



# Human Resources & Compensation Committee Meeting

The MetroHealth System

MetroHealth Board Room K107 - 2500 MetroHealth Dr., Cleveland, OH 44109

2026-03-25 13:00 - 15:00 EDT

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# The MetroHealth System Board of Trustees

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## HUMAN RESOURCES & COMPENSATION COMMITTEE

**DATE:** Wednesday, March 25, 2026  
**TIME:** 1:00pm – 3:00pm  
**PLACE:** MetroHealth System Board Room (K107) and via YouTube Stream:  
(<https://www.youtube.com/@metrohealthCLE/streams>)

### AGENDA

- I. **Approval of Minutes**
  - A. Approval of Committee Meeting Minutes from December 17, 2025
  
- II. **Information Items**
  - A. BOT-06 Executive Compensation Board Policy Amendments – J. Corlett, D. Southerington, J. Wellons
  - B. Amendments to HR & Compensation Committee Charter J. Corlett, D. Southerington, J. Wellons
  - C. Review of At-Risk Compensation (ARC) Plan Document and Proposed Amendments – D. Southerington, J. Wellons
  
- III. **Executive Session**
  
- IV. **Return to Open Meeting**
  
- V. **Recommendation/Resolution Approvals**
  - A. Resolution of Appreciation of the System’s Accomplishments in 2025
  - B. Resolution for Approval of Amendments to Executive Compensation Policy BOT-06 and Ratification of 2026 At-Risk Compensation Plan
  - C. Resolution for Approval of 2026 System Performance Goals
  - D. Resolution for Approval of 2026 ARC Financial Threshold

# The MetroHealth System Board of Trustees

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## HUMAN RESOURCES & COMPENSATION COMMITTEE MEETING

Date: Wednesday, December 17, 2025

Time: 2:00pm - 4:00pm

Virtual

**Committee Members:** John Corlett, John Moss, E. Harry Walker, M.D.

**Members:**

**Other Trustees:** Artis Arnold, Ronald Dziedzicki

**Staff:** Christine Alexander-Rager, M.D., Kelly Andolek, Robert (Doug) Bruce, M.D., Nabil Chehade, M.D., Corey Clay, Jennifer Esposito, David Fiser, Cindy Gallaspie, Carol Martz, Ashish Masih, Candy Mori, RN, Allison Poullos, Jeff Rooney, Tamiyka Rose, Brendan Sorg, Deborah Southerington, James Wellons, Patrick Woods

**Invited Guests:** Sal DiFonzo-R, Craig Strom-I

**Guests:** Guests not invited by the Human Resources & Compensation Committee are not listed as they are considered members of the audience, and some were not appropriately identified.

### Meeting Minutes

Mr. Corlett called the meeting to order at 2:30 pm, 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 October 8, 2025, Human Resources & Compensation Committee meeting were approved by unanimous vote as submitted.

#### II. **Information Items**

##### A. **HR Team Spotlight: Volunteer Services – D. Southerington, J. Esposito**

Mr. Corlett introduced Deborah Southerington, SVP, Human Resources, and Jennifer Esposito, VP, Human Resources, to present the HR team spotlight, highlighting the Volunteer Services team, which was incorporated in the Human Resources division in May of last year. Ms. Esposito emphasized that the primary function of the Volunteer Services department is to work with individuals and community organizations to enhance the patient experience across the health system. In carrying out this work, volunteers must complete a process similar to

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employee onboarding, including background checks, health screenings, and required orientation sessions both with Volunteer Services and specific departments where they serve. At the time of reporting, approximately 410 active volunteers were participating in the program, including 135 college and university students from the local region. In 2025, these volunteers collectively provided an estimated 10,000 service hours. Ms. Esposito presented an overview of the approximately 20 distinct volunteer opportunities offered, noting that time commitments varied by role. One example was the Patient Safety Rounders program, in which volunteers assist patients with understanding hospital resources, such as how to use call buttons, active bed alarms, and meal ordering systems, as well as verifying that necessary items remain within a patient's reach. Ms. Esposito also highlighted another popular volunteer area: the Neonatal Intensive Care Unit (NICU) Child Life and Infant Comforter roles. These programs often operate at volunteer capacity due to sustained interest, particularly because they involve holding and comforting infants in the NICU. Ms. Esposito also referenced MetroHealth's partnership with the County Library system on a literacy program designed to help new parents obtain first library cards for their children. Another volunteer program areas receiving special emphasis was the "Loving Paws" therapy dog initiative. Established in 2020, the program features trained therapy dogs who offer emotional and psychological support to patients, families, and staff. The program has grown significantly over four years and currently includes 35 therapy dogs. In 2025, the program averaged six to eight visits each month across the System's four primary locations and recorded nearly 1,000 hours of service. On average, each visit resulted in interactions with approximately 50 individuals. Ms. Esposito noted that the dogs also participate in community activities, including school visits, nursing home visits, and are involved in annual MetroHealth activities such as the pediatric Halloween parade and upcoming holiday visits from Santa.

### B. Workforce Updates – D. Southerington, J. Esposito

Ms. Southerington then presented an update on workforce trends and labor-management initiatives. Ms. Southerington began by referencing the System's full-time equivalent (FTE) staffing trends, reporting that workforce cost-control efforts were producing positive results, noting a downward trend in FTEs throughout 2025. These efforts began in April of 2025, when the System implemented a temporary administrative hiring freeze to review open positions and identify priority needs. A further reduction occurred in July 2025, when the organization eliminated approximately 120 administrative FTEs. Since then, the system's total FTE count continued trending downward, reaching 8,078.5 FTEs as of the most recent pay period referenced (11/22/25). Ms. Southerington

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attributed progress to the work of the Position Control Committee, which evaluates each posted and filled position. The committee, previously meeting twice weekly, had reduced its meeting frequency to once per week due to the stabilization of staffing activity. Ms. Southerington noted that the organization remained significantly below its budgeted FTE target of 8,317 for 2026, placing it in a strong position entering the new year. Dr. Walker requested clarification about whether there are plans to increase the FTE count to the budgeted level. Ms. Southerington explained that although the budget permitted staffing up to 8,300, the goal was to maintain the lower range around 8,078 FTEs, consistent with the ongoing trend since September. Ms. Southerington summarized hiring and termination patterns for 2025, reporting a net decrease of 23.9 FTEs year-to-date. This represented a decline from the previous October 2025 update, which had shown an increase of approximately 51.2 FTEs. Ms. Southerington noted an observable spike in terminations in October, coupled with decreased hiring, and explained that analysis suggested the hiring slowdown resulted from internal consolidation efforts, where employees increasingly moved into vacant roles rather than the system relying on new external hires. Regarding the 103.6 resignations or terminations reported, Ms. Southerington stated that no meaningful hotspots emerged in departmental turnover data, and that HR would continue working with leaders on retention strategies.

Pertaining to first-year turnover data, Ms. Esposito reported that, based on 2024 data, 44% of organizational turnover occurred within employees' first year of employment. The 2025 target sought to reduce this rate to 42%. Year-to-date, the system was performing better than anticipated, with first-year turnover at 35% through November 2025. Final results are anticipated in January 2026, with results to be reported at the next Human Resources committee meeting.

- C. 2025 Employee Engagement Survey Results – D. Southerington, J. Esposito
- Ms. Southerington presented the 2025 employee engagement survey results and next steps. The previous year's participation rate was 78.6% and for 2025, the participation goal was 81%, as set by leadership. The final participation rate reached for the 2025 employee engagement survey was 76%, falling about three percentage points below the prior year's rate. Ms. Southerington noted that Perceptyx administered the survey for the fifth consecutive year. The survey period ran from October 14, 2025, to November 7, 2025, and included the same 49 core questions used in past years, with one new question added in 2025. Ms. Southerington then described the next steps in the engagement survey process. Leaders whose departments achieved the 81% participation target would receive a "sweet treat" as recognition, a candy bar with a message of appreciation from Dr. Alexander. Survey results would continue to be

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reviewed by leadership, and a preview of the preliminary data was already shared with Dr. Alexander and members of the CORE team. Action planning will follow the results review. A timeline was presented indicating that in January 2026, results will be shared with the Executive Leadership Team (ELT), followed by distribution to managers. Management-level action planning will be required by March 2026, supported by HR business partners. Ms. Southerington stated that leadership will ensure that action plans will address key opportunities identified in the survey findings.

### III. Executive Session

Mr. Corlett asked for a motion to move into executive session to discuss hospital trade secrets as defined by 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. Moss seconded. Upon unanimous roll call vote, the Committee went into executive session to discuss such matters at approximately 2:47 pm.

Following executive session, the meeting reconvened in open session at approximately 3:56 pm.

There being no further business to bring before the Committee, the meeting was adjourned at approximately 3:57 pm.

**THE METROHEALTH SYSTEM**

John Corlett, Chairperson

# BOARD POLICY

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## 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.<sup>1</sup>

### Policy

1. The Board, through the Human Resources and Compensation Committee, shall review the CEO’s and Executives’ Total Compensation<sup>2</sup> 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 Compensation, if any.  
1.1 Internal Audit shall provide an annual report to the Committee summarizing the audited results of the CEO’s and Executives’ total paid cash compensation.
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 Total Compensation 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 Compensation paid to the CEO.
  - 3.3. Any changes in the CEO’s Total Compensation 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, and benefits for other MHS employees, including base salary and, 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 Total Compensation (including maximum available ~~performance-based variable at-risk~~ 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

BOT-06 – Executive Compensation DRAFT

Owner: Board of Trustees

Effective Date: 3/25/2025

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Paper copy may not be current; refer to electronic version for official policy.

interim Executives who are employed or contracted 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 engagements at least annually, including the total cash compensation paid.

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

5. Performance-Based Variable At-Risk Compensation

5.1. The Board has authorized performance-based variable at-risk compensation ("PBVCARC") to be a component of certain eligible employees' Total Compensation 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 PBVCARC available to the CEO through the CEO's written employment agreement. The CEO may determine the amount of PBVCARC 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 performance goals, including the relative weighting between the goals, which are metric-driven and balanced to achieve short-term and long-term organizational success.

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

5.3.3. Each established MHS 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 PBVCARC incentive payments will be made for that goal.

5.4. PBVCARC Trigger Threshold:

5.4.1. In conjunction with its approval of annual MHS performance goals, the Board will also set a trigger threshold (financial or otherwise) that is a prerequisite for any PBVCARC payout. If MHS does not meet this baseline trigger threshold, there will be no PBVCARC 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 final audited financial statements, or as soon as practical thereafter, the Board shall assess MHS's performance relative to each of the approved goals, including the financial trigger threshold, 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 PBVCARC award for the CEO, if any, via written resolution.

5.6. PBVCARC Plan:

- 5.6.1. The process and parameters for the award of ~~PBVCARC~~ (including eligibility, timing, etc.) for employees other than the CEO shall be set forth in a written plan document that shall be approved by the CEO and consistent with this policy.
- 5.6.2. The written plan 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 ~~PBVCARC~~ 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, March 2026

### Endnotes

- <sup>1</sup> “Executive” is defined as ~~an individual employed or contracted by MHS employee with a VP or superior title~~ VP and above. For purposes of in-depth market data and comparisons for the Board’s review, however, the term “Executives” is defined as SVP and above.
- <sup>2</sup> “Total Compensation” is defined as base salary, incentive compensation (including ~~performance based variable at-risk~~ compensation), benefits, and all other cash compensation (e.g., recruitment incentives, retention incentives, cash-equivalent gifts, etc.).



## The Charter of the Human Resources and Compensation Committee of The MetroHealth System Board of Trustees

### **Purpose**

The Human Resources and Compensation Committee ("Committee") is responsible for assisting The MetroHealth System ("MetroHealth") in attracting and retaining qualified and committed employees who will work to achieve MetroHealth's goals of providing high quality care in accordance with its mission. The Committee also oversees the total compensation program for the President and Chief Executive Officer ("CEO") and other members of executive leadership as determined by policies of the MetroHealth Board of Trustees ("Board").

### **Responsibilities**

In fulfilling its charge, the Committee is responsible for the following activities and functions:

#### **I. Workforce Responsibilities**

- Oversee workforce optimization matters and receive reports at least annually from the Chief Human Resources Officer on employee engagement, recruitment and retention strategies, benefit plan design and annual spend, workforce development initiatives, and other matters.
- Review and recommend a policy and succession plan for the CEO, and make available upon request executive succession plans.
- Annually review and evaluate the CEO's performance and adherence to the MetroHealth's Code of Conduct.

#### **II. CEO and Executive Compensation (including At-Risk Compensation Plan)**

- Review and propose revisions, as needed, to the Board's policies on executive compensation.
- Review annually and revise, as needed, MetroHealth's executive compensation philosophy and ~~at risk—Performance Based—Variable—Compensation~~At-Risk Compensation Plan ("PBVC-ARC Plan") to ensure the total compensation program is administered accordingly.
- Review and make recommendations regarding the CEO's and other members of executive leadership's total compensation as set forth in Board policy.
- Recommend the compensation, benefits, and all other components of total compensation for the CEO in advance of payment, as well as the terms of any employment agreement for the CEO as set forth in Board policy.
- In accordance with Board policy, review the compensation, benefits, and all other components of total compensation for members of executive leadership to ensure they are consistent with the organization's executive total compensation philosophy, PBVC-ARC Plan, and any awards payable under the PBVC-ARC Plan.
- In accordance with Board policy, review and make recommendations regarding all other executive incentive compensation plans, including approval of goals for the CEO and any awards payable under such plans.
- Ensure the Committee's independent and direct access to qualified consultants and to independently published compensation survey data.
- Review provider compensation strategies and philosophies used by MetroHealth to properly balance the needs of MetroHealth, the Medical Staff, patients, and the community, in alignment with MetroHealth's mission and overall strategy.

### **Composition**

The Committee shall be led by a board member with an interest and background in personnel matters and consist of additional board members, as identified by the Board Chairperson. All Committee members shall be free from any material conflicts of interest that preclude them from making decisions pertaining to executive compensation. The Committee shall be staffed by the following members of management: the CEO, the Chief Human Resources Officer, the Chief Financial Officer, the Chief Physician Executive and Clinical Officer, and other relevant leaders of the executive team as needed. For issues or actions pertaining to executive leadership compensation, the Committee shall be staffed by the CEO and the Chief Human Resources Officer only, with any executive excused at any point the Committee discusses or approves of any issues or actions that may apply to such executive directly. All Trustees are invited to attend the Committee meetings, but only members of the Committee may vote on matters before the Committee.

### **Meeting Schedule**

The Committee shall meet at least two times per year, or more frequently as needed. The Committee shall end each meeting in executive session without any MetroHealth executives or management present to discuss and approve any issues or actions that directly impact executives. At least annually, the Committee shall meet separately in executive session with each of the following: (a) the Chief Human Resources Officer; (b) the Chief Physician Executive and Clinical Officer; and (c) Chief Legal Officer; and (d) the Chief Financial Officer.

# The MetroHealth System At-Risk Compensation Plan

## Article 1

### Purpose and Duration

1.1 Purpose of the Plan. In addition to salary and benefits, the annual At-Risk Compensation Plan (ARC 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, 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 Document shall apply to all Participants as defined herein, but does not apply to MetroHealth's the President and CEO's receipt of ARC. The terms of the CEO's at-risk compensation, although modeled after this Plan, are set forth in the CEO's employment agreement and determined solely by the Board.

1.2 Effective Date. This Plan shall be effective for the Performance Plan Year beginning January 1, 2026.

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 ARC receipt of at-risk compensation 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), or their designee, 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 ARC Threshold" 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 ARC Threshold" 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 ARC (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 ARC, including the At-Risk Amount Award Opportunity, any Individual ARC Threshold 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 ARC Thresholds. The Board approves a System ARC Threshold for each Plan Year, in accordance with Board policy. The CEO may also approve an Individual ARC Threshold 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 ARC Threshold for the Plan Year is met, the Committee will assess the ~~e~~Organization's System'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 related to the Plan Year, or as soon as practical thereafter. The Board shall approve the performance level achieved for each of the System Performance Goals ~~and the associated Award level earned by the CEO, if any~~.

If applicable, the CEO and the CHRO will assess a Participant's performance relative to any Individual ARC Threshold and Individual ARC 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 ARC Threshold and any Individual ARC Threshold has been met.

3.5 Payment of Award. The CHRO, or their designee, 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.

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 ARC Threshold, 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 ARC Threshold, 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 25th day of March, 2026.*

## Resolution of Appreciation of the System's Accomplishments in 2025

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### RESOLUTION XXXXX

WHEREAS, at its March 26, 2025, meeting, the Board of Trustees ("Board") of The MetroHealth System established performance goals aligned with MetroHealth's mission and intended to achieve both short-term and long-term organizational success in the domains of financial health; strategy and growth; quality/equity, safety, and experience; employee engagement and retention; and academic;

WHEREAS, these goals were intended as metrics that would be used to determine awards, if any, under MetroHealth's at-risk compensation program (referred to in 2025 as "Performance Based Variable Compensation");

WHEREAS, at its October 8, 2025, meeting the Board suspended all awards under the 2025 at-risk compensation program at the President and CEO's recommendation because of the significant financial challenges facing the System;

WHEREAS, notwithstanding the suspension of those awards, the System's dedicated employees did not waiver in their focus on the key objectives set forth in the System's performance goals; and

WHEREAS, based on its review of information provided by management and Internal Audit, the Board recognizes that the hard work of the System's employees resulted in significant achievement of the System's performance goals.

NOW, THEREFORE, BE IT RESOLVED, the Board of Trustees of The MetroHealth System extends its gratitude and appreciation of the exceptional, mission-focused work of the System's employees and applauds the exceptional accomplishments resulting from the efforts of all who support MetroHealth's mission in a challenging 2025 year.

AYES:

NAYS:

ABSENT:

ABSTAINED:

DATE: March 25, 2026

**RECOMMENDATION FOR THE APPROVAL OF AMENDMENTS TO EXECUTIVE COMPENSATION  
POLICY BOT-06 AND RATIFICATION OF 2026 AT-RISK 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 At-Risk Compensation Plan document for the 2026 plan year to guide The MetroHealth System’s (“System”) implementation of the At-Risk Compensation program (“ARC Program”).

**Background**

Since 2014, the Board has approved the use of an at-risk compensation program (originally known as the “Performance Based Variable Compensation 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 ARC Program.

In accordance with this work, the Board’s policy on executive compensation, BOT-06, and the ARC 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 (“ARC Plan document for the 2026 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 ARC Plan document for the 2026 plan year as presented.

**Approval of Amendments to Executive Compensation Policy BOT-06 and Ratification of 2026  
At-Risk Compensation Plan**

**\*\*\*\*\***

**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 ARC Plan document for the 2026 plan year, which will guide the System in implementing the ARC 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 (“ARC Plan document for the 2026 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 ARC Plan document for the 2026 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 ARC Plan document for the 2026 plan year attached as Exhibit B.

AYES:

NAYS:

ABSENT:

ABSTAINED:

DATE: March 25, 2026

## RECOMMENDATION TO THE BOARD OF TRUSTEES OF THE METROHEALTH SYSTEM FOR APPROVAL OF 2026 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 2026. 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 (originally known as the "Performance Based Variable Compensation Program") for certain members of senior leadership (now referred to as the "ARC Program") 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 ARC 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 2026 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 for certain members of leadership (the “ARC 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 2026 ARC Program.

NOW, THEREFORE, BE IT RESOLVED, the System’s Board hereby approves the 2026 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 System ARC Threshold.

AYES:

NAYS:

ABSENT:

ABSTAINED:

DATE: March 25, 2026

CONFIDENTIAL: THIS DOCUMENT CONTAINS TRADE SECRETS AND INFORMATION THAT IS CONFIDENTIAL AND PROPRIETARY PROPERTY OF THE METROHEALTH SYSTEM AND MAY NOT BE COPIED, PUBLISHED OR DISCLOSED TO OTHERS WITHOUT THE EXPRESS WRITTEN AUTHORIZATION OF AN AUTHORIZED OFFICER OF METROHEALTH. THIS DOCUMENT MUST BE KEPT ONLY IN CONFIDENTIAL FILES WHEN NOT IN USE.

**Exhibit A**

**RECOMMENDATION TO THE BOARD OF TRUSTEES OF THE  
METROHEALTH SYSTEM FOR APPROVAL OF 2026 SYSTEM AT-RISK  
COMPENSATION THRESHOLD**

**Recommendation**

The Human Resources and Compensation Committee of the Board of Trustees (“Board”) and President and Chief Executive Officer recommends that the Board approve the threshold level of financial performance that The MetroHealth System (“System”) must meet or exceed as a condition for any at-risk compensation awards to be paid to eligible employees for the 2026 performance year.

**Background**

In 2014, the Board approved an at-risk compensation program (originally known as the “Performance Based Variable Compensation Program”) for certain members of senior leadership (now referred to as the “ARC Program”). Since its inception, the System has been required to meet or exceed a certain financial benchmark for any ARC compensation to be paid to eligible employees (the “System ARC Threshold”). In accordance with Board Policy BOT-06, the Board will explicitly approve the System ARC Threshold each year.

It is recommended that the Board approve a System ARC Threshold in 2026 at an Adjusted EBIDA of \$120.0 million. If the System does not meet the System ARC Threshold, then no at-risk compensation will be paid, regardless of the System’s accomplishments on the Board-approved System performance goals and metrics.

## Approval of 2026 System At-Risk Compensation Threshold

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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 threshold that the System must meet or exceed in order for any at-risk compensation to be paid to eligible employees (the “System ARC Threshold”);

WHEREAS, the Human Resources and Compensation Committee of the Board has reviewed the recommendation for System ARC Threshold for 2026; and

WHEREAS, based on its review, the Human Resources and Compensation Committee of the Board has recommended that the Board approve a System ARC Threshold at an Adjusted EBIDA of \$120.0 million for 2026.

NOW, THEREFORE, BE IT RESOLVED, the Board of Trustees of The MetroHealth System hereby approves a System ARC Threshold, as required pursuant to Board Policy BOT-06, at an Adjusted EBIDA of \$120.0 million for 2026.

AYES:

NAYS:

ABSENT:

ABSTAINED:

DATE: March 25, 2026