

COMP 2-1

Board of Trustees
Committee on Compensation
VOLUME COMP 2
January 16, 2014

A meeting of the Committee on Compensation was held in Room 221 of The Penn Stater Conference Center Hotel, The Pennsylvania State University, University Park, Pennsylvania, beginning at 7:30 a.m. on January 16, 2014.

The following committee members, constituting a quorum, were present: Kathleen Casey, Mark Dambly, Keith Masser, Paul Silvis, and Linda Strumpf. Also in attendance were Jason Adwin (Sibson Consulting), Jeanie Andrews, Susan Basso, Joe Doncsecz, Steve Dunham, David Gray, Frank Guadagnino, Nick Jones, Greg Scott, and Rachel Smith.

The meeting was called to order by Chair Strumpf. Susan Basso and Jason Adwin reviewed the draft Compensation Committee Operating Guidelines, including a review of the purpose, meeting and agenda framework, and duties and responsibilities. A review of the tiers presented on page 5 of the draft document were also discussed. A motion was made to approve the Operating Guidelines; Mark Dambly made the motion and Paul Silvis provided a second to the motion. The approval passed unanimously.

A discussion occurred regarding the difference between the Compensation Committee and the Human Resources Subcommittee, with the Human Resources Subcommittee responsible for looking at human resources in a broader capacity. Kathy Casey, Chair of the Human Resources Subcommittee, will be serving as Vice Chair of the Compensation Committee.

Susan Basso led a discussion regarding the Peer Group and Executive Pay Strategy, including market comparisons, pay positioning and performance measurement and goal setting. It was recommended that the full Board adopt the Executive Compensation Strategy; Kathy Casey made a motion which was seconded by Mark Dambly. The motion passed unanimously and will be presented in March to the full Board for consideration.

Jason Aldwin provided a progress update on the custom study approach, and the Committee agreed that this was an important initiative to continue studying.

The meeting was adjourned at 8:55 a.m.

Respectfully submitted,

Janine S. Andrews
Director
Board of Trustees