AGENDA

THE UNIVERSITY OF WEST FLORIDA
BOARD OF TRUSTEES

Presidential Compensation & Contract Committee Conference Call Meeting
December 18, 2015

University of West Florida, Bldg. 10, Rm. 224
11000 University Parkway, Pensacola, FL 32514

Call to Order/Roll Call. ................................................................. Dave Cleveland, Chair

Chair’s Greeting & Charge ......................................................... Dave Cleveland

Action Item(s):
  1. Approval of Firm to Conduct Presidential Compensation Study

Information Item:

Other Committee Business:

Adjournment
December 2, 2015

Ms. Angie C. Jones  
Director Procurement and Contracts  
The University of West Florida  
11000 University Parkway  
Building 20W Room 159  
Pensacola, FL 32514-5750

Re: RFQ # 11302015 – Presidential Compensation and Benefits Study

Dear Ms. Jones:

Sibson Consulting is pleased to submit this proposal to The University of West Florida (“UWF” or “the University”) to provide executive compensation advisory services. This proposal presents our recommended approach to conduct a Presidential compensation and benefits study. Our approach is based on our understanding of your requirements outlined in your request and our experience conducting similar engagements across a variety of higher education environments. We have organized our proposal as follows:

1. Suggested Project Approach and Work Steps

2. Professional Arrangements

As you review and consider our proposal, please note that Sibson’s experience with academic institutions is unmatched in the marketplace. We have a team of consultants that focuses exclusively or primarily in higher education, which means that we bring deep expertise as well as a highly efficient, knowledgeable team to our engagements.
**Suggested Project Approach and Work Steps**

The work steps outlined below are not meant to be sequential and several can be done in concert. This will allow us to meet your desired mid-February timeframe.

<table>
<thead>
<tr>
<th>Work Step</th>
<th>Details</th>
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<tbody>
<tr>
<td>1. Data Collection and Review</td>
<td>Our data review provides the necessary background and context on the system and its presidential compensation programs to conduct the engagement. It includes (but is not limited to) the following information:</td>
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<tr>
<td></td>
<td>• Organizational charts</td>
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<td></td>
<td>• Executive compensation philosophy/strategy</td>
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<td>• Current and historical presidential compensation data, including base salary, incentives, and benefits and perquisites</td>
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<td>• Any presidential contract or employment agreement</td>
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<td>• Incentive plan documents and/or communications (if any)</td>
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<td>• Any previous compensation studies (internal or external)</td>
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<td>• Any additional pertinent presidential compensation information</td>
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<td>2. Stakeholder Interviews</td>
<td>We suggest meeting with select Trustees (3-5) and the President to better understand the system’s approach to presidential compensation, as well as gather perspectives on overall pay efficacy. We expect our interviews will cover the following topics:</td>
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<tr>
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<td>• UWF’s strategic priorities and operating culture</td>
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<td>• Compensation philosophy and approach</td>
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<td></td>
<td>• Competitive markets for talent</td>
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<td>• Peer institutions / competitors for enrollment/talent</td>
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<td></td>
<td>• Perspectives on current pay programs, packages, and efficacy</td>
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<tr>
<td></td>
<td>Interviews provide helpful insights for the work and an opportunity for Trustees and the President to provide their perspectives on the current pay programs and processes. As such, and to the extent it is practical, we suggest conducting these in person; but acknowledge meeting by phone may be more efficient. Our findings will be part of the overall assessment report.</td>
</tr>
<tr>
<td>3. Peer Group Development Validation</td>
<td>It is our understanding that UWF has a list of peer and aspirant institutions. We will validate the appropriateness of these groups using input gathered from the interviews, as well as organizational specific attributes and criteria. We typically recommend peer groups include somewhere between 20-30 organizations such that there is a sufficient sample size to assess market practices and that such data remains valid when compared over time. When developing compensation peer groups for higher education institutions, we often review the following criteria:</td>
</tr>
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1 Smaller peer groups are subject to wider disparities when compared over time as changes to a few incumbents can meaningfully affect overall results.
<table>
<thead>
<tr>
<th>Work Step</th>
<th>Details</th>
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</thead>
<tbody>
<tr>
<td>• Structure (e.g., individual institution/campus)</td>
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<td>• Control (e.g., public/private)</td>
<td></td>
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<tr>
<td>• Carnegie classification</td>
<td></td>
</tr>
<tr>
<td>• Schools / educational offerings</td>
<td></td>
</tr>
<tr>
<td>• Total expenses</td>
<td></td>
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<tr>
<td>• Research expenditures</td>
<td></td>
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<tr>
<td>• Student FTE</td>
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<tr>
<td>• Funding sources</td>
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<td>• Retention rates</td>
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<tr>
<td>• Endowment/resources</td>
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<tr>
<td>• Other factors as appropriate</td>
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</tbody>
</table>

We will work closely with you to ensure there is consensus on these groups before proceeding to the competitive benchmarking.

4. Competitive Benchmarking

We will benchmark total remuneration for the President, including all compensation and benefits components outlined in the RFQ, against the specific peers identified in Step 3. Data sources will likely include a combination of:

1. Presidential Contracts and University Disclosures from Public Institution: We will gather and analyze publicly available presidential contracts as part of the assessment. This will be a primary source of our competitive data. Most public universities are also required to disclose compensation information in some fashion as mandated by the state and/or their governing bodies. To the extent this information is available, we may collect data and use it in our analyses. Since the standards of disclosure vary across institutions, we will normalize the data such that it can be appropriately compared to UWF pay levels.

2. The Chronicle of Higher Education’s Annual Survey of Executive Compensation: The Chronicle of Higher Education annually publishes a study of presidential pay, which is widely regarded as an authoritative source of compensation data. This study includes data on salary, incentives, and retirement and deferred compensation.

3. Benefits Information: Sibson has developed our Colleges and Universities Benefits Survey (CUBS) database tool, which allows us to gather specific information on institutional benefit offerings. Our current database includes approximately 450 institutions with benefits survey data separately tabulated for full-time professional and administrative staff. Benefits covered include health, retirement, and

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2 Pension/retirement, life insurance, automobile, base salary, merit-based salary increases, performance/retention bonuses, club memberships, professional development, entertainment, deferred compensation, provisions for health and wellness, other benefits, i.e. ability to sit on a corporate board while being President

3 Such contracts may require a Freedom of Information Act request.

4 In addition, we may also utilize CUPA-HR DataonDemand, if UWF is a subscriber, to the extent Chronicle data is not available.
<table>
<thead>
<tr>
<th>Work Step</th>
<th>Details</th>
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<td>leave programs. We would be able to present UWF with a high-level review of such benefits as part of our review. It is important to note the benefits review from the CUBS database reflects broad institutional offerings available to the President and will not reflect individualized executive benefits and perquisites; those will come from the aforementioned contract review.</td>
</tr>
</tbody>
</table>

4. **Proprietary Databases and Custom Studies:** Being the preeminent compensation firm serving higher education, we conduct custom compensation studies regularly on behalf of our clients. Data from these studies can augment the above data sources and comes directly from college and university compensation departments.

5. **IRS Form 990 Tax Filings from Private Institutions** (if private institutions are part of the peer groups): Private institutions report compensation for presidents on their IRS Form 990 tax filings. Pay components reported on Schedule J of the filing include:
   - Salary
   - Bonus and Incentives
   - Other Compensation
   - Retirement and deferred compensation
   - Non-taxable benefits

See Appendix 3 for additional Sibson perspectives on trends in executive compensation and best practices on market assessment.

<table>
<thead>
<tr>
<th>Assessment Report</th>
<th>We will develop a report of findings and recommendations for the Board’s consideration. The report will summarize the following:</th>
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<tbody>
<tr>
<td></td>
<td>• Study objectives and methodology</td>
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<td></td>
<td>• Results of the competitive benchmarking; this includes an examination of:</td>
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<td></td>
<td>• Pay levels and mix (including pay distributions)</td>
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<td></td>
<td>• Incentive prevalence and levels</td>
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<td></td>
<td>• Benefit and perquisite offerings</td>
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<td></td>
<td>• Commentary on UWF’s presidential compensation practices aimed at improving the overall model</td>
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</tbody>
</table>

At your discretion, we are available to present the report to other key stakeholders to discuss our findings, as requested.

We employ a collaborative approach and throughout the course of our engagement, we expect to meet with you regularly to review our progress and obtain your input. Project update and check-in calls are common and will be scheduled as needed.
On-Going Advisory Services (Optional)

Subsequent to the completion of the above work, we are available to continuing service to UWF on an on-going basis. Frequency of contact and level of collaboration will depend upon the degree of engagement and services performed. Based on our experience with other clients, on-going advisory support services may include (but are not limited to):

- Attendance at meetings of the Compensation Committee and/or full Board
- Executive benchmarking updates, analysis, or individual pay recommendations
- Contract (re)negotiation support
- Evaluations of any proposed plan design changes
- Regulatory and executive compensation trend updates to the Committee and management
- Preparation of executive tally sheets
- Administration of the President’s performance management process
- Other ad hoc analyses, as requested

Professional Arrangements

Client Service Team

Jason Adwin will be the Client Relationship Manager ensuring the services we provide meet your expectations and are in line with the agreed upon budget and timeframe. He has 15 years of executive compensation consulting experience, all with Sibson Consulting. Yelena Stiles, with over a decade of higher education consulting experience, will be the Engagement Lead and coordinate the work on a day-to-day basis. Other consultants will be added to the team, as needed, to conduct analytical work. Professional biographies are available in the Appendix.

Fees and Expenses

Professional fees will be billed on a fee-for-service basis (billing rates multiplied by time spent) and will not exceed the amount shown below (i.e., a cap). This cap also includes out-of-pocket expenses. If hourly time charges and expenses are less than the cap, the University will be billed only for that amount.

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Fee Estimate</th>
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</thead>
<tbody>
<tr>
<td>Presidential Compensation and Benefits Study</td>
<td>$22,500</td>
</tr>
</tbody>
</table>

*On-Going Advisory Services: We would be pleased to provide a quote for on-going advisory services at your request once the relationship is more definitively scoped.*
All professional fees are non-contingent and non-refundable unless specifically stated otherwise in this Agreement. All amounts are subject to applicable tax, and are due and payable upon receipt of an invoice submitted by Sibson Consulting. Circumstances encountered during the performance of these services that warrant additional time or process changes may alter the above fee quote. Should we encounter any of these circumstances, we will notify you immediately prior to incurring any additional charges. Sibson invoices on a monthly basis for services performed and payment is due in 30 days.

**Timing**

We understand a final report is due no later than 2/15/2016 at 2:00PM. We will be able to meet this timeline assuming we are retained prior to January 4th, 2016.

If the work plan in this letter meets with your approval, please sign and date the letter where indicated below and return the signed copy to my attention. We thank you for this opportunity to work with UWF.

Sincerely yours,

Jason Adwin  
Senior Vice President

Yelena Stiles  
Senior Consultant

Agreed and Accepted:

**THE UNIVERSITY OF WEST FLORIDA**  
By:  
Name:  
Title:  
Date:  

**SIBSON CONSULTING**  
By:  
Name:  Jason Adwin  
Title: Senior Vice President  
Date: December 2, 2015

You may return the signed agreement by scan, but we request that the original also be mailed to Jason Adwin at the following address:

Jason Adwin  
Senior Vice President  
Sibson Consulting  
333 West 34th Street, 4th Floor  
New York, NY 10001-2402  
Phone: 212-251-5196  
jadwin@sibson.com
Sibson Consulting Overview

Sibson Consulting is a Division of The Segal Company. Established in 1939, The Segal Company is a leading employee benefits, actuarial, and human resources consulting firm, with approximately 1,000 employees in our offices throughout the U.S. and Canada. We are the only large, privately held firm in our industry. We continue to be 100% owned by our employees.

Early in 2002, Segal acquired Sibson Consulting, a human resources consulting firm dedicated to helping companies improve the return on human capital through talent strategies, effective organization practices, change management, rewards and compensation design, work/life programs and other solutions that help enhance employee performance.

Founded in 1959, Sibson Consulting has over 50 years of excellence in serving clients in both the for-profit environment (both publicly traded and privately held) and the not-for-profit environment. As the chart below shows, the combined Sibson offering is one of the most compelling sets of human resource consulting services available today. Our offering gives us the depth, breadth, and critical mass to provide insight to our clients across a broad spectrum of human resource and organizational performance issues. The array of our services allows us to meet organizations where they are and to provide the right solutions given the context, capabilities, and needs of the organization.

Here is what clients say about our strengths and why they enjoy working with us. There are three primary reasons that stand out.

1. First, we do not come to assignments with prescribed ways of doing things and pre-prepared solutions. We have a great supply of experiential reference material, but most solutions cannot be applied as boilerplate without some negative effect. We approach assignments as challenges that can be solved in the context and culture of the organization with whom we are working. We look at the overall evidence and create integrated solutions that move the organization forward.
2. Second, we work with clients respectfully as full partners in the engagement. We learn from each other and work together throughout the engagement. The best projects are the results of collaborations—that, at times, might mean that we push each other to do more or better, but always with good intent and in the service of the project.

3. Third, we are a full service consultancy with a dedicated knowledgeable and deeply experienced practice in higher education.
Our Commitment to Higher Education

Sibson has extensive experience in partnering with colleges and universities. This experience, and our understanding of the dynamics of academic institutions, enables us to collaborate effectively with our higher education clients to develop solutions that support and facilitate their institution’s strategy for faculty, administration and staff.

- Our extensive expertise and ongoing commitment in higher education is evidenced by our growing list of clients

- Our cross-functional National Higher Education Team consists of senior level consultants who focus predominantly on working with colleges and universities; this team keeps current on human capital and higher education trends, and consults with clients in all of our service areas

- Our broad and deep higher education experience helps ensure credibility with internal constituencies

- We draw upon the experiences of colleagues working outside academia to bring effective practices to our higher education clients, adapting those practices as needed to suit the academic environment

- Our size, nimble decision-making process, and collaborative consulting philosophy enable us to tailor our partnership with our higher education clients to suit each institution’s needs

Our firm currently serves approximately 120 active clients in the higher education industry. In 2001, Sibson developed a focus on higher education by adapting all of our innovations and service offerings to the unique needs of higher education. Today, we have the most extensive, vertically integrated higher education practice in the country.

Our higher education leadership team proactively keeps current on trends through consulting work, research, and involvement in professional associations. We have excelled in our ongoing commitment to higher education and have consistently delivered superior solutions across a broad spectrum of human resources services for faculty, executives, administrators, and staff.
Executive Compensation and Governance Services For Higher Education Leadership and Boards of Trustees

<table>
<thead>
<tr>
<th>Executive Performance and Rewards</th>
<th>Executive Compensation Governance</th>
</tr>
</thead>
</table>
| • Total compensation reviews—establishment of rebuttable presumption / reasonable compensation for 501(c)(3) and 501(c)(4) organizations  
  - Peer group development  
  - Competitive assessment |
| • Compensation philosophy and total rewards strategy development |
| • Compensation plan redesign  
  - Base salary  
  - Annual incentives  
  - Long-term incentives  
  - Business unit and special incentives  
  - Deferred compensation  
  - Retirement plans  
  - Executive perquisites and supplemental benefits |
| • Executive performance assessment/realignment  
  • Top executive contract review and negotiations |
| • Board effectiveness assessments  
  • Board policies  
  - Legal and regulatory education and compliance  
  • Board practices  
  - Committee charters  
  - Role and decision rights clarification  
  - Board performance measures and standards  
  - Board alignment and dynamics  
  - Board performance evaluation  
  - President performance evaluation  
  • People  
  - Board composition  
  - Director value proposition |

Partnerships with Key Professional Associations

Through our active involvement and sponsorships, we are committed to building and sustaining strong ties with leading higher education organizations, including:

![AIE](image1)
![ACL](image2)
![NACUBO](image3)
![AIRI](image4)
![CUPA-HR](image5)
Sibson regularly sponsors CUPA – HR and NACUBO chapter, regional and national meetings. At those meetings, we participate in educational sessions, and we often extend invitations to client institutions to exchange ideas, innovative practices, and non-confidential information.

We collaborate with key professional associations:

- **College & University Professionals Association for Human Resources (CUPA-HR)**—Sibson Consulting has been an active member of CUPA-HR for many years. We are also one of CUPA-HR’s designated “Mary Ann Wersch Premier Partners” which is a designation of a partner organization that is very dedicated to Higher Education. In addition, our Higher Education National Practice Leader, Kelly Jones, is the Past-Chair of the CUPA-HR Corporate Advisory Council and remains on this important board.

- **National Association of College & University Business Officers (NACUBO)**—Sibson Consulting has been an active member of NACUBO for many years. We were named a founding member of their HR Horizons corporate advisory board and currently one of the members of our team serves on their publications board.

- **Association of Governing Boards (AGB)**—Sibson Consulting has worked in partnership with this group of College and University Presidents and Board of Trustees to lead workshops on effective board leadership and collaboration as well as leadership training.
Sibson Consulting: Select Public Higher Education Clients

Institutions in blue are either current or recent compensation clients.

Arizona State University
Ball State University
**Bridgewater State University**
Central Michigan University
Central Piedmont Community College
Chemeketa Community College
Cleveland State University
**Coconino County Community College System**
Colorado State University
**Community Colleges of Philadelphia**
Coppin State University
Dalhousie University (CA)
Eastern Kentucky University
**Florida State University**
George Mason University
**Georgia Health Sciences University**
**Georgia Institute of Technology**
Germanna Community College
Indiana State University
Iowa State University
**James Madison University**
Longwood University
Maricopa County Community Colleges
**Massachusetts Community Colleges**
Medical University of South Carolina
Michigan State University
**Minnesota State Colleges & Universities**
Morehead State University
Mott Community College
NCAA

Nevada System of Higher Education
New Mexico Military
Northern Arizona University
**Northern Michigan University**
**Northern Virginia Community College**
Northern Wyoming Community College System
Oakton Community College
The Ohio State University
Oklahoma State University
Oregon State University
Parkland College
**Pennsylvania State System of Higher Education**
**The Pennsylvania State University**
Pima County Community College
Palomar Community College
The Pennsylvania State University
**Portland Community College**
Purdue University
**Radford University**
**Rutgers, The State University of NJ**
Sinclair Community College
**State Colleges of Massachusetts**
Temple University
**The Citadel**
Texas A&M – Corpus Christi
Texas Southern University
Texas Woman's University
**University at Buffalo**
University of Alaska
University of Arizona
University of Arkansas

University of California—Hastings School of Law
University of California—Hastings School of Law
University of California—Los Angeles
University of California Retirement System
**University of California Santa Barbara**
University of Central Florida
University of Colorado
University of Connecticut
**University of Delaware**
University of the District of Columbia
University of Idaho
University of Mary Washington
University of Massachusetts—Lowell
**University of Michigan**
**University of Minnesota**
University of Missouri
University of North Texas
University of Oklahoma
**University of Tennessee System and Campuses**
University of Texas Health Science Center – San Antonio
**University of Utah**
**University of Vermont**
**University of Virginia**
University of West Georgia
Utah State University
Virginia Polytechnic Institute and State University
Weber State University
Western Michigan University
**Yavapai Community College**
Sibson Consulting: Select Private Higher Education Clients

Institutions in blue are either current or recent compensation clients.

Barry University
Baylor College of Medicine
Baylor University
Boston University
Bowdoin College
Brown University
Bryant University
Bucknell University
Caldwell College
Carnegie Mellon University
Clarkson University
The Colburn School
Colgate University
College of Saint Benedict / Saint John's University
The College of Wooster
Colorado College
Columbia College
Creighton University
Davidson College
Dean College
Denison University
DePaul University
Drew University
Drexel University
Duke University
Emerson College
Fairfield University
Fielding Graduate Institute
Fordham University
Franklin University
Georgetown University
Georgian Court University
Gettysburg College
Hamilton College
Highpoint University
Hobart & William Smith College
Illinois Wesleyan University
Ithaca College
J. David Gladstone Institutes
John Carroll University
Johns Hopkins University
Lafayette College
Lehigh University
LeTournieu University
Lewis & Clark
Long Island University
Loyola University of Chicago
Loyola University of New Orleans
Long Island University
Loyola University New Orleans
Macalester College
Manhattanville College
Marist College
Marymount Manhattan College
Massachusetts College of Art
Monmouth University
Mount Holyoke College
Mount St. Mary's University
NYU Law School
New York University
Niagara University
North Central College
Northeastern University
Northwest Nazarene University
Oberlin College
Ohio Northern University
Ohio Wesleyan University
Pace University
Polytechnic Institute
Princeton University
Quinnipiac University
Regis University
Rider University
Roosevelt University
Saint Anselm College
Saint Francis University
Saint Joseph College
Saint Joseph's University
Sarah Lawrence College
Seton Hall University
Siena College
Skidmore College
Stanford University
St. Edward's University
St. Francis College
St. John's College-Annapolis
St. Thomas University
Stetson University
Stevens Institute of Technology
Stonehill College
Syracuse University
Teachers College of Columbia University
The George Washington University
The University of Chicago
Trinity College
University of Dayton
University of Denver
University of Miami
University of Mount Union
University of Notre Dame
University of Richmond
University of Scranton
University of Tampa
University of Tulsa
Villanova University
Wake Forest University
Walsh College
Washington and Lee University
Wentworth Institute of Technology
Wesleyan University (CT)
Westmont College
Wheaton College (MA)
Widener University
Wilkes University
Xavier University
Yale University
Yeshiva University
HIGHER EDUCATION EXECUTIVE
COMPENSATION BENCHMARKING BEST PRACTICES AND EMERGING TRENDS

Best Practices in Executive Compensation Benchmarking

➤ Developing An Executive Compensation Philosophy: Institutions are increasingly developing a more formal and robust executive compensation strategy or philosophy. This policy serves as the basis against which to assess external benchmarking results. (See next page for the components of an executive pay philosophy)

➤ Peer Institution Focus: Compensation is typically benchmarked against a defined set of peer academic institutions. Peers are based on a variety of factors, most notably, institutional size and complexity, and often include a mix of public and private institutions.

➤ Total Compensation Perspective: Higher Education rewards are becoming more diverse. Benchmarking analytics include all components of compensation including: salary, incentives, deferred compensation, retirement, and perquisites to provide a holistic competitiveness perspective. This increases the quality of insight and reporting to stakeholders.

➤ Job Matching Sophistication: The scope of executive roles, responsibilities and accountabilities vary from institution to institution (e.g., the Chief Business Officer role has different functions reporting into it based on the institution’s organizational structure). Such differences result in meaningful variations in the nature of the roles that need to be accounted for to properly benchmark compensation.

➤ Inclusion of Talent Markets Outside of Higher Education: For some administrative positions where the markets for talent extend beyond higher education, roles are also benchmarked to corporate or public sector markets (e.g., finance, IT, human resources and other non-academic functions).

➤ Internal Equity Reviews: In addition to reviewing pay against external markets, relative compensation levels across the executive population are also being evaluated. Such reviews help ensure that internal pay hierarchies are reasonable and “make sense” when compared across the institution.

➤ Analysis Frequency: Executive positions are reviewed for competitiveness every 12-24 months.

➤ Use of a Third Party Advisor: Institutions are relying on compensation advisory firms to collect and report executive compensation information to the Board. Such firms typically report to the Compensation Committee of the Board and bring specialized expertise and an independent perspective to the institution.
## Elements of an Executive Compensation Strategy

<table>
<thead>
<tr>
<th><strong>Institutional Alignment</strong></th>
<th>How compensation supports and reinforces the strategic objectives of the institution and its values</th>
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<tbody>
<tr>
<td><strong>Elements of Rewards</strong></td>
<td>What rewards are used, the purpose for each, relative emphasis and executive eligibility</td>
</tr>
<tr>
<td><strong>Comparison Markets</strong></td>
<td>The criteria and rationale used for selecting comparator institutions to benchmark compensation</td>
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<td></td>
<td>The institutions selected, including any custom or unique views</td>
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<tr>
<td><strong>Performance Measurement</strong></td>
<td>How to measure performance on an institutional and individual basis</td>
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<tr>
<td><strong>and Goal Setting</strong></td>
<td>The vehicles and processes to use to measure and communicate performance and how they link to compensation outcomes</td>
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<tr>
<td><strong>Compensation Prominence</strong></td>
<td>The relative prominence of pay in the rewards model</td>
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<td>The role of pay in attracting and retaining talent versus other factors</td>
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<tr>
<td><strong>Pay Positioning</strong></td>
<td>The target pay positioning relative to the comparison markets (in aggregate and for certain roles if they differ)</td>
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<td>The factors influencing individual pay positioning and decision making</td>
</tr>
<tr>
<td><strong>Program Administration</strong></td>
<td>Decision-making roles and accountabilities of the Board (as a whole), Human Resources and Compensation Committee, President, Executive Team, Human Resources and others</td>
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<tr>
<td><strong>Communication /</strong></td>
<td>The degree of openness in sharing information on pay including:</td>
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<tr>
<td><strong>Transparency</strong></td>
<td>• Explanation of compensation strategy</td>
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<td>• Explanation of compensation program design</td>
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<td>• Expectations setting</td>
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<td></td>
<td>• Performance evaluation process and results</td>
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<td>• Consequences</td>
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</table>
Current Executive Compensation Trends in Higher Education

Institutions are looking more strategically at executive compensation. Below are topics currently gaining traction within higher education:

1. **Greater Rigor in Governance over Executive Compensation**: As institutions become increasingly complex and more business-focused, there is a need for increased rigor in executive compensation oversight at the Board level. Emerging governance trends include:
   - Compensation/Executive Committee charter
   - Annual calendar and agenda of events
   - Decisions/rights matrix that defines accountability for specific actions and decisions related to compensation
   - Explicit involvement of the Board in setting goals and expectations for executives, evaluating their performance, and documentation of approved decisions
   - Competitive assessment analytics and other tools that show where the money goes to guide decisions about how and how much to pay. These could include tally sheets, total compensation statements, termination scenario analysis (for the President and other top positions only), etc.

2. **Prevalence of Incentives**: The use of incentives is increasing and are generally awarded to executives, and/or select individuals within the development, investment, athletics, and/or medical areas based on performance against specific goals/metrics. We expect this growth to continue because of the following:
   - Gradual transition to a traditional business-oriented management model
   - Financial constraints, competing interests for capital, and the need for greater efficiency calls for more pay-at-risk
   - A greater influx of executive talent is coming from outside of higher education; these leaders are accustomed to variable pay
   - A desire to increasingly differentiate compensation for the institutions’ best performing executives

3. **Improved Optics and Transparency of Pay**: Movement towards increased transparency of executive compensation and the rationale for making decisions. Programs need to be unassailable for both public and private institutions, especially given the intense media and public scrutiny of perceptions of excessive compensation

4. **Retention of Executives Using Deferred Compensation Arrangements**: Institutions are using SERP and deferred compensation plans as a way to attract and retain their executives. It is prudent to be mindful of the implications and issues with 457(f) plans and the creative approaches used in deferred compensation arrangements

5. **Post-Termination Arrangements**: Documentation and analysis of executive post-termination arrangements, including the compensation amounts, rationale, and timing

6. **Retirement & Succession Planning**: There is a significant number of Presidents and Provosts that are approaching retirement age, which places greater pressure on succession planning and processes to ensure a smooth transition from one leader to the next
REFERENCES:

Lisa Mascolo
Chair of the Human Resources and Compensation Committee
Stevens Institute of Technology
One Castle Point Terrace
Howe Center, 13th Floor
Hoboken, NJ 07030
201-216-5000
lisamascolo@me.com

Susan Basso
Vice President, Human Resources
The Pennsylvania State University
505 James M. Elliott Building
University Park, PA 16802
814-863-6188
Smb43@psu.edu

Brian Douglas
Vice President, Finance & Administration
Wheaton College
26 E. Main Street
Norton, MA 02760
508-286-8208
Douglas_brian@wheatoncollege.edu
Expertise

Mr. Adwin is a Senior Vice President and Principal within the Performance and Rewards and Sales Force Effectiveness Practices in Sibson Consulting’s New York office. He is an advisor to management teams and compensation committees of public and private companies, and not-for-profit organizations. Mr. Adwin assists a diverse cross-section of clients spanning industries including: professional services, hospitality, manufacturing, sports and entertainment, financial services, not-for-profit entities, technology, and higher education. He provides competitive market analysis and design, and implementation of solutions that support organizations’ business strategies and fit within their unique cultures. Mr. Adwin designs programs for all segments of the workforce, including executives, the broad employee population, and the salesforce, in the following areas:

Executive Compensation and Governance: Mr. Adwin advises boards and compensation committees on matters related to executive compensation including: rewards strategy, competitive assessments, peer group development, incentive plan design, executive contract support, and pay reasonableness opinions. He also advises organizations on matters relating to effective governance. He has developed board and governance structures for family-owned private companies and not-for profit entities, helping boards strengthen the effectiveness of their governance practices. He has consulted in the areas of compensation oversight, board composition, structure, meeting effectiveness, board evaluation, and remuneration for independent directors.

Compensation / Rewards: Mr. Adwin designs salary structures, merit pay programs, pay administration guidelines, and variable compensation plans for a wide variety of organizations. He has particularly deep expertise in designing short and longer-term performance-based incentive plans that reward value creation and share a portion of that success with the workforce. For highly specialized requirements, he also conducts custom market intelligence surveys and analysis for data not readily available in the market.

Sales Effectiveness: Mr. Adwin consults with sales leaders helping improve profitable sales growth and cost of sales efficiency. He provides diagnostic assessments, solution design, and implementation services for sales compensation and deployment and coverage models. Mr. Adwin has particularly deep expertise in business development practices in professional services organizations.

Performance Management: Mr. Adwin helps organizations develop performance assessment and management programs for their employees. His work includes identifying evaluation criteria, behavioral competencies, goal setting and calibration methods, rating scales, process execution, as well as designing corresponding linkages into related human capital programs, most often rewards and employee development.
Job Evaluation: Mr. Adwin designs job evaluation structures, criteria, and processes to clarify job roles, the nature and level of work performed, and their fit within the organizational hierarchy. He advises clients on how to identify and effectively implement job evaluation criteria, job families, reporting relationships, titling conventions, and the process to level new and/or changing job roles.

Professional Background

Prior to joining Sibson, Mr. Adwin worked for a global information technology firm as a Human Resources Project Lead. His primary responsibilities were developing compensation strategy and programs, creating HR assessment tools, and managing HRIS projects including the implementation of an SAP ERP system.

Education/Professional Designations

Mr. Adwin received a Bachelor of Science degree in Industrial and Labor Relations from Cornell University. He currently serves as Vice President of the New York / New Jersey Chapter of the National Association of Stock Plan Professionals (NASPP). Mr. Adwin is also a Certified Compensation Professional (CCP) earning his accreditation from the WorldatWork.

Published Work/Speeches

Mr. Adwin is a frequent writer and speaker on the topics of human capital, compensation and performance management. He has authored articles for publications including World at Work, SHRM, HR Horizons, CFO.com, Bloomberg, and Talent Management Magazine. He has also been interviewed for articles appearing in the Wall Street Journal, Bloomberg, Reuters, Daily Finance, Business Finance Magazine, Treasury and Risk, HR Matters, HRM America, Business Wire, Hartford Business Journal, and CFO Magazine. His recent articles and speeches are listed below.

- "Six Pitfalls To Avoid When Designing an Incentive Pay Plan,” co-author, workspan, March 2014
- "Does Your Incentive Plan Overemphasize Motivation?,” Compensation Focus, December 2013
- "Optimizing Executive Incentive Plans,” CBIA, Comp and Benefits Conference, April 2013
- "10 Mistakes to Avoid When Designing Incentive Pay Programs,” Bloomberg BNA Webinar, March 2013
- "Redefining Executive Pay and Performance,” workspan, January 2012
“Compensation Planning for 2013: Modest Increases Expected, Consistent with Pattern Set in Recent Years,” Perspectives, Business Wire, Workforce, December 2012


“Seven Common Compensation Mistakes,” CFO.com, December 2011

“Maximize Return of Compensation by Avoiding 7 Common Mistakes,” SHRM Online, November 18, 2011

“Redefining Executive Pay-for-Performance,” World at Work Conference, May 2011


“Navigate the Form 990; A Move Towards Transparency,” Lorman Education Services, June-July 2010

The Incentive Debate, HR Horizons, Summer 2010

“Pay for Performance: A New Perspective, “Lorman Education Services, April 2010


“Say-On-Pay Roundtable: "The Practical Realities of Say-on-Pay", NASPP, October 2009

“In Search of Compensation: Conducting a Salary Survey for Employee Mobility Professionals” Mobility Magazine, July 2009

“Keeping Compensation Committees on an Even Keel,” co-author, SHRM, April 2009


“Be Careful What You Wish For!” New York, New Jersey Chapter of NASPP, September 2008


> “8 Habits of Highly Effective Compensation Committees,” Total Rewards, World at Work Conference, 2008

> “Small Packages=Big Bucks: Making Merit Matter,” co-author, Perspectives, January 2007, Volume 15, Issue 1
Expertise

Ms. Stiles' experience includes conducting compensation assessments for faculty, administration, and staff at colleges and universities with respect to external competitiveness and internal equity, as well as plan redesign and implementation. She has been involved in the evaluation and design of executive reward systems as well as broad-based employee pay structures across all industries. Ms. Stiles also works with institutions to help develop and implement performance management programs that are aligned with the culture and goals of the institutions, as well as training the participants.

Ms. Stiles also works with Human Resources departments of higher education clients to assist them in transitioning from a transactional-based environment to becoming a more strategic component of the institution.

Ms. Stiles has served public and private clients in a variety of industries including non-profit, higher education, healthcare, pharmaceuticals, retail, telecommunications, and professional services in the following areas:

- Executive compensation
- Broad-based compensation (including staff and faculty in higher education)
- Competitive assessment/benchmarking
- Internal equity analysis
- Performance management program assessment and design/re-design
- Incentive program design
- HR assessment

Professional Background

Prior to joining Sibson in 2003, Ms. Stiles was an Account Executive for Exploring, a division of the Boy Scouts of America, in New York, NY, specializing in event planning and fundraising.

Some of the academic institutions that Ms. Stiles has worked with include Bucknell University, Caldwell College, Oakland University and the William Beaumont School of Medicine, Saint Peter's University, Seton Hall University, Temple University, The Pennsylvania State University, University of Michigan, University of Scranton, and the University of Tennessee.
Education/Professional Designations

Ms. Stiles earned a BS with Honors in Finance and Management from the Stern School of Business at New York University. She is a Certified Compensation Professional and Certified Benefits Professional as recognized by WorldatWork. Ms. Stiles also serves on the Executive Board of the New Jersey Compensation Association as the Website Chair, a position she has held since 2012.

Published Works/Speeches


➢ “6 Private Company Pay Models,” WorldatWork Compensation Focus, with Myrna Hellerman, June 2014

➢ “Conducting a Review and Design of Your Total Compensation Program,” CUPA-HR Eastern Region Conference, with Norm Jacobson and Gettysburg College, March 2014

➢ “Building a Total Compensation Philosophy,” Small Colleges HR Symposium, June 2013, and CUPA-HR Eastern Pennsylvania and Delaware Chapter, March 2014


➢ “How to Put a Lid on Salary Compression, Before it Boils Over,” Perspectives, with Jim Kochanski, July 2013

➢ “Building a Total Compensation Philosophy,” Small Colleges HR Symposium, June 2013

➢ “The Top Five Problems in Faculty Pay,” HR Horizons, with Karen Hutcheson and Carolyn Wong, Winter 2012

➢ “New Ways to Pay: Making Your Pay Programs ‘Real’,” Nebraska Hospital Association, December 2011


➢ “Effective Performance Management in Higher Education,” Small Colleges HR Symposium, June 2008
URGENT REQUEST

UNIVERSITY OF WEST FLORIDA PROCUREMENT AND CONTRACTS
REQUEST FOR REFERENCE

***PLEASE RETURN BY: 12/15/14 FAX: 850-474-2090

The University of West Florida is currently seeking evaluation information for the following respondent for Presidential Compensation Study Consultant to provide services. We request your urgent assistance by furnishing the following information for our evaluation purposes. Your entity's name was provided as a reference contact for the respondent identified below. If you have any questions, please contact Angie Jones at ajones1@uwf.edu or 850-474-2528.

| Reference request for: Sibson Consulting | Reference Contact: Susan Basso  
<table>
<thead>
<tr>
<th>VP, Human Resources</th>
<th>Penn State</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Please rate their performance in providing presidential compensation study consulting services for your organization:</td>
<td>X Exceeded expectations</td>
</tr>
<tr>
<td>— Exceptional performance</td>
<td>Met expectations</td>
</tr>
<tr>
<td>— Did not meet expectations</td>
<td></td>
</tr>
<tr>
<td>2. What is your justification for the rating given in question 1?</td>
<td>Never had a Comp Committee of the Board. Now we have a well-established committee, a robust governance structure, Operating guidelines and an executive say strategy</td>
</tr>
<tr>
<td>3. What special or exceptional service did this consultant provide for your entity and did the consultant meet your expectations?</td>
<td>Working closely with me to establish all of the above and during a difficult time for the University with significant Board turnover</td>
</tr>
<tr>
<td>4. Was the contracted services completed within or over budget?</td>
<td>You need to manage their invoicing. Sibson is pricey and if you have an open-ended P.O., they will spend right to it.</td>
</tr>
<tr>
<td>5. Are you comfortable with the level of security, accuracy and timeliness with which the consultant has performed?</td>
<td>Yes. Their compensation analysis and reports are all exceptional. We like that we receive their data in a format we can manipulate and age as appropriate</td>
</tr>
<tr>
<td>6. Would you contract with this consultant again?</td>
<td>Yes</td>
</tr>
<tr>
<td>7. Additional Comments:</td>
<td>Penn State has been very satisfied</td>
</tr>
</tbody>
</table>

Reference's Signature: Susan Basso  
VP for Human Resources  
Penn State University  
Date: 12/15/15
URGENT REQUEST

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<table>
<thead>
<tr>
<th>Reference request for: Sibson Consulting</th>
<th>Reference Contact: Fred Rogan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Please rate their performance in providing presidential compensation study consulting services for your organization:</td>
<td>Sanford University Birmingham, AL</td>
</tr>
<tr>
<td><em>x</em> Exceptional performance</td>
<td>Samford University Birmingham, AL</td>
</tr>
<tr>
<td>__ Met expectations</td>
<td></td>
</tr>
<tr>
<td>__ Exceeded expectations</td>
<td></td>
</tr>
<tr>
<td>__ Did not meet expectations</td>
<td></td>
</tr>
<tr>
<td>2. What is your justification for the rating given in question 1?</td>
<td>An intimate knowledge of higher education as well as compensation practices coupled with highly personal and professional staff.</td>
</tr>
<tr>
<td>3. What special or exceptional service did this consultant provide for your entity and did the consultant meet your expectations? We asked for multiple, additional cuts of the data which was done as we requested and with a smile.</td>
<td></td>
</tr>
<tr>
<td>4. Was the contracted services completed within or over budget? Over somewhat due to our additional data requests.</td>
<td></td>
</tr>
<tr>
<td>5. Are you comfortable with the level of security, accuracy and timeliness with which the consultant has performed? Absolutely.</td>
<td></td>
</tr>
<tr>
<td>6. Would you contract with this consultant again? Yes.</td>
<td></td>
</tr>
<tr>
<td>7. Additional Comments:</td>
<td></td>
</tr>
<tr>
<td>Reference's Signature:</td>
<td></td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Reference request for: Sibson Consulting</th>
<th>Reference Contact: Lisa Mascolo, Chair HR&amp; Compensation Committee of the Stevens Institute of Technology Board of Trustees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Please rate their performance in providing presidential compensation study consulting services for your organization:</td>
<td></td>
</tr>
<tr>
<td><em>X</em> Exceptional performance</td>
<td><em>X</em> Exceeded expectations</td>
</tr>
<tr>
<td>_ _ Met expectations</td>
<td>_ _ Did not meet expectations</td>
</tr>
<tr>
<td>2. What is your justification for the rating given in question 1? Sibson provides exceptional service in my opinion because they understand the Stevens strategy in its context and they use the strategy combined with their experience to advise us. Jason's approach is not just about what he knows, it's about doing the right thing for Stevens. This is very different than my experience with prior consultants in my experience.</td>
<td></td>
</tr>
<tr>
<td>3. What special or exceptional service did this consultant provide for your entity and did the consultant meet your expectations? We have asked Jason and his team to undertake separate small projects (in addition to the major comp work) over time and they are always responsive in terms of quality of the effort and the timeliness of completing our requests.</td>
<td></td>
</tr>
<tr>
<td>4. Was the contracted services completed within or over budget? Yes</td>
<td></td>
</tr>
<tr>
<td>5. Are you comfortable with the level of security, accuracy and timeliness with which the consultant has performed? Yes</td>
<td></td>
</tr>
<tr>
<td>6. Would you contract with this consultant again? Absolutely</td>
<td></td>
</tr>
<tr>
<td>7. Additional Comments: A fine team with a strong commitment to helping our University excel.</td>
<td></td>
</tr>
</tbody>
</table>

Reference's Signature: [Signature]
Date: December 15, 2015
Good Morning Becky and Crew,

I got the following email this morning from the remaining reference on the original list. There is no form. His contact info is as follows:

Brian Douglas  
Vice President, Finance & Administration  
Wheaton College  
26 E. Main Street  
Norton MA 02760  
508.286.8208  
Douglas_brian@wheatoncollege.edu

Angie,  

We had a very positive engagement with Sibson that was very similar in nature. The trustees were pleased with the report Sibson produced and used the data in support of setting the President’s compensation. We would definitely work with them again.

Best,  
Brian

Angie C. Jones  
Director, Procurement and Contracts  
University of West Florida  
11000 University Pkwy., Bldg 20W, Room 159  
Pensacola, FL 32514  
850.474.2628 (p), 850.474.2090 (f), ajones1@uwf.edu

The University of West Florida is subject to Section 119.07, Florida Statutes, which requires it to provide access to its records, subject to certain limitations. Therefore, written communications and documents created or received by this office may be subject to disclosure as a public record.
URGENT REQUEST

UNIVERSITY OF WEST FLORIDA PROCUREMENT AND CONTRACTS
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| Reference request for: Sibson Consulting | Reference Contact: L. Duane Wilson  
|                                           | Board Chairman  
|                                           | The University of Tulsa |
| 1. Please rate their performance in providing presidential compensation study consulting services for your organization:  
  ___ Exceptional performance  
  ___ Met expectations  
  ___ Exceeded expectations  
  ___ Did not meet expectations |
| 2. What is your justification for the rating given in question 1?  
  We found them to be very responsive to our needs, and we feel they provided a thorough and meaningful executive compensation assessment in a timely manner. |
| 3. What special or exceptional service did this consultant provide for your entity and did the consultant meet your expectations?  
  In addition to a detailed executive compensation assessment, we found the information they provided on effective executive compensation governance to be extremely helpful. |
| 4. Was the contracted services completed within or over budget?  
  COMPLETED WITHIN BUDGET |
| 5. Are you comfortable with the level of security, accuracy and timeliness with which the consultant has performed?  
  YES |
| 6. Would you contract with this consultant again?  
  YES |
| 7. Additional Comments:  
  We were impressed with the level of knowledge and expertise possessed by the individuals involved in our study. |
| Reference's Signature: L. Duane Wilson | Date: 12/17/15 |