



Origination Date 06/2000
Last Approved 07/2022
Last Revised 07/2022
Next Review 07/2025

Department Board - ABD
Applicabilities System

President & Chief Executive Officer Compensation, ABD-02

RISK

Failure to follow this compensation policy may result in President & Chief Executive Officer (CEO) compensation that is unfair, inequitable and not competitive. Compensation could also be paid outside of best market practices.

POLICY

It is the responsibility of the Board Executive Compensation Committee to review executive compensation and manage the President & Chief Executive Officer contract renewal process. The Board Executive Compensation Committee is composed of two board members and is appointed annually by the Board Chair.

PROCEDURE

A. Total Compensation

The Executive Compensation Committee will review survey data from various sources including, but not limited to, the California Hospital Association Executive Compensation Survey, third party compensation expert, and other targeted data. Survey comparisons will be to like size healthcare systems. Review of standalone facilities and healthcare systems will include the size of the organization, scope of services offered, gross/net revenue, operating expenses, number of FTE's, number of beds and scope of responsibility (e.g. Bi-state organizations, Multi-specialty Clinic services) and other applicable information.

Total compensation for the President & Chief Executive Officer position with TFHD may include, but not limited to:

1. Base salary
2. Personal leave
3. Long Term Sick Leave

4. Life insurance benefit
5. Automobile allowance
6. Housing assistance
7. Health, dental and vision insurance
8. Long Term Disability policy
9. Participation in Money Purchase Pension Plan
10. Employer match into 457 Deferred Compensation Plan
11. Discretionary deferred compensation
12. Incentive Compensation Plan
13. Severance agreement

B. Target

The Board maintains the discretion to pay base compensation in excess of the 50th percentile based on other factors such as experience and results and to pay total compensation up to the 100th percentile based on extraordinary results. "At Risk" compensation and other rewards will be targeted at above industry standards to offset base pay at the 50th percentile. It is our intention to provide total compensation comparable to industry standards with a focus on mountain community healthcare systems. Due to the housing market forces in our area, additional housing related benefits may be included in a total compensation package. These benefits may be more generous than industry standards due to local market and housing conditions.

C. Other factors

Other factors such as competitive market forces, each individual's job responsibilities are also considered in TFHD compensation and benefit decisions. These may include:

1. Organizational complexity (the number and variety of services and/or organizational units).
2. Current and future management challenges (such as bankruptcies, major financing, construction projects, consolidations, increased competition, etc.).
3. The availability or lack of availability of staff experts.
4. The depth and breadth of the executive's knowledge and experience.
5. The rate of organizational growth.
6. The executive's value in the labor market as reflected, in part, by his salary history elsewhere.
7. The hospital's prior success in recruiting and retaining competent executive personnel.
8. Fees charged for comparable services by recognized hospital management companies.

D. Incentive Compensation

1. The Executive Compensation Committee will meet no later than April 30 each year to develop the President & CEO's Incentive Compensation metrics for the next fiscal

year. The Board of Directors will approve the metrics prior to the start of the fiscal year.

2. The Board of Directors will meet after the audited financial statements have been presented and no later than November 30 to determine the payout of the previous fiscal year Incentive Compensation award.

All Revision Dates

07/2022, 10/2019, 07/2019, 03/2018, 01/2014, 01/2010, 03/2008, 06/2000

Approval Signatures

Step Description	Approver	Date
	Harry Weis: CEO	07/2022
	Martina Rochefort: Clerk of the Board	07/2022

COPY