

Executive Compensation Disclosures Pursuant OCGA 31-7-22(J)

Community Commitment and Organization Successes

Tift Regional Health System (“TRHS”) is a growing, not-for-profit hospital system serving 12 counties in South Central Georgia and population of over 260,000. Tift Regional Health System is comprised of Tift Regional Medical Center, Southwell Medical, Southwell Health and Rehabilitation, and multiple physician practices.

Through this integrated network, TRHS offers the community access to more than 140 physicians with expertise in over 30 specialties and employs over 2,600 talented staff.

The TRHS dedicated workforce strives every day to provide quality and safe care to all patients, and to make our communities better, more desirable places to live.

In addition to providing a wide-range of services, including surgery, oncology, cardiovascular care, women’s health, neurodiagnostics, geriatric psychiatric care, radiology and more. TRHS continues to invest in our local communities. In 2019, TRHS provided \$59 million indigent and charity care, as well as provided a \$660 million impact on the local economy.

Executive Compensation Governance and Decision Making:

A comprehensive governance process of the Board of Directors and Compensation Committee of Tift Regional Health System is in place to ensure reasonable and appropriate decision-making regarding executive compensation, which considers:

- ✓ What is legally compliant according to regulatory guidance.
- ✓ What is consistent with best practices in corporate governance, transparency and disclosure.
- ✓ What is affordable and fiscally responsible for the organization.
- ✓ What is in the best interests of the organization for the recruitment and retention of skilled and experienced leaders.

The Board of Directors has directly retained independent advisors (health care compensation consulting firm) to provide third party information and evaluate the competitiveness and reasonableness of Tift Regional Health System’s executive cash compensation and benefits programs on an annual basis.

- The health care compensation consultant is engaged to gather market data from similar health care organizations including those in Georgia and in the southeast region. The assessment is prepared and carefully reviewed by the Compensation Committee for each executive position.
- The health care compensation consultant assists the Compensation Committee in its decision-making process to ensure that executive compensation levels are reasonable when compared to the practices of other similarly situated organizations (i.e., comparable positions and comparable size/complexity), and that the executive compensation has significant and appropriate compensation that is subject to meeting organizational and individual goals, and to ensure the alignment of pay and performance.

The Compensation Committee conducts its review and approval using a process that strictly adheres to Internal Revenue Service guidelines for establishing reasonable compensation for executives pursuant to Internal Revenue Code Section 4958 (“Intermediate Sanctions” regulations). The IRS has indicated that, when an

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organization follows a three-step process, as Tift Regional Health System does, the compensation determined by the Compensation Committee is presumed to be reasonable:

(1) Approval Body	(2) Comparability Data	(3) Documentation
<ul style="list-style-type: none"> • Compensation reviewed and approved by authorized board committee (or full board). • Independent committee members. • Approving body must be “disinterested” (have no conflicts of interest). 	<ul style="list-style-type: none"> • The approval body will base its decision on comparability data which consists of compensation paid: <ul style="list-style-type: none"> – By similarly-situated organizations. – For functionally-comparable positions. • Data are gathered by independent compensation surveys compiled by an independent advisor. • Size and complexity of organization. • All elements of compensation/ economic benefit are considered. 	<ul style="list-style-type: none"> • Adequately document decisions (typically through meeting minutes). •

Further, Tift Regional Health System has adopted processes and procedures which ensure effective oversight of the executive compensation process:

- All Compensation Committee members are independent and free from any conflicts of interest with respect to those whose compensation levels that are being reviewed.
 - The Compensation Committee consists of professional, experienced and dedicated Board members who are committed to the community, their role and responsibility of evaluating executive compensation.
 - The Compensation Committee reviews and approves every form of cash compensation and benefit provided to each executive, with the assistance of the compensation consultant.
- Market comparisons consisting of not-for-profit healthcare organizations similar to Tift Regional Health System in size and complexity.
 - Credible sources of independent data inform the decision-making process.
 - Comparability data is based on industry surveys, expert compensation studies performed by an experienced consulting firm, and/or other appropriate data.
- Factors that the Compensation Committee uses in its decision-making process include:
 - Individual factors, including performance, special skills, and/or qualifications.
 - Internal equity considerations.
 - Recruitment and/or retention challenges for each position under review.
 - Tift Regional Health System’s performance against predefined goals.
 - Current and potential costs to Tift Regional Health System, to ensure resources are used appropriately.
- Careful and timely documentation of all executive compensation decisions.

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- Review of annual incentive plan design and performance goals and ensure the alignment of pay and performance.

Executive Compensation

The total compensation provided to leaders is comprised of the following elements:

- **Base Salary.** Fixed salary reviewed annually by the Compensation Committee. Salary is established in consideration of competitive and appropriate market practices and is intended to be a reflection of each executive's role, responsibilities, capabilities, experience, and performance. Internal equity and recruitment and retention considerations, and other factors may also impact salary levels.
- **At-risk Incentive Compensation.** Opportunities are established according to competitive market practices and are used to encourage and reward executives for achieving or surpassing specific performance objectives
 - Awards are earned based on actual achievement of organizational and individual performance based on performance goals and measures that were approved in advance by the Compensation Committee.
- **Broad-based benefits.** Leaders are eligible for the same benefits package as all other full-time Tift Regional Health System employees including medical, dental and prescription drug plans, life insurance, disability coverage, paid time off, extended illness protection, and retirement income.
- **Executive-only benefits.** Select leaders are eligible for additional retirement benefits/deferred compensation, Tift Regional Health System provides executives with tuition reimbursement and auto allowance due to a specific business need.
 - The Compensation Committee annually reviews supplemental benefits in the context of total compensation to ensure all sources of economic value are reasonable and consistent with standard market practices.



**Executive Compensation Disclosures
Pursuant to Georgia House Assembly Bill 321**

CY2019 Executive Compensation

Reflects 2019 base salary, annual incentives based on FY 19 performance, 2019 benefits (employer costs only), and deferred compensation contributions.

Compensation Component	President & CEO	Senior Vice President, Ambulatory Services	Senior Vice President & Chief Financial Officer	Senior Vice President & Chief Nurse Executive	Senior Vice President & General Counsel	Vice President & Chief Operating Officer	Vice President & Chief Information Officer	Vice President & Chief Strategy and Innovation Officer	Vice President, Physician Services	Vice President, Revenue Cycle
a. Total Cash Compensation										
◆ Base Salary and PDO Conversion[1]	\$591,074	\$209,685	\$324,002	\$296,023	\$466,003	\$165,006	\$185,411	\$200,845	\$175,011	\$199,665
◆ At-risk annual Incentive [1]	\$114,274	\$26,430	\$60,750	\$38,736	\$64,075	\$11,757	\$13,906	\$12,051	\$6,563	\$14,828
Total Compensation	\$741,623	\$236,114	\$384,752	\$349,066	\$530,079	\$176,763	\$199,317	\$212,895	\$181,574	\$216,454
c. Other Reportable Benefits										
◆ Qualified 403(b) Matching Contribution	\$14,000	\$10,484	\$14,000	\$14,000	\$14,000	\$8,250	\$9,271	\$10,042	\$8,751	\$9,983
◆ Non-Qualified Supplemental Executive Retirement [2]	\$63,901	\$12,331	\$24,475	\$21,299	\$37,504	\$0	\$0	\$0	\$0	\$0
◆ Health/Vision/Dental and Other Benefits/Perquisites	\$28,463	\$12,336	\$24,820	\$14,772	\$20,737	\$12,301	\$13,806	\$12,630	\$12,525	\$16,480
Total Benefit Cost	\$106,364	\$35,151	\$63,295	\$50,071	\$72,241	\$20,551	\$23,077	\$22,672	\$21,276	\$26,463

[1] Calculated gross annual base salary, PDO conversion due to forfeiture, actual at-risk incentive based on operational performance.

[2] SERP provides for annual, employer-funded deferred contributions equal to a percentage of total compensation and require 5-year vesting period.

Note: Listing includes administrative positions with job functions that are primarily non-clinical. Physician leadership positions are shared roles with the primary role of patient care.