Status **Active** PolicyStat ID **19117657**

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Last Approved	11/2025	Applicabilities	System
Effective	11/2025		
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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 inequitable or un-competitive or outside of market best practices, resulting in an inability to recruit and retain executive talent.

POLICY

It is the responsibility of the Board Executive Compensation Committee to annually review the President & Chief Executive Officer's compensation and manage the 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 benchmark survey data from various sources including, but not limited to, the California Hospital Association Executive Compensation Survey, third party compensation experts, and other targeted or aggregated survey data. Selected survey benchmarks will be based on healthcare systems that are similar in size, scope of services offered, gross/net revenue, patient discharges, 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.
It is the Board's 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 (which may be higher than survey benchmarks) benefits may be included in a total compensation package.
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**
While base pay will target the 50th percentile of survey benchmarks, the Board, at its discretion will determine base compensation on other factors such as experience and results. These factors may cause total compensation (base and incentive pay) to exceed the 50th percentile of survey benchmarks.

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

11/2025, 07/2022, 10/2019, 07/2019, 03/2018, 01/2014, 01/2010, 03/2008, 06/2000

Approval Signatures

Step Description	Approver	Date
	Anna Roth: President & CEO	11/2025
	Sarah Jackson: Executive Assistant, Clerk of the Board	11/2025