engage the executive team in developing a more effective mechanism for communication between the board and committees (*Please note this is also included as a recommendation on Board self-assessment*).
 - Committee Chairs (or Committee Vice-Chairs when the Chair is a non-board member) should work with staff to create a more robust report out on board actions. These reports could include frequent updates on ECH strategic goals, priorities and drivers to better inform the committee's work as well as feedback on the committee's performance and the board's rationale for accepting or rejecting committee recommendations.
 - Committee members should participate in the semi-annual Joint ECH Board and Committee Educational Sessions scheduled for October 2020 and April 2021. At these meetings the CEO can provide updates on progress against the current strategic plan and information on the new strategic process.
2. Ensure that agendas are structured to allow adequate time for in-depth discussion of issues.
3. Request time on the board's calendar to discuss and provide additional information on the principles and requirements of executive compensation and the committee's work.
4. Conduct a review of the current committee orientation process to:
 - Ensure members of all committees are aware of and take advantage of this valuable practice; and
 - Current practices are up to date, comprehensive and utilize best practices.

ADDITIONAL EDUCATION TOPICS TO BE COVERED OVER THE NEXT YEAR:

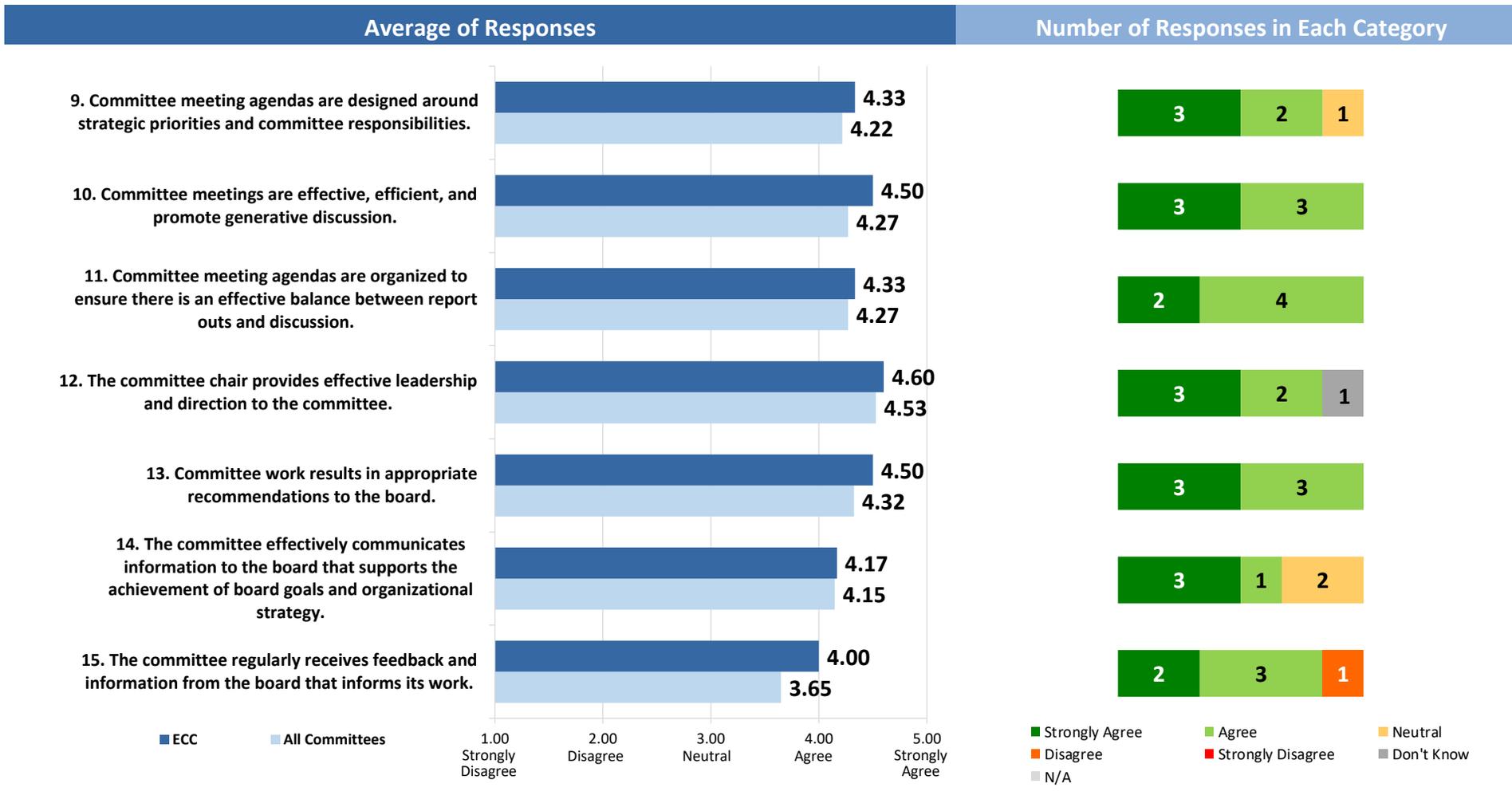
1. Current HR philosophy
2. Executive Compensation philosophy in the industry
3. Quality, patient experience measures, metrics and philosophy so that members understand the unique issues to hospitals and the complexity of hospitals
4. How to evaluate compensation vs. flight risk/attrition
5. Financial, quality and other objectives that drive the health care system's efforts and success
6. Overview of ECH's financials

Committee Self-Assessment Survey Results

Executive Compensation Committee Self-Assessment Results



Executive Compensation Committee Self-Assessment Results (cont.)



Summary of Comments for Committee Performance Improvement:

- Continued updates from CEO and Board about strategic direction and priorities for the hospital.
- More clarity on the board’s perspective.
- Understanding the uniqueness of a hospital and health system as a “business” vs. other industries.
- Receive trended historical data from Executive team relating to performance and trends over time.
- Provide more education to the Board on Executive Compensation principles that underlie the Committee's recommendations.
- I believe the committee structure provides a valuable mechanism to provide input and influence Board decisions.
- Several members of the committee don’t have the necessary experience/background on compensation design— at times we overprescribe the “joe” to management.

Suggestions for Additional Education:

- The committee would benefit from having education on current HR philosophy, Executive Compensation philosophy in the industry. Also, the committee would benefit from receiving education on quality, patient experience measures, metrics and philosophy so that members understand the unique issues to hospitals and the complexity of hospitals.
- How to evaluate compensation vs. flight risk/attrition.
- Better understanding of the financial, quality and other objectives that drive the health care system's efforts and success.
- Better understanding of ECH's financials.

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
COMMITTEE MEETING MEMO**

To: Executive Compensation Committee (“ECC” or “Committee”)
From: Jaison Layney, Ad Hoc Committee Chair
Date: September 22, 2020
Subject: RFP Ad Hoc Committee Report

Purpose: To update the Committee on the work of the Request for Proposal (“RFP”) Ad Hoc Committee.

Summary:

1. **Situation:** The Ad Hoc Committee had a kickoff meeting on July 10, 2020 with Julie Johnston, Director, Total Rewards, to start the RFP process. Since the last ECC meeting, a timeline has been established and is on track.
2. **Authority:** At its May 28, 2020 meeting, the ECC authorized Chair Bob Miller to appoint members of an ad hoc committee to work with staff on an RFP for an executive compensation consultant. Chair Miller appointed me as Chair and Teri Eyre and Pat Wadors as members of the RFP Ad Hoc Committee.
3. **Background:** RFPs were sent to six firms on August 21, 2020, a call was held on September 3, 2020 to answer any questions from the firms, and proposals are due October 2, 2020. The Ad Hoc Committee will review the proposals and select two to three finalists to meet with the ECC in November. Next steps include reviewing and finalizing the following: interview questions, criteria, and a scoring tool to evaluate the proposals submitted.
4. **Assessment:** The goal is to interview RFP finalists at the Committee’s November 2020 meeting.
5. **Other Reviews:** N/A
6. **Outcomes:** N/A

List of Attachments: None.

Executive Compensation Committee

Updated 9/8/2020

FY21 ECC Pacing Plan – Q1		
(Tuesday) July 28, 2020	August 2020	(Tuesday) September 22, 2020
<ul style="list-style-type: none"> - CEO Assessment Timeline (consent) - Weighting of FY21 Executive Organizational and Individual Performance Incentive Goals - FY21 Organizational Goals - Proposed Revised FY20 (March – June) Individual Executive Incentive Goals - ECC Consultant Ad Hoc Committee Report <p><i>*For each meeting, evaluate whether Executive Salary Ranges require review.</i></p>	<p><i>No scheduled Committee meeting</i></p>	<p><u>Discussion:</u></p> <ul style="list-style-type: none"> - Review CEO FY20 Performance Review Process (including proposed FY21 Process) - Review Committee Self-Assessment - Review Geographic Differential <p><u>Committee Actions:</u></p> <ul style="list-style-type: none"> - Approve Minutes - Approve FY21 Individual Performance Goals - Approve FY20 Individual Performance Goal Scores - Approve FY20 Performance Goals Payouts (*pending Board approval of FY20 Organizational Performance Goal Score) - Approve FY21 Exec Base Salaries and Salary Ranges (and recommend CEO) - Ad Hoc Committee Report
FY21 ECC Pacing Plan – Q2		
October 2020	(Thursday) November 5, 2020	December 2020
<p><i>No scheduled Committee meeting</i></p>	<p><u>Discussion:</u></p> <ul style="list-style-type: none"> - Assess Effectiveness of Delegation of Authority - 6-Month Exec Comp Consultant Review <p><u>Committee Actions:</u></p> <ul style="list-style-type: none"> - Approve Minutes - Recommend Letter(s) of Reasonableness - Review Benefits Program and Policy - Review Executive Performance Management Process - ECC Consultant Interviews 	<p><i>No scheduled Committee meeting</i></p>
<p><u>Board Actions:</u></p> <ul style="list-style-type: none"> - Approve FY20 Financial Audit - Approve FY20 Incentive Score/Results - Approve CEO FY20 Individual Score and Performance Incentive Payout - Approve FY20 CEO Base Salary (or later) <p><u>Informational Report to Board on:</u></p> <ul style="list-style-type: none"> - FY20 Executive Individual Goal Scores (closed) - FY20 Executive Payout Amounts (open) - FY 21 Executive Base Salaries (or later) <p>Board/Committee Educational Gathering – October 28, 2020</p>	<p><u>Board Actions:</u></p> <ul style="list-style-type: none"> - Approve Letter(s) of Reasonableness 	
<p>*Mercer to prepare Letter(s) of Reasonableness</p>	<p>*Outside Counsel to prepare rebuttable presumption action cover letter for Board meeting</p>	<p><u>Board Actions:</u></p> <ul style="list-style-type: none"> - Approve Letter(s) of Reasonableness

Executive Compensation Committee
Updated 9/8/2020

FY21 ECC Pacing Plan – Q3		
January 2021	February 2021	(Thursday) March 4, 2021
<i>No scheduled Committee meeting</i>	<i>No scheduled Committee meeting</i>	<p><u>Discussion:</u></p> <ul style="list-style-type: none"> - Leadership Development and Succession Plan Update - Strategic Plan Update (and progress against FY21 organizational goals) - Review Benefits Program and Policy - Review Executive Performance Management Process <p><u>Committee Actions:</u></p> <ul style="list-style-type: none"> - Approve Minutes - Approve FY22 Committee Goals - Approve FY22 Committee Dates - Annual Policy Review: Benefits, Compensation Philosophy; Salary Administration; Performance Incentive Plan (including discretion calculation and excise tax review and recommendation(s))
FY21 ECC Pacing Plan – Q4		
April 2021	(Thursday) May 27, 2021	June 2021
<i>No scheduled Committee meeting</i>	<p><u>Discussion:</u></p> <ul style="list-style-type: none"> - 6-Month Exec Comp Consultant Review <p><u>Committee Actions:</u></p> <ul style="list-style-type: none"> - Approve Minutes - Approve FY22 Pacing Plan - Approve FY22 Executive Individual Goals - Recommend Proposed FY22 Incentive Goals 	<i>No scheduled Committee meeting</i>
<p>Board/Committee Educational Gathering – April 28, 2021</p>		<p><u>Board Actions:</u></p> <ul style="list-style-type: none"> - Approve FY22 Incentive Goals <p><u>Informational Report to Board on:</u></p> <ul style="list-style-type: none"> - FY22 Executive Individual Goals

Executive Compensation Committee

Updated 9/8/2020

Notes on Proposed Base Salaries and Salary ranges: Focal Review period is June to August. Moving market review and approval of salary ranges and base salaries to September would schedule CEO’s salary range and base salary would be scheduled for October Board meeting plus ECC will report on their decisions. Executive Benefit Allowance and SERP contributions are based January 1st base salaries

Proposed Timeline Regarding Base Salaries and Salary Ranges only for FY22

Month	CEO Action	ECC Action	Board Action	Human Resources Action
July 2021	Executive Performance Reviews			Provide compensation and benefits data to ECC consultant
August 2021	Executive Performance Reviews			
September 2021	Recommend base salary and ranges to ECC	<ul style="list-style-type: none"> Review market data for CEO and executives Approve base salaries and ranges for executives Determine recommendation CEO salary range 		Review market analysis for accuracy
October 2021	Communicate increases to executives		<ul style="list-style-type: none"> Approve CEO base salary and ranges Receive report from ECC on execs 	Implement salary increases and base ranges
November 2021		Recommend board accept letter of reasonable presumption with new salary and target/max total cash and remuneration		Obtain legal opinion for Board on reasonableness letter Initiate executive benefit open enrollment with new salaries
December 2021			Accept reasonableness letter	Complete benefit open enrollment with new salaries
January 2022				
February 2022				
March 2022				
April 2022				
May 2022				Launch Performance Review Cycle
June 2022	Executive Performance Reviews			