The MetroHealth System

Board of Trustees

Wednesday, March 26, 2025

1:00pm - 3:00pm

The MetroHealth System Board Room K-107 or via YouTube Stream

Human Resources & Compensation Committee

Regular Meeting

HUMAN RESOURCES & COMPENSATION COMMITTEE

DATE: Wednesday, March 26, 2025
TIME: 1:00pm – 3:00pm
PLACE: MetroHealth System Board Room (K107) / via YouTube Stream
https://www.youtube.com/@metrohealthCLE/streams

AGENDA

I. Approval of Minutes

A. Approval of Committee Meeting Minutes from March 12, 2025

II. Executive Session

Return to Open Meeting

IV. Recommendation/Resolution Approvals

A. Resolution for Approval of 2024 System Performance Goals Achievement Results
B. Resolution for Approval of 2024 Award of Performance-Based Variable Compensation for the President and Chief Executive Officer
C. Resolution for Approval of Amendments to Executive Compensation Policy BOT-06 and Ratification of 2025 Performance-Based Variable Compensation Plan
D. Resolution for Approval of 2025 System Performance Goals
E. Resolution for Approval of 2025 Performance-Based Variable Compensation Financial Trigger

The MetroHealth System Board of Trustees

HUMAN RESOURCES & COMPENSATION COMMITTEE MEETING
Date: Wednesday, March 12, 2025
Time: 2:30pm - 5:00 pm
Virtual via Zoom

Committee Members:	John Corlett, John Moss, E. Harry Walker, M.D.
Other Trustees:	Maureen Dee, Sharon Dumas, Ronald Dziedzicki, Nancy Mendez, Michael Summers
Staff:	Kelly Andolek, Robin Barre, Chris Briddell, Nabil Chehade, M.D., Corey Clay, Will Dube, Jennifer Esposito, Derrick Hollings, Dr. Nichole Oocumma, Allison Poulios, Tamiyka Rose, Patty Seneff, Deborah Southerington, James Wellons
Invited Guests:	Craig Strom (Gallagher)

Meeting Minutes

Mr. Corlett called the meeting to order at 2:31pm, in accordance with Section 339.02(K) of the Ohio Revised Code.

The minutes are written in a format conforming to the printed meeting agenda for the convenience of correlation, recognizing that some of the items were discussed out of sequence.

I. Approval of Minutes

The minutes of the December 18, 2024, Human Resources & Compensation Committee meeting was unanimously approved as submitted.

II. Information Items

A. BOT-06 Executive Compensation Board Policy Amendments – *D. Southerington, C. Clay*

Mr. Corlett introduced Deborah Southerington, SVP, Human Resources and Corey Clay, Associate General Counsel – Labor & Employment, to discuss proposed amendments of the BOT-06 Executive Compensation Board policy. The Human Resources & Compensation committee charter requires an annual review of executive compensation policies. The BOT-06 Executive Compensation policy outlines the framework used in determining appropriate compensation for both the Chief Executive Officer and MetroHealth executives, defined as Vice

President and above. The policy also outlines the Board's authority for setting total compensation for the CEO along with the CEO's authority for setting executive compensation. The policy was reviewed internally by the Legal and Human Resources teams who recommended revisions, which was included in the meeting materials for review. Mr. Summers inquired about the history of the policy which Ms. Southerington answered the policy was most recently updated in March 2024. The policy will be updated and revisited at a special committee meeting scheduled on March 26, 2025, with resolution finalization and submitted to the full Board for approval.

B. Review of Performance Based Variable Compensation Plan (PBVC) Document and Proposed Amendments – *D. Southerington, C. Clay*

Ms. Southerington presented a review of the performance based variable compensation plan (PBVC) document with proposed amendments that was included in the meeting material. The document was created last year as a mechanism to place more controls over the executive compensation program. The PBVC plan is designed to provide at-risk compensation to eligible employees in leadership positions at MetroHealth. A portion of a leader's salary is at-risk, and the amount earned is based on the achievement of applicable performance goals during the Plan year. The PBVC plan document is reviewed annually, and minor revisions were made to the document this year under the current review. Ms. Southerington noted in section 1.1 of the PBVC document, the purple edits show an update of the defined goals for this year, and in the section 2.1 under article 2, Executive Vice President and Senior Executive Vice President were added to align with job titles currently used. Additional edits were made to section 3.6.1, which inserted clarifying language regarding the entitlement to PBVC payments to eligible employees under certain circumstances such as death, disability, retirement or active deployment by the US military. Mr. Dziedzicki asked for review and confirmation that these provisions complied with USERRA. Ms. Southerington stated that such a review will occur, and the PBVC plan document for 2025 will be finalized and circulated to the Committee with a board resolution.

III. Executive Session

Mr. Corlett asked for a motion to move into executive session to discuss hospital trade secrets as defined in ORC 1333.61 and to consider the appointment, employment, dismissal, discipline, promotion, demotion, or compensation of a public employee, or the investigation of charges or complaints against a public official, and to conference with the public body's attorney to discuss disputes involving the public body that are the subject of pending or imminent court action as defined by ORC 121.22(G). Dr. Walker made a motion and Mr. Dziedzicki seconded. Upon unanimous roll call vote, the Committee went into executive session to discuss such matters at 2:47pm.

Following executive session, the meeting reconvened in open session at approximately 4:23pm.

There being no further business to bring before the Committee, the meeting was adjourned at approximately 4:23pm.

THE METROHEALTH SYSTEM

Deborah Southerington, SVP, Human Resources

RECOMMENDATION TO THE BOARD OF TRUSTEES OF THE METROHEALTH SYSTEM FOR APPROVAL OF 2024 SYSTEM PERFORMANCE GOALS ACHIEVEMENT RESULTS

Recommendation

The President and Chief Executive Officer ("CEO") recommends that the Board of Trustees ("Board") of The MetroHealth System ("System") accept and approve the 2024 System performance goals achievement results as compared to the 2024 System performance goals, which goals, measures, and metrics were previously approved by the Board.

Background

In 2014, the Board approved an at-risk compensation program, the Performance-Based Variable Compensation program ("PBVC Program"), for certain members of senior leadership with the assistance and advice of Sullivan Cotter, an independent national compensation consulting firm, and at the recommendation of the President and CEO. The System has determined (and recently reaffirmed, through its current national executive compensation consulting firm, Gallagher) that such at-risk compensation programs are customary and usual in the hospital field, with the goal of incentivizing leaders to accomplish goals that promote the System's mission and operations.

The PBVC Program requires the Board to annually establish and approve System performance goals, including the relative weighting between the goals, that are metric-driven and balanced to achieve short-term and long-term organizational success. In January 2024, the Board approved System performance goals for 2024, which reflect the PBVC goals and metrics for the CEO. In conjunction with its approval of annual System performance goals, the PBVC Program requires the Board to also set a trigger (financial or otherwise) that is a prerequisite for any PBVC payout. If MHS does not meet this baseline trigger, there will be no PBVC payout to any employee, regardless of MHS's achievements with respect to the Board-approved goals or any individual goals. In March 2024, the Board approved the financial trigger for the 2024 PBVC Program.

The PBVC Program requires the Board to assess the System's performance relative to each of the approved goals, including the financial trigger, and approve the performance level achieved for each of the approved goals, along with the total performance level achieved across all of the goals after the closing of the System's books and the finalizing of the System's annual audit. The Board is simultaneously being presented with a recommendation to accept the 2024 audit report prepared by Plante & Moran, PLLC. The CEO has reviewed the System's performance for 2024 against the Board approved performance goals and metrics. The System's performance was also subject to a review by the System's Internal Audit Department, which review has been presented to the Human Resources and Compensation Committee of the Board.

Attachment A provides the presentation of the 2024 System performance goals achievement results against the Board-approved System performance goals and metrics.

Approval of 2024 System Performance Goals Achievement Results

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RESOLUTION XXXXX

WHEREAS, the Board of Trustees ("Board") of The MetroHealth System ("System") has previously approved the at-risk compensation program, the Performance-Based Variable Compensation program for certain members of leadership ("PBVC Program");

WHEREAS, the Board previously approved System performance goals for 2024 to incentivize performance and a PBVC trigger;

WHEREAS, the System has submitted its performance results and achievements against the previously approved 2024 System performance goals, and such results were subject to a review by the System's Internal Audit Department ("Internal Audit");

WHEREAS, the Human Resources and Compensation Committee of the Board has reviewed the System's performance, including the calculation of the total proposed achievements, as well as Internal Audit's review;

WHEREAS, based on its review of all information provided by management and Internal Audit, the Human Resources and Compensation Committee of the Board has recommended that the Board approve the 2024 System performance goals achievements under the PBVC Program for 2024 with an overall performance and achievement level of **XXX%** of target; and

WHEREAS, the Board has been presented a recommendation to approve the 2024 System performance goals achievements under the PBVC Program for 2024, as set forth in Attachment A; and

NOW, THEREFORE, BE IT RESOLVED, the System's Board o hereby approves the 2024 System performance goals achievements under the PBVC Program for 2024 at the performance level of **XXX%** of target.

BE IT FURTHER RESOLVED, the President and Chief Executive Officer or her designee are hereby authorized to take necessary actions consistent with this resolution and pursuant to the terms of the 2024 PBVC Program for all eligible employees other than the President and Chief Executive Officer.

AYES:

NAYS:

ABSENT:

ABSTAINED:

DATE: March 26, 2025

RECOMMENDATION TO THE BOARD OF TRUSTEES OF THE METROHEALTH SYSTEM FOR APPROVAL OF 2024 AWARD OF PERFORMANCE-BASED VARIABLE COMPENSATION FOR THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

Recommendation

The Human Resources and Compensation Committee of Board and the Chief Human Resources Officer recommends that the Board of Trustees ("Board") of The MetroHealth System ("System") approve an award of Performance-Based Variable Compensation ("PBVC") for Dr. Christine Alexander-Rager, the President and Chief Executive Officer ("CEO"), based on the terms of Dr. Alexander's Board-approved employment agreement, the terms of Dr. Alexander's employment with the System prior to her engagement as CEO, and the Board's approval of the 2024 System performance goals achievement results.

Background

The Board approved a written employment agreement with the CEO that sets forth, among other things, the terms of the CEO's compensation effective October 8, 2024. Pursuant to the agreement, the CEO is eligible to receive PBVC with a target amount of 35% of the CEO's base salary. Prior to the effective date of the CEO 's employment agreement, the CEO's PBVC target was set at 25% of her base salary while she served as Interim EVP, Chief Physician Executive and Clinical Officer and Acting CEO (from January 18, 2024 through October 8, 2024), and 15% of her base salary while she served as Chairperson of Family Medicine (January 1, 2024 through January 18, 2024).

In 2024, the Board approved System performance goals and metrics to incentivize performance through the PBVC program. In 2025, the System presented its accomplishments against the Board approved System performance goals, which will have been approved by the Board by the time this recommendation is made.

With this foundation, the Chief Human Resources Officer calculated the proposed PBVC award for the CEO based on the terms of the CEO's written agreement, the terms of the CEO's employment with the System prior to her engagement as CEO, and the Board approved System performance goals achievement results for 2024. Based on these calculations, it is recommended that the Board approve an award of PBVC to the CEO for **XXX%** performance of the base salary target commensurate with the applicable terms of the CEO's employment throughout 2024. This equates to an award of PBVC in the amount of **$XXX**.

Approval of 2024 Award of Performance-Based Variable Compensation for the President and Chief Executive Officer

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RESOLUTION XXXXX

WHEREAS, the Board of Trustees ("Board") of The MetroHealth System ("System") has previously approved the President and Chief Executive Officer's ("CEO") eligibility to participate in the Performance-Based Variable Compensation program (the "PBVC Program") through a written employment agreement;

WHEREAS, the System has submitted its achievement results against the 2024 System performance goals, which were subject to a review and validation by Internal Audit;

WHEREAS, the Human Resources and Compensation Committee of Board has reviewed the System's 2024 System performance goals achievement results, including the calculation of the total proposed award for the CEO and the terms of the CEO's written employment agreement; and

WHEREAS, based on its review, the Human Resources and Compensation Committee of the Board has recommended that the Board approve an award of PBVC for the CEO in the amount of **XXX%** of target, which equals an award of **$XXX**.

NOW, THEREFORE, BE IT RESOLVED, the System's Board hereby approves the award of PBVC to the President and CEO in the amount of **$XXX** for 2024.

BE IT FURTHER RESOLVED, the Chief Human Resources Officer and Chief Financial Officer, or their designees, are hereby authorized to take necessary actions consistent with this resolution.

AYES:

NAYS:

ABSENT:

ABSTAINED:

DATE:

RECOMMENDATION FOR THE APPROVAL OF AMENDMENTS TO EXECUTIVE COMPENSATION POLICY BOT-06 AND RATIFICATION OF 2025 PERFORMANCE-BASED VARIABLE COMPENSATION PLAN

Recommendation

The President and Chief Executive Officer recommends that the Board of Trustees ("Board") approve amendments to Executive Compensation Policy, BOT-06, and ratify the Performance-Based Variable Compensation Plan document for the 2025 plan year to guide The MetroHealth System's ("System") implementation of the Performance-Based Variable Compensation program ("PBVC Program").

Background

Since 2014, the Board has approved the use of the at-risk compensation program, the PBVC Program, to incentivize leadership performance in achieving System-wide goals critical to the System's mission and operations. Over the course of the past year, the System has worked in conjunction with its national executive compensation consulting firm, Gallagher, to continue to enhance the operations of the PBVC Program.

In accordance with this work, the Board's policy on executive compensation, BOT-06, and the PBVC plan document are reviewed and, as appropriate, updated on an annual basis by the Human Resources and Compensation Committee of the Board.

Exhibit A ("Amended Policy BOT-06") and Exhibit B ("PBVC plan document for the 2025 plan year") reflect the Human Resources and Compensation Committee's recommended updates to these documents.

The Human Resources and Compensation Committee of the Board hereby recommends that the Board approve the proposed amendments to Policy BOT-06 and ratify the proposed PBVC Plan document for the 2025 plan year as presented.

Approval of Amendments to Executive Compensation Policy BOT-06 and Ratification of 2025 Performance-Based Variable Compensation Plan

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RESOLUTION XXXXX

WHEREAS, the Board of Trustees ("Board")of The MetroHealth System ("System") has been presented a recommendation for the approval of amendments to the Board's Executive Compensation Policy, BOT-06;

WHEREAS, the Board also has been presented a recommendation to ratify the System's PBVC plan document for the 2025 plan year, which will guide the System in implementing the PBVC Program for eligible leaders other than the President and Chief Executive Officer;

WHEREAS, the Human Resources and Compensation Committee of the Board has reviewed both of these recommendations and the associated written documents, which are attached hereto as Exhibit A ("Amended Policy BOT-06") and Exhibit B ("PBVC plan document for the 2025 plan year"); and

WHEREAS, based on its review, the Human Resources and Compensation Committee of the Board has recommended that the Board approve the proposed amendments to Policy BOT-06 and ratify the proposed PBVC Plan document for the 2025 plan year as presented.

NOW, THEREFORE, BE IT RESOLVED, the System's Board hereby approves amendments to Board Policy BOT-06 for Executive Compensation as reflected in Exhibit A.

BE IT FURTHER RESOLVED, the System's Board hereby ratifies the PBVC Plan document for the 2025 plan year attached as Exhibit B.

AYES:

NAYS:

ABSENT:

ABSTAINED:

DATE: March 26, 2025

BOARD POLICY

BOT-06 - Executive Compensation

Key Points

- This policy applies to The MetroHealth System ("MHS").
- The Board of Trustees of MHS ("Board") recognizes the need for MHS to attract and retain effective and committed executives to assist MHS in achieving its goals and providing high quality care in accordance with its mission, while acting in accordance with the laws and standards applicable to MHS.
- This policy sets forth the framework that the Board uses to carry out its fiduciary duties in determining appropriate and competitive compensation for the President and Chief Executive Officer ("CEO") and other MHS Executives.[1]

Policy

1. The Board, through the Human Resources and~~&~~ Compensation Committee, shall review the CEO's and Executives' Total C~~c~~ompensation[2] at least annually. This review shall include actual compensation paid during the prior year as well as any proposed changes to the CEO's future Total C~~c~~ompensation, if any.
2. To support the Board's fiduciary and statutory duties, MHS shall retain an independent compensation consultant (or consultants) to assist in providing the Board with information regarding comparable CEO and Executive compensation and related terms.
   - 2.1. The independent compensation consultant(s) shall provide a written report(s) to and communicate directly with the Board's Human Resources and~~&~~ Compensation Committee.
3. CEO Compensation
   - 3.1. The Board sets T~~t~~otal C~~c~~ompensation for the CEO that is consistent with other comparable nonprofit and public hospitals and health systems and that reflects fair value for the services that MHS receives from the CEO.
   - 3.2. The Board shall approve all Total C~~c~~ompensation paid to the CEO.
   - 3.3. Any changes in the CEO's T~~t~~otal C~~c~~ompensation outside of the terms of the CEO's employment agreement must be approved by the Board in advance of payment.
4. Executive Compensation
   - 4.1. In accordance with Board Policy BOT-07 – Delegations of Authority, the CEO has the authority to set the wages, ~~salaries~~salaries, and benefits for other MHS employees, including base salary and ~~other fixed~~, performance-based~~,~~ or other incentive compensation.
   - 4.2. However, the wages and salaries set by the CEO for Executives must be consistent with compensation provided by comparable nonprofit and public hospitals and health systems.
     - 4.2.1. The CEO must notify the Board if any Executive's T~~t~~otal C~~c~~ompensation (including maximum available performance-based variable compensation, benefits, and all other compensation) will exceed the 90th percentile of the comparable group and request Board approval in advance. The requirement of this section 4.2.1 for Board approval does not apply to interim Executives who

are employed on a temporary basis (i.e., less than 12 months) to fill an immediate need. In such a situation, the CEO must notify the Board Chair in writing if an interim Executive's total cash compensation will exceed the 90th percentile, but Board approval is not required. The CEO shall report to the Board on all interim Executive hires at least annually.

4.3. The CEO shall report to the Board's Human Resources and Compensation Committee on each Executives' Total C~~c~~ompensation, including a report of each Executive's base salary and all other components of compensation, at least annually.

5. Performance-Based Variable Compensation ~~(PBVC)~~

5.1. The Board has authorized performance-based variable compensation ("PBVC") to be a component of certain eligible employees' T~~t~~otal C~~c~~ompensation with the goal of incentivizing leaders to accomplish goals that promote MHS's mission and operations.

5.2. The Board shall approve the amount of PBVC available to the CEO through the CEO's written employment agreement. The CEO may determine the amount of PBVC available to other employees subject to the requirements and limits of this policy.

5.3. *Performance Goals*:

5.3.1. The Board will annually establish MHS ~~System~~ performance goals, including the relative weighting between the goals, ~~that~~which are metric-driven and balanced to achieve short-term and long-term organizational success.

5.3.2. The Board-approved MHS~~System~~ performance goals reflect the PBVC goals for the CEO. The CEO may determine whether to incorporate individual goal performance for other PBVC-eligible employees.

5.3.3. Each established MHS~~System~~ performance goal will specify achievements at the following levels: threshold (50% achievement);~~,~~ target (100% achievement); and maximum (150% achievement).

5.3.3.1. Achievement between the threshold and maximum limitations will be calculated on a sliding scale.

5.3.3.2. If the level of achievement on any goal is less than the 50% threshold, no PBVC incentive payments will be made for that goal.

5.4. *PBVC Trigger*:

5.4.1. In conjunction with its approval of annual MHS~~System~~ performance goals, the Board will also set a trigger (financial or otherwise) that is a prerequisite for any PBVC payout. If MHS does not meet this baseline trigger, there will be no PBVC payout to any employee, regardless of MHS's achievements with respect to the Board-approved goals or any individual goals.

5.5. *Award & Payment*:

5.5.1. Within 30 days of receiving MHS's~~the System's~~ final audited financial statements, the Board shall assess MHS's~~the System's~~ performance relative to each of the approved goals, including the financial trigger, and approve the performance level achieved for each of the approved goals, along with the total performance level achieved across all of the goals.

5.5.2. The Board shall review and approve the proposed PBVC award for the CEO, if any, via written resolution.

5.6. *PBVC Plan*:

5.6.1. The process and parameters for the award of PBVC (including eligibility, timing, etc.) for employees other than the CEO shall be set forth in a written p~~P~~lan document that shall be approved by the CEO and consistent with this p~~P~~olicy.

5.6.2. The written p~~P~~lan document shall be reviewed and approved by the Human Resources and Compensation Committee when any material changes are made and at least annually.

5.7. The Board reserves the right to review, amend, suspend, and/or terminate PBVC with respect to any or all employees at any time and at its sole discretion.

References

ORC 339.06, 339.07

Dates

Initiated: November 2022; Reviewed/Revised: February 2023, March 2024, March 2025

Endnotes

[1] "Executive~~s~~" is ~~are~~ defined as VP and above. For purposes of in-depth market data and comparisons for the Board's ~~of Trustee~~ review, however, the term "Executives" is ~~are~~ defined as SVP and above.

[2] "Total Compensation" is defined as base salary, incentive compensation (including performance-based variable compensation), benefits, and all other compensation.

EXHIBIT B

The MetroHealth System
Performance-~~-~~Based Variable Compensation Plan

Article 1
Purpose and Duration

1.1 Purpose of the Plan. In addition to salary and benefits, the annual Performance-~~-~~Based Variable Compensation Plan (PBVC or the Plan) is designed to provide at-risk compensation to employees in leadership positions at The MetroHealth System (MetroHealth or the System) who contribute significantly to the success of the System's charitable mission, measured through the achievement of financial, strategic, quality/equity, engagement and retention~~inclusion & diversity~~, operational, academic, and other System-wide goals. The objective of this Plan is to retain and reward leaders for positive impacts on MetroHealth and its patients, their families, our community, and the furtherance of MetroHealth's mission, vision, and values. This Plan shall apply to all Participants as defined herein, but does not apply to the President and CEO's receipt of PBVC.

1.2 Effective Date. This Plan shall be effective the Performance Plan Year beginning January 1, 2025 ~~2024~~.

1.3 Duration of the Plan. The Plan will remain in effect until otherwise amended, canceled, or replaced by the President and CEO of MetroHealth (CEO) or MetroHealth's Board of Trustees.

Article 2
Definitions

Whenever used in the Plan, the following terms shall have the meanings set forth below:

2.1 "Participant" means an Employee who is eligible to participate in the Plan. Eligibility is limited to MetroHealth's leadership, including Senior Executive Vice Presidents, Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, and other leaders as determined and approved by the CEO. This Plan does not apply to the CEO; the CEO's eligibility for and participation in PBVC shall be as determined by the Board.

2.2 "Award" means the at-risk amount earned by a Participant based on achievement of the applicable Performance Goals during the Plan Year, and payable according to the terms and conditions set forth in the Plan.

2.3 "Award Notice" means the written notice provided after the end of the Plan Year by the Chief Human Resources Officer (CHRO) to each Participant setting forth the Participant's Award for the Plan Year and the basis for determining such Award.

2.4 "Base Salary" means the base salary payable to a Participant during the Plan Year before deductions and taxes, as set forth in MetroHealth's payroll records.

2.5 "Board" means the Board of Trustees of MetroHealth.

2.6 "System PBVC Trigger" means the threshold level of MetroHealth's performance, financial or otherwise, that the Board approves for a Plan Year as a condition to be met before any Awards are earned and paid for such Plan Year, as set forth in Board policy.

2.7 "Individual PBVC Trigger" means the threshold level of a Participant's annual performance as a condition to be met before any Awards are earned and paid for such Plan Year.

2.8 "Committee" means the Human Resources and Compensation Committee of the Board, or such other Committee designated by the Board.

2.9 "Disability" means disability as defined in the MetroHealth Group Long-Term Disability Plan at the time at which a determination of Disability is made.

2.10 "Employee" means a person who is employed by MetroHealth.

2.11 "At-risk Opportunity" means the percentage of Base Salary that MetroHealth plans to pay a Participant if the applicable Performance Goals are achieved during the Plan Year and if the terms and conditions set forth in the Plan or the Award Notice are satisfied.

2.12 "Participation Notice" means the written notice provided to each Participant notifying them of their eligibility and/or change in eligibility for PBVC (e.g., a written offer letter).

2.13 "Performance Goal" means the level(s) of performance that must be attained during a Plan Year to earn an Award.

2.14 "Plan Year" means the fiscal year, or such other period specified by the Committee.

2.15 "Retirement" means a Participant's retirement from the Ohio Public Employees Retirement System (OPERS).

2.16 "Weight" means the relative value assigned to each Performance Goal for the purpose of determining the Award earned by each Participant.

Article 3
Participation and Payment of Awards

3.1 Participation. An eligible Employee will become a Participant in the Plan only upon approval by the CEO. The CEO may add an Employee to the Plan during the Plan Year if the Employee is hired, transferred, or promoted into an eligible position. A Participant's eligibility for PBVC, including the At-risk Amount, any Individual PBVC Trigger and the proportion, if any, of Individual Performance Goals, shall be as set forth in the Participant's then-current Participation Notice.

Selection for participation for a Plan Year means the Participant has the opportunity to receive an Award based on the applicable Performance Goals for that Plan Year, but does not guarantee that the Participant will receive an Award. Selection for participation for a Plan Year does not entitle an Employee to be selected or to participate in any subsequent Plan Year.

3.2 Determination of PBVC Triggers. The Board approves a System PBVC Trigger for each Plan Year, in accordance with Board policy. The CEO may also approve an Individual PBVC Trigger for Participants for any given Plan Year.

3.3 Determination of Performance Goals. The Board approves System Performance Goals, including the relative Weights of each Performance Goal, for each Plan Year, in accordance with Board policy. The CEO, or their designee, may also approve Individual Performance Goals for Participants for any given Plan Year. Individual Performance Goals shall be approved within 90 days of the start of the Plan Year.

3.4 Determination of Award. If the System PBVC Trigger for the Plan Year is met, the Committee will assess the Organization's performance relative to each of the System Performance Goals for the Plan Year following the end of the Plan Year and within 30 days of receiving the System's final audited financial statements. The Board shall approve the performance level achieved for each of the System Performance Goals and the associated Award level~~s~~ earned by the CEO, if any.

If applicable, the CEO and the CHRO will assess a Participant's performance relative to any Individual PBVC Trigger and Individual PBVC Goals for the Plan Year based on information provided by the Participant's supervisor and within 60 days following the end of the Plan Year. The CEO shall approve the performance level achieved for Individual Performance Goals, if any, and the associated Award levels earned, if any.

A Participant shall only be eligible to receive an Award if the System PBVC Trigger and any Individual PBVC Trigger has been met.

3.5 Payment of Award. The CHRO shall distribute information regarding the performance levels for all applicable (System and Individual) Performance Goals and the associated Awards earned, if any, to each Participant in an Award Notice. MetroHealth shall pay the Awards for a Plan Year within 45 days following the Board's approval of the Award levels associated with the System Performance Goals, subject to the limitations of Section 3.6.

3.6 Termination of Employment. If a Participant ceases to be an Employee of MetroHealth prior to an Award payment for a Plan Year, the Participant's eligibility for an Award for the Plan Year will be canceled and the Participant will not be entitled to any Award payment for the Plan Year, unless:

3.6.1 The Participant ceases to be an Employee of MetroHealth prior to Award payment due to death, Disability, Retirement, or active deployment by the US military, in which case the Participant shall be eligible for a prorated Award payment based on the length of their employment during the Plan Year provided the Employee was employed for at least one calendar quarter of the Plan Year and the performance as determined under Section 3.4.~~; or~~

~~3.6.2 The Participant ceases to be an Employee of MetroHealth after December 31st of the Plan Year and prior to Award payment for that Plan Year due to Retirement, in~~

~~which case the Participant shall be eligible to receive a full Award payment based on performance as determined under Section 3.4.~~

3.7 Time of Termination of Employment. For purposes of this Article 3, a Participant ceases to be an Employee of MetroHealth on their last day of employment at MetroHealth, notwithstanding any period of continued compensation or other payments provided under an employment agreement, severance plan, or other plan or arrangement with MetroHealth.

3.8 Non-transferability. Any Award potentially payable under this Plan may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated by a Participant or any other person, voluntarily or involuntarily.

Article 4
Administration

4.1 Administration. The Plan will be administered by the CEO and the CHRO.

4.2 Authority of the Board. The Board has the authority and discretion to establish the System PBVC Trigger, System Performance Goals, Weights, measures, and associated Awards. The Board retains full authority and discretion to terminate or amend the Plan at any time.

4.3 Authority of the CEO. The CEO has the authority and discretion to establish Participant eligibility, any Individual PBVC Trigger, any individual Performance Goals, Weights, measures, and associated individual Awards, and to establish, amend, or waive rules pertaining to the Plan's administration.

4.4 Decisions Binding. Subject to the provisions of the Plan, all determinations and decisions made by the CEO or the Board, and all related orders or resolutions of the Board, will be final, conclusive, and binding on all persons, including MetroHealth, Employees, Participants, and their estates and beneficiaries.

Article 5
Withholding and Offsets

MetroHealth shall deduct and withhold from the Awards any required federal, state, and local income, OPERS and employment tax withholding. MetroHealth also may offset against an Award payable to a Participant under the Plan any amounts then owing to MetroHealth by such Participant.

Article 6
Miscellaneous

6.1 Employment. Nothing in the Plan shall interfere with or limit in any way the right of MetroHealth to terminate or otherwise change the terms and conditions of any Participant's employment at any time, nor confer upon any Participant any right to continue in the employ of MetroHealth.

6.2 Severability. In the event any provision of the Plan is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as if the illegal or invalid provision had not been included.

6.3 Requirement of the Law. Administration of this Plan and the payment of Awards under the Plan are subject to all applicable laws, rules, and regulations. MetroHealth intends that this Plan not provide for deferred compensation that would be subject to the requirements of Section 409A of the Internal Revenue Code. The Plan shall be interpreted and administered consistent with such intent.

6.4 Governing Law. To the extent not preempted by federal law, all questions pertaining to the construction, validity, effect and enforcement of the Plan, and all agreements hereunder, will be determined in accordance with and governed by the internal, substantive laws of the State of Ohio.

THE METROHEALTH SYSTEM

By ______________________________
President and CEO
The MetroHealth System Effective Date _____________________

Reviewed and ratified by the Human Resources and Compensation Committee of MetroHealth's Board of Trustees at a meeting duly held on the __ day of ______, 2025~~4~~.

RECOMMENDATION TO THE BOARD OF TRUSTEES OF THE METROHEALTH SYSTEM FOR APPROVAL OF 2025 SYSTEM PERFORMANCE GOALS

Recommendation

The President and Chief Executive Officer of The MetroHealth System ("System") is recommending that the System's Board of Trustees ("Board") approve the System's performance goals for 2025. These proposed goals have been reviewed by the System's national executive compensation consulting firm, Gallagher, which has confirmed that the goals are appropriate and aligned with industry best standards. The goals embody a balanced approach across the following domains: financial health; strategy and growth; quality/equity, safety, and experience; employee engagement and retention; and academic.

Background

In 2014, the Board approved an at-risk compensation program, the Performance-Based Variable Compensation program ("PBVC Program"), for certain members of senior leadership with the assistance and advice of Sullivan Cotter, an independent national compensation consulting firm, and at the recommendation of the President and Chief Executive Officer. The System has determined (and recently reaffirmed, through its current national executive compensation consulting firm, Gallagher) that such at-risk compensation programs are customary and usual in the hospital field, with the goal of incentivizing leaders to accomplish goals that promote the System's mission and operations.

The PBVC Program requires the Board to annually establish and approve System performance goals, including the relative weighting between the goals, which are metric-driven and balanced to achieve short-term and long-term organizational success.

Approval of 2025 System Performance Goals

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RESOLUTION XXXXX

WHEREAS, the Board of Trustees ("Board") of The MetroHealth System ("System") has previously approved an at-risk compensation program, the Performance-Based Variable Compensation program for certain members of leadership ("PBVC Program"); and

WHEREAS, the President and Chief Executive Officer has presented the Board a recommendation for the approval of System performance goals and metrics for the 2025 PBVC Program.

NOW, THEREFORE, BE IT RESOLVED, the System's Board hereby approves the 2025 System performance goals as described in the attachment hereto, to be utilized in connection with the overall compensation methodology. No awards will be paid unless the System achieves the Board approved PBVC trigger.

AYES:

NAYS:

ABSENT:

ABSTAINED:

DATE: March 26, 2025

Exhibit A

RECOMMENDATION TO THE BOARD OF TRUSTEES OF THE METROHEALTH SYSTEM FOR APPROVAL OF 2025 PERFORMANCE-BASED VARIABLE COMPENSATION FINANCIAL TRIGGER

Recommendation

The Human Resources and Compensation Committee of the Board of Trustees ("Board") and President and Chief Executive Officer recommends that the Board approve a financial trigger that The MetroHealth System ("System") must meet or exceed in order for all eligible employees to receive at-risk performance-based variable compensation.

Background

In 2014, the Board approved the PBVC Program for certain members of senior leadership (the "PBVC Program"). Since its inception, the System has been required to meet or exceed a certain financial benchmark in order for any PBVC to be paid to eligible employees (the "Financial Trigger"). In accordance with Board Policy BOT-06, the Board will explicitly approve the Financial Trigger each year.

It is recommended that the Board approve a Financial Trigger for PBVC in 2025 at an Adjusted EBIDA of $**XXX**. If the System does not meet the Financial Trigger, then no PBVC will be paid, regardless of the System's accomplishments on the Board-approved System performance goals and metrics.

Approval of 2025 Performance-Based Variable Compensation Financial Trigger

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RESOLUTION XXXXX

WHEREAS, the Board of Trustees ("Board") of The MetroHealth System's Policy BOT-06 requires the Board to approve a financial trigger that the System must meet or exceed in order for any performance-based variable compensation to be paid to eligible employees (the "Financial Trigger");

WHEREAS, the Human Resources and Compensation Committee of the Board has reviewed the recommendation for the Financial Trigger for PBVC for 2025; and

WHEREAS, based on its review, the Human Resources and Compensation Committee of the Board has recommended that the Board approve a financial trigger for PBVC at an Adjusted EBIDA of $**XXX** for 2025.

NOW, THEREFORE, BE IT RESOLVED, the Board of Trustees of The MetroHealth System hereby approves a PBVC financial trigger, as required pursuant to Board Policy BOT-06, at an Adjusted EBIDA of $**XXX** for 2025.

AYES:

NAYS:

ABSENT:

ABSTAINED:

DATE: March 26, 2025