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

Thursday, November 5, 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:


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.

<table>
<thead>
<tr>
<th>AGENDA ITEM</th>
<th>PRESENTED BY</th>
<th>ESTIMATED TIMES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CALL TO ORDER/ROLL CALL</td>
<td>Bob Miller, Chair</td>
<td>4:00-4:01pm</td>
</tr>
<tr>
<td>2. ADJOURN TO CLOSED SESSION</td>
<td>Bob Miller, Chair</td>
<td>motion required 4:01 – 4:02</td>
</tr>
<tr>
<td>3. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</td>
<td>Bob Miller, Chair</td>
<td>information 4:02 – 4:03</td>
</tr>
<tr>
<td>4. CONSENT CALENDAR</td>
<td>Bob Miller, Chair</td>
<td>motion required 4:03 – 4:04</td>
</tr>
<tr>
<td>Approval</td>
<td>Gov’t Code Section 54957.2:</td>
<td></td>
</tr>
<tr>
<td>a. Minutes of the Closed Session of the Exec Comp Committee Meeting (7/28/2020)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Minutes of the Closed Session of the Exec Comp Committee Meeting (9/22/2020)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Health &amp; Safety Code Section 32016(b) for a report and discussion involving health care facility trade secrets; Gov’t Code Section 54957 and 54957.6 for a report and discussion on personnel matters:</td>
<td>Bob Miller, Chair; Jaison Layney, RFP Ad Hoc Committee Chair</td>
<td>discussion 4:04 – 5:52</td>
</tr>
<tr>
<td>Executive Compensation Consultant Interviews</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Health &amp; Safety Code Section 32016(b) for a report and discussion involving health care facility trade secrets; Gov’t Code Section 54957 and 54957.6 for a conference with labor negotiator Dan Woods:</td>
<td>Dan Woods, CEO</td>
<td>possible motion 5:52 – 5:55</td>
</tr>
<tr>
<td>FY21 CFO Individual Performance Goals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. ADJOURN TO OPEN SESSION</td>
<td>Bob Miller, Chair</td>
<td>motion required 5:55 – 5:56</td>
</tr>
<tr>
<td>8. RECONVENE OPEN SESSION/REPORT OUT</td>
<td>Bob Miller, Chair</td>
<td>information 5:56 – 5:57</td>
</tr>
</tbody>
</table>

To report any required disclosures regarding permissible actions taken during Closed Session.
## Agenda Item 9: Potential Conflict of Interest Disclosures
- **Presented by:** Bob Miller, Chair
- **Estimated Times:** Information 5:57 – 5:58

## Agenda Item 10: Selection of Executive Compensation Consultant
- **Presented by:** Bob Miller, Chair
- **Estimated Times:** Public comment possible motion 5:58 – 6:00

## Agenda Item 11: Public Communication
- **Presented by:** Bob Miller, Chair
- **Estimated Times:** Information 6:00 – 6:03
  - **Public comment:**
    - Oral Comments
      - 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.
    - Written Correspondence

## Agenda Item 12: Consent Calendar
- **Presented by:** Bob Miller, Chair
- **Estimated Times:** Motion required 6:03 – 6:05
  - **Public comment:**
    - Approval
      - Minutes of the Open Session of the ECC Meeting (9/22/2020)
      - Information
        - Progress Against FY21 Committee Goals

## Agenda Item 13: Report on Board Actions
- **Presented by:** Bob Miller, Chair; Julie Kliger, Vice Chair
- **Estimated Times:** Information 6:05 – 6:08
  - **Discussion:**

## Agenda Item 14: Assess Effectiveness of Delegation of Authority
- **Presented by:** Bob Miller, Chair
- **Estimated Times:** Discussion 6:08 – 6:18
  - **Attachment:** Attachment 14

## Agenda Item 15: FY21 Pacing Plan
- **Presented by:** Bob Miller, Chair
- **Estimated Times:** Discussion 6:18 – 6:19
  - **Attachment:** Attachment 15

## Agenda Item 16: Closing Comments
- **Presented by:** Bob Miller, Chair
- **Estimated Times:** Discussion 6:19 – 6:20

## Agenda Item 17: Adjournment
- **Presented by:** Bob Miller, Chair
- **Estimated Times:** Motion required 6:20pm
  - **Public comment:**

### Upcoming Meetings
- **Regular Meetings:** 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, September 22, 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.

<table>
<thead>
<tr>
<th>Members Present</th>
<th>Members Absent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teri Eyre**</td>
<td>None</td>
</tr>
<tr>
<td>Jaison Layney**</td>
<td>**via teleconference</td>
</tr>
<tr>
<td>Julie Kliger, Vice Chair**</td>
<td></td>
</tr>
<tr>
<td>Bob Miller, Chair**</td>
<td></td>
</tr>
<tr>
<td>George Ting, MD**</td>
<td></td>
</tr>
<tr>
<td>Pat Wadors**</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Comments/Discussion</th>
<th>Approvals/Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CALL TO ORDER/ROLL CALL</td>
<td>The open session meeting of the Executive Compensation Committee of El Camino Hospital (the “Committee”) was called to order at 4:01pm 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.</td>
<td></td>
</tr>
<tr>
<td>2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</td>
<td>Chair Miller asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were noted.</td>
<td></td>
</tr>
<tr>
<td>3. PUBLIC COMMUNICATION</td>
<td>None.</td>
<td></td>
</tr>
<tr>
<td>4. CONSENT CALENDAR</td>
<td>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 (7/28/2020); and for information: Progress Against FY21 Committee Goals; Article of Interest. Movant: Ting Second: Layney Ayes: Eyre, Kliger, Layney, Miller, Ting, Wadors Noes: None Abstentions: None Absent: None Recused: None  Chair Miller requested adding the bolded language to the Progress Against Committee Goals document to recognize the efforts of staff: 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 “and for developing and disseminating in a timely manner management’s recommendations to the Committee and appropriate supporting information to facilitate the Committee’s deliberations and exercise of its responsibilities.”</td>
<td>Consent calendar approved Goals document to be updated</td>
</tr>
<tr>
<td>5. REPORT ON BOARD ACTIONS</td>
<td>Ms. Kliger, Vice Chair, reported on the Quality Committee activities and strategic plan update discussed at the September 9, 2020 Hospital Board meeting. She and Dr. Ting highlighted Committee and Board discussion</td>
<td></td>
</tr>
</tbody>
</table>
including the desire to monitor COVID-19-related metrics and ongoing work to define Committee and Board governance oversight roles for ECH’s physician network.

### 6. EXCISE TAX OVERVIEW

Heidi O’Brien from Mercer provided an overview of part of the Tax Reform Act effective in 2018 that requires non-profit employers to pay a 21% excise tax on any compensation over $1 million for their top five employees. The excise tax is largely counting taxable pay, but excludes benefits from qualified plans (403(b), cash balance plans) and unvested 457(f) plans (SERP). At ECH, the CEO is the only executive that has reached the $1 million threshold.

She also described the separate excise tax related to parachute payments, which currently does not apply to ECH given the organization’s maximum severance period.

Ms. O’Brien reviewed the alternative that other organizations are considering to address the excise tax: split dollar loan arrangements (significant complexity and risk), SERP vesting changes (ECH’s schedule is already spread over several years), and Long-Term Incentive (LTI) Plans (ECH does not currently have one).

In response to Ms. Eyre’s question, Ms. O’Brien explained that deferred compensation covered by 457(f) (most deferred compensation at non-profits) is counted by the excise tax, but deferred compensation into a 457(b), which ECH has, escapes the excise tax calculation.

Chair Miller commented that the purpose of this discussion was to make sure the Committee had an opportunity to review this tax and to note that the alternatives to paying it are not feasible or desirable at this time.

### 7. FY20 ORG PERFORMANCE GOAL SCORES

Mr. Woods described the proposed recalibration of the FY20 Organizational Performance Goal Score with an 8-month measurement period; the methodology assumes linear improvement except for the service goals, which were determined in consultation with Press Ganey. He reviewed the proposed changes to target and stretch as further outlined materials for a total proposed score of 122.1% of target. He noted that payouts will be prorated for eight months.

The Committee requested that staff frame proposed scores as a percentage of target, not maximum and to eliminate any references to percentage of maximum in materials going forward.

**Motion:** To recommend that the Board approve 1) recalibration of the target and stretch metrics to reflect an eight-month goal period and 2) the proposed FY20 Organizational Performance Goal Score of 122.1%.

**Movant:** Eyre

**Second:** Layney

**Ayes:** Eyre, Kliger, Layney, Miller, Ting, Wadors

**Noes:** None

**Abstentions:** None

**Absent:** None

**Recused:** None

### 8. FY20 CEO PERFORMANCE REVIEW PROCESS AND FY21 RECOMMENDATIONS

Ms. O’Brien reported that the feedback on the FY20 CEO Performance Review Process was largely positive. Proposed changes include to: 1) start the process after the end of the fiscal year and 2) allow more time (four rather than two weeks) for the CEO to fill out his assessment.
9. EXECUTIVE COMPENSATION COMMITTEE SELF-ASSESSMENT

Cindy Murphy, Director of Governance Services, described the timing and participation levels for the self-assessment surveys, noting that the Committee members as of June 30, 2020 filled out the survey. The Committee reviewed the results. Chair Miller suggested more education and context for non-healthcare-based committee members on hospital operations and quality. He also suggested providing an educational overview on executive compensation principles to the Board. Chair Miller thanked the Committee for their time and effort.

10. ADJOURN TO CLOSED SESSION

**Motion:** To adjourn to closed session at 4:45pm.

**Movant:** Layney
**Second:** Wadors
**Ayes:** Eyre, Kliger, Layney, Miller, Ting, Wadors
**Noes:** None
**Abstentions:** None
**Absent:** None
**Recused:** None

Adjourned to closed session at 4:45pm

11. AGENDA ITEM 22: RECONVENE OPEN SESSION/REPORT OUT

Open session was reconvened at 6:14pm. Agenda items 9-13 were addressed in closed session.

During the closed session, the Committee approved the FY20 Individual Performance Goal Scores and FY21 Individual Performance Goals by unanimous vote in favor of all members present by teleconference (Eyre, Kliger, Layney, Miller, Ting, Wadors).

12. AGENDA ITEM 23: GEOGRAPHIC DIFFERENTIAL

The Committee did not take any action on this item.

13. AGENDA ITEM 24: PROPOSED FY20 PERFORMANCE GOAL PAYOUTS

**Motion:** To approve the FY20 Performance Goal Payouts under the Executive Performance Incentive Plan noted below subject to Board approval of the FY20 organizational performance goal score:

<table>
<thead>
<tr>
<th>Position</th>
<th>Payout</th>
</tr>
</thead>
<tbody>
<tr>
<td>President, Foundation</td>
<td>$37,679</td>
</tr>
<tr>
<td>President, SVMD</td>
<td>$78,286</td>
</tr>
<tr>
<td>VP, Corporate &amp; Community Health Services/President, CONCERN:EAP</td>
<td>$38,905</td>
</tr>
<tr>
<td>Chief Nursing Officer</td>
<td>$64,822</td>
</tr>
<tr>
<td>Chief Information Officer</td>
<td>$62,273</td>
</tr>
<tr>
<td>Chief Operating Officer</td>
<td>$72,390</td>
</tr>
<tr>
<td>VP, Payor Relations</td>
<td>$48,885</td>
</tr>
<tr>
<td>Chief Administrative Services Officer</td>
<td>$49,160</td>
</tr>
<tr>
<td>Chief Medical Officer</td>
<td>$84,118</td>
</tr>
<tr>
<td>General Counsel</td>
<td>$74,367</td>
</tr>
<tr>
<td>Chief Human Resources Officer</td>
<td>$56,852</td>
</tr>
</tbody>
</table>

**Movant:** Layney
**Second:** Ting
**Ayes:** Eyre, Kliger, Layney, Miller, Ting, Wadors
**Noes:** None
**Abstentions:** None
**Absent:** None
**Recused:** None

FY20 Executive Performance Goal Payouts approved

14. AGENDA ITEM 25: PROPOSED FY21

**Motion:** To approve the Proposed FY21 Executive Base Salaries:

<table>
<thead>
<tr>
<th>Position</th>
<th>FY21 Base Salary</th>
</tr>
</thead>
</table>

FY21 Executive Base Salaries
<table>
<thead>
<tr>
<th>EXECUTIVE BASE SALARIES</th>
<th>President, Foundation</th>
<th>$291,200</th>
</tr>
</thead>
<tbody>
<tr>
<td>President, SVMD</td>
<td>$543,100</td>
<td></td>
</tr>
<tr>
<td>VP, Corporate &amp; Community Health Services/President, CONCERN:EAP</td>
<td>$283,300</td>
<td></td>
</tr>
<tr>
<td>Chief Nursing Officer</td>
<td>$393,900</td>
<td></td>
</tr>
<tr>
<td>Chief Information Officer</td>
<td>$407,300</td>
<td></td>
</tr>
<tr>
<td>Chief Operating Officer</td>
<td>$583,500</td>
<td></td>
</tr>
<tr>
<td>VP, Payor Relations</td>
<td>$287,900</td>
<td></td>
</tr>
<tr>
<td>Chief Administrative Services Officer</td>
<td>$321,500</td>
<td></td>
</tr>
<tr>
<td>Chief Medical Officer</td>
<td>$610,000</td>
<td></td>
</tr>
<tr>
<td>General Counsel</td>
<td>$440,100</td>
<td></td>
</tr>
<tr>
<td>Chief Human Resources Officer</td>
<td>$381,500</td>
<td></td>
</tr>
</tbody>
</table>

**Movant:** Wadors  
**Second:** Ting  
**Ayes:** Eyre, Kliger, Layney, Miller, Ting, Wadors  
**Noes:** None  
**Abstentions:** None  
**Absent:** None  
**Recused:** None

15. AGENDA ITEM 26: PROPOSED FY21 CEO BASE SALARY  
There was no action or discussion on this item.

16. AGENDA ITEM 27: RFP AD HOC COMMITTEE REPORT  
Jaison Layney, Ad Hoc Committee Chair, reported that he, Ms. Johnston, and Ms. Murphy participated on a Q&A call with three of the interested firms. Five of six solicited firms intend to submit a response; one firm declined due to concerns about the public nature of the Committee meeting materials. Proposals are due October 2, 2020. The Ad Hoc Committee will select finalists for the entire Committee to review at its November 2020 meeting.  
Chair Miller thanked the Ad Hoc Committee for their work.

17. AGENDA ITEM 28: FY21 PACING PLAN  
Chair Miller commented that there is a policy review paced in at the March 2021 meeting.

18. AGENDA ITEM 21: CLOSING COMMENTS  
There were no additional comments from the Committee.

19. AGENDA ITEM 22: ADJOURNMENT  
**Motion:** To adjourn at 6:23pm.  
**Movant:** Wadors  
**Second:** Eyre  
**Ayes:** Eyre, Kliger, Layney, Miller, Ting, Wadors  
**Noes:** None  
**Abstentions:** None  
**Absent:** None  
**Recused:** None

Meeting adjourned at 6:23pm

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  Julia E. Miller  
Chair, Executive Compensation Committee  Secretary, ECH Board of Directors

Prepared by:  Sarah Rosenberg, Contracts Administrator/Governance Services EA
FY21 COMMITTEE GOALS
Executive Compensation Committee
Updated 11/5/20

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 and for developing and disseminating in a timely manner management’s recommendations to the Committee and appropriate supporting information to facilitate the Committee’s deliberations and exercise of its responsibilities. 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.

<table>
<thead>
<tr>
<th>GOALS</th>
<th>TIMELINE</th>
<th>METRICS</th>
</tr>
</thead>
</table>
| 1. Provide oversight and approvals for compensation-related decisions, including performance incentive goal-setting and plan design | Q1 | - Review and approve FY21 executive base salaries (not including the CEO) - completed  
- Review and recommend FY20 Organizational Incentive Score - completed  
- Approve FY20 individual executive payout amounts (pending Board approval of incentive score) - completed |
| | Q3 | - Review and recommend approval of letter of reasonableness |
| | Q4 | - Review and recommend proposed FY22 organizational incentive goals  
- Review and approve FY22 individual executive incentive goals |
| 2. Review executive benefits design | Q2 | - Review (November 2020) and recommend benefit policy changes to the Board – deferred to Q3 |
| 3. Evaluate the effectiveness of the independent compensation consultant | Q2/Q4 | - Conduct semi-annual evaluation of ECC consultant – Q2 assessment will be part of RFP process discussion |
| | Q1 – Q4 | - Appoint an Ad Hoc Committee (if desired) - completed  
- Conduct Interviews –will be completed 11/5/20  
- Interview finalists with the whole Committee - will be completed 11/5/20  
- Select consultant and sign contract – on track for Q2 |
| 4. Review Executive Leadership Development Plan/Succession Planning | Q3 | - Presentation in March 2021 |
| 5. Evaluate the effectiveness of the Committee | Q1 | - Complete Committee Self-Assessment - completed |

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

Approved by the ECH Board of Directors 6/10/2020
EL CAMINO HOSPITAL BOARD OF DIRECTORS
COMMITTEE MEETING MEMO

To: Executive Compensation Committee
From: Cindy Murphy, Director of Governance Services
Date: November 5, 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 time we provided this report to the Executive Compensation Committee, the Hospital Board has met once and the District Board has met once. In addition, since the Board has delegated certain authority to the Executive Compensation Committee, the Compliance and Audit Committee and the Finance Committee, those approvals are also noted in this report.

| Board/Committee | Meeting Date       | Actions (Approvals unless otherwise noted)                                                                                                                                                                                                 |
|-----------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------
| ECH Board       | October 14, 2020   | - Resolution Recognizing the El Camino Health Foundation for Establishing COVID-19 Relief Fund  
- FY21 Period 2 Financials  
- FY20 Financial Audit and Cash Balance and 403(b) Plan Audits  
- Quality Committee Report, including Credentials and Privileges Report  
- FY20 Organizational Performance Score  
- FY21 Readmissions Organizational Performance Goal Metrics  
- Neuro-Interventional Call Panel  
- Medical Director, Cardiac Rehabilitation |
| ECHD Board      | October 20, 2020   | - FY20 Year End Consolidated Financials  
- FY20 Year End Community Benefit Report  
- ECHD Conflict of Interest Code  
- FY20 Year End ECHD Stand Alone Financials  
- FY20 Financial Audit  
- FY21 Period 2 Financials  
- Appointment of District Director George Ting as Chair of the ECH Board Member Election Ad Hoc Committee and as Liaison to the Community Benefit Advisory Council  
- Revisions to the ECHD Community Benefit Grants Policy (moves up timeline for notification to the public regarding|
## Board/Committee Actions (Approvals unless otherwise noted)

<table>
<thead>
<tr>
<th>Board/Committee</th>
<th>Meeting Date</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Compensation Committee</td>
<td>September 22, 2020</td>
<td>- FY21 Executive Base Salaries</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- FY21 Executive Individual Goals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- FY21 Executive Compensation Incentive Payouts</td>
</tr>
<tr>
<td>Compliance and Audit Committee</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Finance Committee</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

**List of Attachments:** None.

**Suggested Committee Discussion Questions:** None.
To: Executive Compensation Committee  
From: Cindy Murphy, Director, Governance Services  
Date: November 5, 2020  
Subject: Assessment of Effectiveness of Delegation of Authority to the Executive Compensation Committee

**Purpose:**

To assess whether delegating authority to approve annual base salary changes, individual performance incentive goals, and incentive compensation payments for executives (other than the CEO) to the executive compensation committee has been effective.

**Summary:**

1. **Situation:** At its April 18, 2018 meeting, on this Committee’s (“ECC”) recommendation, the Board delegated authority to this Committee to approve for executives other than the CEO (1) adjustments to annual salary ranges and annual salaries, (2) individual goals for incentive purposes, and (3) the amount of incentive compensation earned. The intended purpose of the delegation was two-fold. First, to leave these decisions in the hands of those with specific subject matter expertise with Board members working alongside and second, to free up Board time to enable the Board to focus on strategic planning and decision making. Since that time, the Committee approved the following for Executives other than the CEO (see section 3).

2. **Authority:** N/A

3. **Background:** Since that time, the Committee approved the following for executives other than the CEO:

   FY18, FY19, and FY20 Individual Incentive Plan Scores and Incentive Compensation Payments  
   FY19, FY20, and FY21 Base Salaries  
   FY19, FY20, and FY21 Individual Performance (Incentive) Goals

   The Committee reported each of its approvals to the Board as informational items on the Board’s consent calendar. The Board as a whole has not raised any questions or concerns about the reported approvals. Due to timing issues, the Board, from time to time, approved the base salaries of incoming executives without prior ECC review or approval, although the CEO did consult with the Committee Chair in advance of presentation to the Board.

4. **Assessment:** N/A

5. **Other Reviews:** None.

6. **Outcomes:** N/A

**List of Attachments:** None.
Suggested Committee Discussion Questions:

1. Does the Committee receive adequate information and feel comfortable making these decisions without oversight by the full Board?
2. Does the Board have confidence in the Committee’s decisions?
3. Has the delegation resulted in less time spent on executive compensation matters at the Board level, with respect to both meeting preparation and Board discussion?
### FY21 ECC Pacing Plan – Q1

**No scheduled Committee meeting**

<table>
<thead>
<tr>
<th>(Tuesday) July 28, 2020</th>
<th>August 2020</th>
<th>(Tuesday) September 22, 2020</th>
</tr>
</thead>
</table>

- 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

*For each meeting, evaluate whether Executive Salary Ranges require review.*

**Discussion:**

- Review CEO FY20 Performance Review Process (including proposed FY21 Process)
- Review Committee Self-Assessment
  - **Review Geographic Differential**

**Committee Actions:**

- 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 recommend CEO)
- Ad Hoc Committee Report

### FY21 ECC Pacing Plan – Q2

**No scheduled Committee meeting**

<table>
<thead>
<tr>
<th>October 2020</th>
<th>(Thursday) November 5, 2020</th>
<th>December 2020</th>
</tr>
</thead>
</table>

**Board Actions:** **Items deferred to Nov 2020 mtg**

- Approve FY20 Financial Audit
- Approve FY20 Incentive Score/Results
- Approve CEO FY20 Individual Score and Performance Incentive Payout**
- Approve FY20 CEO Base Salary**

**Informational Report to Board on:**

- FY20 Executive Indiv. Goal Scores (closed) **
- FY20 Executive Payout Amounts (open) **
- FY 21 Executive Base Salaries

**Board/Committee Educational Gathering – October 28, 2020**

*Mercer to prepare Letter(s) of Reasonableness*

**Outside Counsel to prepare rebuttable presumption action cover letter for Board meeting**

**Discussion:**

- Assess Effectiveness of Delegation of Authority

**Committee Actions:**

- Approve Minutes (7/28 (amended) and 9/22)
  - Recommend Letter(s) of Reasonableness
- ECC Consultant Interviews
- Approve FY21 CFO Individual Goals

**No scheduled Committee meeting**
<table>
<thead>
<tr>
<th>FY21 ECC Pacing Plan – Q3</th>
<th>FY21 ECC Pacing Plan – Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>January 2021</strong></td>
<td><strong>April 2021</strong></td>
</tr>
<tr>
<td>No scheduled Committee meeting</td>
<td>No scheduled Committee meeting</td>
</tr>
<tr>
<td><strong>February 2021</strong></td>
<td><strong>(Thursday) May 27, 2021</strong></td>
</tr>
<tr>
<td>No scheduled Committee meeting</td>
<td>No scheduled Committee meeting</td>
</tr>
<tr>
<td><strong>(Thursday) March 4, 2021</strong></td>
<td><strong>June 2021</strong></td>
</tr>
</tbody>
</table>

**Discussion:**
- 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
- Goal Structure (linear vs. non-linear for stretch)
- Review Geographic Differential

**Committee Actions:**
- Approve Minutes
- Approve FY22 Committee Goals
- Approve FY22 Committee Dates
- Annual Policy Review: Benefits, Compensation Philosophy; Salary Administration; Performance Incentive Plan (including discretion calculation/administration and expression of achievement as % of target, i.e., target =100%)
- Recommend Letter of Reasonableness

---

<table>
<thead>
<tr>
<th>Board/Committee Educational Gathering – April 28, 2021</th>
</tr>
</thead>
</table>

**Board Actions:**
- Approve Letter(s) of Reasonableness

---

<table>
<thead>
<tr>
<th><strong>Board Actions:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Approve FY22 Incentive Goals</td>
</tr>
<tr>
<td>FY22 Executive Individual Goals</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Month</th>
<th>CEO Action</th>
<th>ECC Action</th>
<th>Board Action</th>
<th>Human Resources Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2021</td>
<td>Executive Performance Reviews</td>
<td></td>
<td></td>
<td>Provide compensation and benefits data to ECC consultant</td>
</tr>
<tr>
<td>August 2021</td>
<td>Executive Performance Reviews</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| September 2021 | Recommend base salary and ranges to ECC | • 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 |                                                                             | • 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    |                                                                             |                                                                               |                                                                  |