

**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:

**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
<b>1. CALL TO ORDER/ROLL CALL</b>	Bob Miller, Chair	<b>4:00-4:01pm</b>
<b>2. ADJOURN TO CLOSED SESSION</b>	Bob Miller, Chair	<b>motion required 4:01 – 4:02</b>
<b>3. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Bob Miller, Chair	<b>information 4:02 – 4:03</b>
<b>4. CONSENT CALENDAR</b> <i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i>  <b>Approval</b> <i>Gov’t Code Section 54957.2:</i> a. Minutes of the Closed Session of the Exec Comp Committee Meeting (7/28/2020) b. Minutes of the Closed Session of the Exec Comp Committee Meeting (9/22/2020)	Bob Miller, Chair	<b>motion required 4:03 – 4:04</b>
<b>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:</b> - Executive Compensation Consultant Interviews	Bob Miller, Chair; Jaison Layney, RFP Ad Hoc Committee Chair	<b>discussion 4:04 – 5:52</b>
<b>6. Health &amp; Safety Code Section 32016(b) for a report and discussion involving health care facility trade secrets; Gov’t Code Section 54957.6 for a conference with labor negotiator Dan Woods:</b> - FY21 CFO Individual Performance Goals	Dan Woods, CEO	<b>possible motion 5:52 – 5:55</b>
<b>7. ADJOURN TO OPEN SESSION</b>	Bob Miller, Chair	<b>motion required 5:55 – 5:56</b>
<b>8. RECONVENE OPEN SESSION/ REPORT OUT</b>  To report any required disclosures regarding permissible actions taken during Closed Session.	Bob Miller, Chair	<b>information 5:56 – 5:57</b>

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
9. <b>POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Bob Miller, Chair		<b>information</b> <b>5:57 – 5:58</b>
10. <b>SELECTION OF EXECUTIVE COMPENSATION CONSULTANT</b>	Bob Miller, Chair	<i>public comment</i>	<b>possible motion</b> <b>5:58 – 6:00</b>
11. <b>PUBLIC COMMUNICATION</b> 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		<b>information</b> <b>6:00 – 6:03</b>
12. <b>CONSENT CALENDAR</b> <i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i>  <b>Approval</b> a. <a href="#">Minutes of the Open Session of the ECC Meeting (9/22/2020)</a>  <b>Information</b> b. <a href="#">Progress Against FY21 Committee Goals</a>	Bob Miller, Chair	<i>public comment</i>	<b>motion required</b> <b>6:03 – 6:05</b>
13. <b>REPORT ON BOARD ACTIONS</b> <a href="#">ATTACHMENT 13</a>	Bob Miller, Chair; Julie Kliger, Vice Chair		<b>information</b> <b>6:05 – 6:08</b>
14. <b>ASSESS EFFECTIVENESS OF DELEGATION OF AUTHORITY</b> <a href="#">ATTACHMENT 14</a>	Bob Miller, Chair		<b>discussion</b> <b>6:08 – 6:18</b>
15. <b>FY21 PACING PLAN</b> <a href="#">ATTACHMENT 15</a>	Bob Miller, Chair		<b>discussion</b> <b>6:18 – 6:19</b>
16. <b>CLOSING COMMENTS</b>	Bob Miller, Chair		<b>discussion</b> <b>6:19 – 6:20</b>
17. <b>ADJOURNMENT</b>	Bob Miller, Chair	<i>public comment</i>	<b>motion required</b> <b>6:20pm</b>

Upcoming Meetings: Regular Meetings: March 4, 2021; May 27, 2021



	<p>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.</p>	
<p><b>6. EXCISE TAX OVERVIEW</b></p>	<p>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.</p> <p>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.</p> <p>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).</p> <p>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.</p> <p>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.</p>	
<p><b>7. FY20 ORG PERFORMANCE GOAL SCORES</b></p>	<p>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.</p> <p>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.</p> <p><b>Motion:</b> 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%.</p> <p><b>Movant:</b> Eyre  <b>Second:</b> Layney  <b>Ayes:</b> Eyre, Kliger, Layney, Miller, Ting, Wadors  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<p><b><i>FY20 Organizational Goal Score recommended for approval</i></b></p>
<p><b>8. FY20 CEO PERFORMANCE REVIEW PROCESS AND FY21 RECOMMENDATIONS</b></p>	<p>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.</p>	

<p><b>9. EXECUTIVE COMPENSATION COMMITTEE SELF-ASSESSMENT</b></p>	<p>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.</p> <p>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.</p> <p>Chair Miller thanked the Committee for their time and effort.</p>																									
<p><b>10. ADJOURN TO CLOSED SESSION</b></p>	<p><b>Motion:</b> To adjourn to closed session at 4:45pm.</p> <p><b>Movant:</b> Layney <b>Second:</b> Wadors <b>Ayes:</b> Eyre, Klinger, Layney, Miller, Ting, Wadors <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None</p>	<p><i>Adjourned to closed session at 4:45pm</i></p>																								
<p><b>11. AGENDA ITEM 22: RECONVENE OPEN SESSION/ REPORT OUT</b></p>	<p>Open session was reconvened at 6:14pm. Agenda items 9-13 were addressed in closed session.</p> <p>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, Klinger, Layney, Miller, Ting, Wadors).</p>																									
<p><b>12. AGENDA ITEM 23: GEOGRAPHIC DIFFERENTIAL</b></p>	<p>The Committee did not take any action on this item.</p>																									
<p><b>13. AGENDA ITEM 24: PROPOSED FY20 PERFORMANCE GOAL PAYOUTS</b></p>	<p><b>Motion:</b> 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:</p> <table border="1" data-bbox="451 1171 1321 1625"> <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> <p><b>Movant:</b> Layney <b>Second:</b> Ting <b>Ayes:</b> Eyre, Klinger, Layney, Miller, Ting, Wadors <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None</p>	Position	Payout	President, Foundation	\$37,679	President, SVMD	\$78,286	VP, Corporate & Community Health Services/ President, CONCERN:EAP	\$38,905	Chief Nursing Officer	\$64,822	Chief Information Officer	\$62,273	Chief Operating Officer	\$72,390	VP, Payor Relations	\$48,885	Chief Administrative Services Officer	\$49,160	Chief Medical Officer	\$84,118	General Counsel	\$74,367	Chief Human Resources Officer	\$56,852	<p><i>FY20 Executive Performance Goal Payouts approved</i></p>
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<p><b>14. AGENDA ITEM 25: PROPOSED FY21</b></p>	<p><b>Motion:</b> To approve the Proposed FY21 Executive Base Salaries:</p> <table border="1" data-bbox="451 1940 1321 1974"> <thead> <tr> <th>Position</th> <th>FY21 Base Salary</th> </tr> </thead> <tbody> </tbody> </table>	Position	FY21 Base Salary	<p><i>FY21 Executive Base Salaries</i></p>																						
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<b>EXECUTIVE BASE SALARIES</b>	President, Foundation	\$291,200	<i>approved</i>	
	President, SVMD	\$543,100		
	VP, Corporate & Community Health Services/ President, CONCERN:EAP	\$283,300		
	Chief Nursing Officer	\$393,900		
	Chief Information Officer	\$407,300		
	Chief Operating Officer	\$583,500		
	VP, Payor Relations	\$287,900		
	Chief Administrative Services Officer	\$321,500		
	Chief Medical Officer	\$610,000		
	General Counsel	\$440,100		
	Chief Human Resources Officer	\$381,500		
	<b>Movant:</b> Wadors <b>Second:</b> Ting <b>Ayes:</b> Eyre, Kliger, Layney, Miller, Ting, Wadors <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None			
	<b>15. AGENDA ITEM 26: PROPOSED FY21 CEO BASE SALARY</b>	There was no action or discussion on this item.		
<b>16. AGENDA ITEM 27: RFP AD HOC COMMITTEE REPORT</b>	<p>Jaison Layney, Ad Hoc Committee Chair, reported that he, Ms. Johnston, and Ms. Murphy participated on a Q&amp;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.</p> <p>Chair Miller thanked the Ad Hoc Committee for their work.</p>			
<b>17. AGENDA ITEM 28: FY21 PACING PLAN</b>	Chair Miller commented that there is a policy review paced in at the March 2021 meeting.			
<b>18. AGENDA ITEM 21: CLOSING COMMENTS</b>	There were no additional comments from the Committee.			
<b>19. AGENDA ITEM 22: ADJOURNMENT</b>	<b>Motion:</b> To adjourn at 6:23pm. <b>Movant:</b> Wadors <b>Second:</b> Eyre <b>Ayes:</b> Eyre, Kliger, Layney, Miller, Ting, Wadors <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None		<i>Meeting adjourned at 6:23pm</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



## 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.

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"> <li>- Review and approve FY21 executive base salaries (not including the CEO) - <b>completed</b></li> <li>- Review and recommend FY20 Organizational Incentive Score- <b>completed</b></li> <li>- Approve FY20 individual executive payout amounts (pending Board approval of incentive score) - <b>completed</b></li> </ul>
	Q3	<ul style="list-style-type: none"> <li>- Review and recommend approval of letter of reasonableness</li> </ul>
	Q4	<ul style="list-style-type: none"> <li>- Review and recommend proposed FY22 organizational incentive goals</li> <li>- Review and approve FY22 individual executive incentive goals</li> </ul>
2. Review executive benefits design	Q2	<ul style="list-style-type: none"> <li>- Review (November 2020) and recommend benefit policy changes to the Board – <b>deferred to Q3</b></li> </ul>
3. Evaluate the effectiveness of the independent compensation consultant	Q2/Q4	<ul style="list-style-type: none"> <li>- Conduct semi-annual evaluation of ECC consultant – <b>Q2 assessment will be part of RFP process discussion</b></li> </ul>
	Q1 – Q4	<ul style="list-style-type: none"> <li>- Appoint an Ad Hoc Committee (if desired) - <b>completed</b></li> <li>- Conduct Interviews –<b>will be completed 11/5/20</b></li> <li>- Interview finalists with the whole Committee - <b>will be completed 11/5/20</b></li> <li>- Select consultant and sign contract – <b>on track for Q2</b></li> </ul>
4. Review Executive Leadership Development Plan/Succession Planning	Q3	<ul style="list-style-type: none"> <li>- Presentation in March 2021</li> </ul>
5. Evaluate the effectiveness of the Committee	Q1	<ul style="list-style-type: none"> <li>- Complete Committee Self-Assessment - <b>completed</b></li> </ul>

**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.

<b>Board/Committee</b>	<b>Meeting Date</b>	<b>Actions (Approvals unless otherwise noted)</b>
<b>ECH Board</b>	October 14, 2020	<ul style="list-style-type: none"> <li>- Resolution Recognizing the El Camino Health Foundation for Establishing COVID-19 Relief Fund</li> <li>- FY21 Period 2 Financials</li> <li>- FY20 Financial Audit and Cash Balance and 403(b) Plan Audits</li> <li>- Quality Committee Report, including Credentials and Privileges Report</li> <li>- FY20 Organizational Performance Score</li> <li>- FY21 Readmissions Organizational Performance Goal Metrics</li> <li>- Neuro-Interventional Call Panel</li> <li>- Medical Director, Cardiac Rehabilitation</li> </ul>
<b>ECHD Board</b>	October 20, 2020	<ul style="list-style-type: none"> <li>- FY20 Year End Consolidated Financials</li> <li>- FY20 Year End Community Benefit Report</li> <li>- ECHD Conflict of Interest Code</li> <li>- FY20 Year End ECHD Stand Alone Financials</li> <li>- FY20 Financial Audit</li> <li>- FY21 Period 2 Financials</li> <li>- 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</li> <li>- Revisions to the ECHD Community Benefit Grants Policy (moves up timeline for notification to the public regarding</li> </ul>



Report on Board Actions  
November 5, 2020

<b>Board/Committee</b>	<b>Meeting Date</b>	<b>Actions (Approvals unless otherwise noted)</b>
		grant funding cycle)
<b>Executive Compensation Committee</b>	September 22, 2020	<ul style="list-style-type: none"><li>- FY21 Executive Base Salaries</li><li>- FY21 Executive Individual Goals</li><li>- FY21 Executive Compensation Incentive Payouts</li></ul>
<b>Compliance and Audit Committee</b>	N/A	
<b>Finance Committee</b>	N/A	

**List of Attachments:** None.

**Suggested Committee Discussion Questions:** None.

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

**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.

Delegation of Authority  
November 5, 2020

**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?

**Executive Compensation Committee**  
**Updated 10/6/2020**

<b>FY21 ECC Pacing Plan – Q1</b>		
<b>(Tuesday) July 28, 2020</b>	<b>August 2020</b>	<b>(Tuesday) September 22, 2020</b>
<ul style="list-style-type: none"> <li>- CEO Assessment Timeline (consent)</li> <li>- Weighting of FY21 Executive Organizational and Individual Performance Incentive Goals</li> <li>- FY21 Organizational Goals</li> <li>- Proposed Revised FY20 (March – June) Individual Executive Incentive Goals</li> <li>- ECC Consultant Ad Hoc Committee Report</li> </ul> <p><i>*For each meeting, evaluate whether Executive Salary Ranges require review.</i></p>	<p><b><i>No scheduled Committee meeting</i></b></p>	<p><u>Discussion:</u></p> <ul style="list-style-type: none"> <li>- Review CEO FY20 Performance Review Process (including proposed FY21 Process)</li> <li>- Review Committee Self-Assessment</li> <li><del>- Review Geographic Differential</del></li> </ul> <p><u>Committee Actions:</u></p> <ul style="list-style-type: none"> <li>- Approve Minutes</li> <li>- Approve FY21 Individual Performance Goals</li> <li>- Approve FY20 Individual Performance Goal Scores</li> <li>- Approve FY20 Performance Goals Payouts (*pending Board approval of FY20 Organizational Performance Goal Score)</li> <li>- Approve FY21 Exec Base Salaries (and recommend CEO)</li> <li>- Ad Hoc Committee Report</li> </ul>
<b>FY21 ECC Pacing Plan – Q2</b>		
<b>October 2020</b>	<b>(Thursday) November 5, 2020</b>	<b>December 2020</b>
<p><b><i>No scheduled Committee meeting</i></b></p>	<p><u>Discussion:</u></p> <ul style="list-style-type: none"> <li>- Assess Effectiveness of Delegation of Authority</li> </ul> <p><u>Committee Actions:</u></p> <ul style="list-style-type: none"> <li>- Approve Minutes (7/28 (amended) and 9/22)</li> <li><del>- Recommend Letter(s) of Reasonableness</del></li> <li>- ECC Consultant Interviews</li> <li>- Approve FY21 CFO Individual Goals</li> </ul>	<p><b><i>No scheduled Committee meeting</i></b></p>
<p><u>Board Actions:</u> <b>**Items deferred to Nov 2020 mtg</b></p> <ul style="list-style-type: none"> <li>- Approve FY20 Financial Audit</li> <li>- Approve FY20 Incentive Score/Results</li> <li>- Approve CEO FY20 Individual Score and Performance Incentive Payout**</li> <li>- Approve FY20 CEO Base Salary**</li> </ul> <p><u>Informational Report to Board on:</u></p> <ul style="list-style-type: none"> <li>- FY20 Executive Individ. Goal Scores (closed) **</li> <li>- FY20 Executive Payout Amounts (open) **</li> <li>- FY 21 Executive Base Salaries</li> </ul> <p><b>Board/Committee Educational Gathering – October 28, 2020</b></p>		
*Mercer to prepare Letter(s) of Reasonableness	*Outside Counsel to prepare rebuttable presumption action cover letter for Board meeting	

**Executive Compensation Committee**  
**Updated 10/6/2020**

<b>FY21 ECC Pacing Plan – Q3</b>		
<b>January 2021</b>	<b>February 2021</b>	<b>(Thursday) March 4, 2021</b>
<i>No scheduled Committee meeting</i>	<i>No scheduled Committee meeting</i>	<p><u>Discussion:</u></p> <ul style="list-style-type: none"> <li>- Leadership Development and Succession Plan Update</li> <li>- Strategic Plan Update (and progress against FY21 organizational goals)</li> <li>- Review Benefits Program and Policy</li> <li>- Review Executive Performance Management Process</li> <li>- <b>Goal Structure (linear vs. non-linear for stretch)</b></li> <li>- <b>Review Geographic Differential</b></li> </ul> <p><u>Committee Actions:</u></p> <ul style="list-style-type: none"> <li>- Approve Minutes</li> <li>- Approve FY22 Committee Goals</li> <li>- Approve FY22 Committee Dates</li> <li>- Annual Policy Review: Benefits, Compensation Philosophy; Salary Administration; Performance Incentive Plan (<b>including discretion calculation/administration and expression of achievement as % of target, i.e., target =100%</b>)</li> <li>- <b>Recommend Letter of Reasonableness</b></li> </ul>
<b>FY21 ECC Pacing Plan – Q4</b>		
<b>April 2021</b>	<b>(Thursday) May 27, 2021</b>	<b>June 2021</b>
<i>No scheduled Committee meeting</i>	<p><u>Discussion:</u></p> <ul style="list-style-type: none"> <li>- 6-Month Exec Comp Consultant Review</li> </ul> <p><u>Committee Actions:</u></p> <ul style="list-style-type: none"> <li>- Approve Minutes</li> <li>- Approve FY22 Pacing Plan</li> <li>- Approve FY22 Executive Individual Goals</li> <li>- Recommend Proposed FY22 Incentive Goals</li> </ul>	<i>No scheduled Committee meeting</i>
<p><b>Board/Committee Educational Gathering – April 28, 2021</b></p> <p><u>Board Actions:</u> Approve Letter(s) of Reasonableness</p>		<p><u>Board Actions:</u></p> <ul style="list-style-type: none"> <li>- Approve FY22 Incentive Goals</li> </ul> <p><u>Informational Report to Board on:</u></p> <ul style="list-style-type: none"> <li>- FY22 Executive Individual Goals</li> </ul>

**Executive Compensation Committee**

**Updated 10/6/2020**

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 1<sup>st</sup> base salaries

**Proposed Timeline Regarding Base Salaries and Salary Ranges only for FY22**

<b>Month</b>	<b>CEO Action</b>	<b>ECC Action</b>	<b>Board Action</b>	<b>Human Resources Action</b>
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"> <li>Review market data for CEO and executives</li> <li>Approve base salaries and ranges for executives</li> <li>Determine recommendation CEO salary range</li> </ul>		Review market analysis for accuracy
October 2021	Communicate increases to executives		<ul style="list-style-type: none"> <li>Approve CEO base salary and ranges</li> <li>Receive report from ECC on execs</li> </ul>	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			