

COMP 4-1

Board of Trustees

Committee on Compensation

VOLUME COMP 4

March 6, 2014

A meeting of the Committee on Compensation was held in Wild Rose Room B, The Hershey Lodge, Hershey, Pennsylvania, beginning at 8:00 a.m. on March 6, 2014.

The following committee members, constituting a quorum, were present: Kathleen Casey (via telephone), Mark Dambly, Keith Masser, Karen Peetz (via telephone), 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. Minutes from the January 11, 2014; January 16, 2014; and February 17, 2014 meetings were approved.

Susan Basso and Jason Adwin reviewed the Preliminary 2014 Compensation Committee Calendar. An update on the Custom Executive Compensation Study was provided, including a review of the purpose, components, timeframe, and participants. A discussion extended to dialogue regarding a summary of executive severance provisions, including a review that was done by Sibson Consulting, at Penn State's request, of contracts and offer letters for Penn State executives. There are some individual outliers that may need to be addressed for consistency, but in many cases where the language might differ, the practical application is the same.

Regarding Retiree Healthcare and Executive Life Insurance Assessment, Sibson Consulting originally planned on using the custom survey as a vehicle to collect information from peers; however, after further discussion, it was felt the questionnaire was too specific and require multiple contacts at the institution to complete the request. Therefore, the effort involves reaching out to benefits contacts and conducting a phone survey of programs. More updates on this will follow at future meetings.

The public meeting was adjourned at 8:40 a.m.

Respectfully submitted,

Janine S. Andrews
Director
Board of Trustees