



AGENDA
EXECUTIVE COMPENSATION COMMITTEE OF THE
EL CAMINO HOSPITAL BOARD OF DIRECTORS

Tuesday, March 11, 2025 – 4:00pm

El Camino Hospital | Sobrato Board Room 1 | 2500 Grant Road, Mountain View, CA 94040

THE PUBLIC IS INVITED TO JOIN THE OPEN SESSION PORTION OF THE MEETING LIVE AT THE ADDRESS ABOVE OR VIA TELECONFERENCE AT:

1-669-900-9128, MEETING CODE: **953 2209 5601#**. No participant code. Just press #.

To watch the meeting, please visit:

[Committee Meeting Link](#)

NOTE: In the event that there are technical problems or disruptions that prevent remote public participation, the Chair has the discretion to continue the meeting without remote public participation options, provided that no Committee member is participating in the meeting via teleconference.

A copy of the agenda for the Regular Committee Meeting will be posted and distributed at least seventy-two (72) hours prior to the meeting. In observance of the Americans with Disabilities Act, please notify us at **(650) 988-3218** prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

	AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
1	CALL TO ORDER/ROLL CALL	Bob Miller, Chair		4:00 pm
2	CONSIDER APPROVAL FOR AB 2449 REQUESTS	Bob Miller, Chair	Possible Motion	4:00 pm
3	POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Bob Miller, Chair	Information	4:00 pm
4	PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons to address the Committee on any matter within the subject matter jurisdiction of the Committee that is not on this agenda. Speakers are limited to three (3) minutes each.</i> b. Written Public Comments <i>Comments may be submitted by mail to the El Camino Hospital Executive Compensation Committee at 2500 Grant Avenue, Mountain View, CA 94040. Written comments will be distributed to the Board as quickly as possible. Please note it may take up to 24 hours for documents to be posted on the agenda.</i>	Bob Miller, Chair	Information	4:00 pm
5	CONSENT CALENDAR ITEMS: a. Approve Minutes of the Open Session of the ECC Meeting (12/16/2024) b. Approve Minutes of the Closed Session of the ECC Meeting (12/16/2024) c. Receive FY25 Committee Goals/Pacing Plan	Bob Miller, Chair	Motion Required	4:00 – 4:03
6	PROCESS REVIEW: EXECUTIVE GOAL SETTING	Deanna Dudley, CHRO	Discussion	4:03 – 4:18
7	RFP AD HOC COMMITTEE UPDATE AND FINALISTS’ INTERVIEWS	Todd Shaw Deanna Dudley, CHRO	Motion Required	4:18 – 5:45
	- AD HOC COMMITTEE UPDATE			(5 minutes)
	- INTERVIEW: FINALIST #1 – Korn Ferry <i>Appended on March 8, 2025</i>			(30 minutes)
	- INTERVIEW: FINALIST #2 – Sullivan Cotter			(30 minutes)
	- COMMITTEE SUMMARY AND VOTE FOR COMPENSATION CONSULTANT			(20 minutes)

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	AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
8	RECESS TO CLOSED SESSION	Bob Miller, Chair	Motion Required	5:45 – 5:46
9	REVIEW PROGRESS OF ENTERPRISE STRATEGIC VISION 2027 <i>Health and Safety Code Section 32106(b) for a report and discussion involving healthcare facility trade secrets</i>	Dan Woods, CEO Andreu Reall, VP, Strategy	Discussion	5:46 – 5:56
10	UPDATE ON EXECUTIVE GOALS FOR GOLL, KLEIN, LEWIS-TAYLOR, AND MALLUR <i>Gov't Code Section 54957 and 54957.6 for a report and discussion on personnel matters – Executive Management.</i>	Dan Woods, CEO Deanna Dudley, CHRO	Information	5:56 – 6:00
11	RECONVENE TO OPEN SESSION	Bob Miller, Chair	Motion Required	6:00
12	REPORT OUT FROM CLOSED SESSION	Tracy Fowler, Director, Governance Services	Information	6:00 – 6:01
13	COMMITTEE UPDATE a. Proposed FY26 ECC Dates and Pacing Plan	Bob Miller, Chair	Motion Required	6:01 – 6:05
14	COMMITTEE ANNOUNCEMENTS	Bob Miller, Chair	Discussion	6:05 – 6:10
15	ADJOURNMENT	Bob Miller, Chair	Motion Required	6:10 pm



**Minutes of the Open Session of the
Executive Compensation Committee
of the El Camino Hospital Board of Directors
Monday, December 16, 2024**

El Camino Hospital, Sobrato Boardroom 1, 2500 Grant Road, Mountain View, CA 94040

Members Present

Bob Miller, Chair
Tom Asmar
Wayne Doiguchi, Vice-Chair
Estrella Parker
Carol Somersille, MD
George Ting, MD,

Members Absent

Mary Hassett
Todd Shaw

Others Present

Dan Woods, CEO
Deanna Dudley, CHRO
Theresa Fuentes, CLO
Ed Braxton, Director, Total Rewards
Tracy Fowler, Director, Governance Services
Gabriel Fernandez, Governance Services Coordinator
Heidi O'Brien, Partner, Mercer**
Rob Kirkpatrick, Mercer**

**via teleconference

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Executive Compensation Committee of El Camino Hospital (the " <u>Committee</u> ") was called to order at 4:00 p.m. by Chair Bob Miller. A verbal roll call was taken. Ms. Hassett and Mr. Shaw was absent. A quorum was present.	Meeting called to order @ 4:00 p.m.
2. CONSIDER APPROVAL FOR AB 2449 REQUESTS	All present members of the committee attended in-person. No consideration of approval for AB-2449 requests were needed.	
3. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Miller asked if any of the Committee members had a conflict of interest with any of the items on the agenda. No conflicts were noted.	
4. PUBLIC COMMUNICATION	Chair Miller invited the members of the public to address the Board. No members of the public were present and there was no written communication.	
5. CONSENT CALENDAR	<p>Chair Miller asked if any member of the Committee or the public wished to remove an item from the consent calendar for further discussion. No items were removed.</p> <p>Motion: To approve consent calendar</p> <p>Movant: Asmar Second: Doiguchi Ayes: Asmar, Doiguchi, Miller, Parker, Somersille, Ting Noes: None Abstentions: None Absent: Hassett, Shaw Recused: None</p>	<p>Consent calendar approved.</p> <ul style="list-style-type: none"> - Minutes of the Open Session of the ECC Meeting (September 24, 2024) Approved - Updated Positions in Executive Compensation Program (for Board Approval) Approved - FY25 Committee Goals/Pacing Plan Received

<p>6. ECC ASSESSMENT RESULTS</p>	<p>Chair Miller opened the discussion of the committee survey results asking Ms. Fowler to give an overview. She shared that there were no surprises in the committee survey results, and progress had been made in pacing of meetings and education opportunities. The survey results for the committee were generally positive, with a score of 3.3 being considered a good score. Committee discussion focused on committee dialogue, more specific questions related to committee oversight, and the establishment of procedures to effectively oversee quality. The committee also discussed the need for a pipeline of potential members and the importance of cultivating personal networks for recruitment.</p>	<p>Action: Staff to communicate with assessment consultant about question clarity,</p>
<p>7. PROCESS REVIEW: CEO PERFORMANCE ASSESSMENT</p>	<p>Chair Miller opened the discussion on process review for the CEO performance assessment, focusing on the timing of the survey and the board's involvement. Ms. O'Brien presented two options: either start the survey later to allow the board to see CEO's year-end recap before completing the performance assessment or try to squeeze the process by having CEO complete his recap early August and giving the board two weeks instead of three and a half to complete the survey. The committee agreed to condense the process and keep the board meeting timings as is, with the board having two weeks instead of three and a half to complete the survey. There was also a discussion about developing additional evaluation questions for next year, focusing on strategic risks and clinical leadership with Director Ting requesting an emphasis on network improvement metrics in the evaluation.</p>	
<p>8. PROCESS REVIEW: EXECUTIVE PERFORMANCE ASSESSMENT</p>	<p>Ms. Dudley discussed the performance assessment process across the enterprise, emphasizing that it applies to executives and managers alike. The process involves a scale that starts at meets and progresses to exceeds and exceptional, with lower end categories including improvement required and unsatisfactory. She also mentioned the competencies that all leaders in the organization are focused on, including safety, mission, leadership, management, compliance, and accountability. Ms. Dudley also explained that while the competencies are generic and not specific to a job, they are used to capture performance outside of the incentive plan. She concluded by discussing the shift from a strategic pick to more traditional shared goals and individual goals for executives.</p>	
<p>9. RECESS TO CLOSED SESSION</p>	<p>Motion: To recess to closed session at 4:40 p.m. Movant: Doiguchi Second: Ting Ayes: Asmar, Doiguchi, Miller, Parker, Somersille, Ting Noes: None Abstentions: None Absent: Hassett, Shaw Recused: None</p>	<p>Recess to closed session at 4:40 p.m.</p>
<p>10. AGENDA ITEM 14: REPORT OUT FROM CLOSED SESSION</p>	<p>The Open Session reconvened at 5:31 pm. During the Closed Session the Executive Compensation Committee approved the executive goals, contingent on a historical analysis, for Goll, Klein, Lewis-Taylor and Mallur and the</p>	

	minutes of the closed session from the September 24, 2024 meeting.	
<p>11. AGENDA ITEM 15: APPOINTMENT OF COMPENSATION CONSULTANT RFP AD HOC COMMITTEE</p>	<p>Ms. O'Brien and Mr. Kirkpatrick excused themselves from the meeting at the start of this approval item.</p> <p>Motion: To approve ECC Resolution 2024-01 establishing an Ad Hoc Committee for Compensation Consultant RFP with Todd Shaw as Chair and Estrella Parker as Member.</p> <p>Movant: Somersille Second: Doiguchi Ayes: Asmar, Doiguchi, Miller, Parker, Somersille, Ting Noes: None Abstentions: None Absent: Hassett, Shaw Recused: None</p> <p>Chair Miller then opened the discussion asking Director Somersille for her input on ensuring smaller firms are included in the RFP process. She shared her experience from the Finance Committee and that it provided more personalized attention. Ms. Dudley provided the Committee with the proposal criteria and outlined the timeline. Chair Miller shared an overview of the current engagement with Mercer.</p>	<p>Actions:</p> <p>ECC Resolution 2024-01 Approved</p>
<p>12. AGENDA ITEM 16: COMMITTEE ANNOUNCEMENTS</p>	<p>Chair Miller thanked the Committee for the good discussion and fresh points of view.</p>	
<p>13. AGENDA ITEM 17: ADJOURNMENT</p>	<p>Motion: To adjourn at 5:45 p.m.</p> <p>Movant: Ting Second: Parker Ayes: Asmar, Doiguchi, Hassett, Miller, Parker, Shaw, Somersille, Ting Noes: None Abstentions: None Absent: Shaw Recused: None</p>	<p>Meeting adjourned at 5:45 p.m.</p>

Attest as to the approval of the foregoing minutes by the Executive Compensation Committee of El Camino Hospital.

 Tracy Fowler, Director, Governance Services

Prepared by: Tracy Fowler, Director, Governance Services
 Reviewed by: Bob Miller, Committee Chair; Deanna Dudley, CHRO; Theresa Fuentes, CLO



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**Minutes of the Closed Session of the
Executive Compensation Committee
of the El Camino Hospital Board of Directors
Monday, December 16, 2024**

El Camino Hospital, Sobrato Boardroom 1, 2500 Grant Road, Mountain View, CA 94040

Members Present

Bob Miller, Chair
Tom Asmar
Wayne Doiguchi, Vice-Chair
Estrella Parker
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Members Absent

Mary Hassett
Todd Shaw

Others Present

Dan Woods, CEO
Deanna Dudley, CHRO
Theresa Fuentes, CLO
Ed Braxton, Director, Total Rewards
Tracy Fowler, Director, Governance Services
Gabriel Fernandez, Governance Services Coordinator
Heidi O'Brien, Partner, Mercer**
Rob Kirkpatrick, Mercer**

**via teleconference

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER	The closed-session meeting of the Executive Compensation Committee was called to order at 4:40 p.m. A quorum was present.	Closed Session called to order at 4:40 pm
2. AGENDA ITEM 10: SUCCESSION AND DEVELOPMENT PLANNING	Ms. Dudley discussed the company's development planning process, which involves reviewing business needs, identifying talent gaps, and developing plans to close those gaps. The process includes a calibration session where all executives come together to discuss and adjust the ratings of their team members. The company assesses individuals, categorizing them into five performance levels: top performers, high potentials, core reliable, foundational, and at risk or unproven. Ms. O'Brien commented that having five performance levels allows for more differentiation and constructive feedback. Ms. Dudley also mentioned the company's goal to develop a new manager training program to teach individuals how to manage people effectively. Committee discussion touched on proactive security protection and the company's talent movement, with Ms. Parker noting that there had been significant shifts in performance levels, possibly due to new hires and promotions. Chair Miller outlined the Committee's role in succession plan.	
3. AGENDA ITEM 11: APPROVE EXECUTIVE GOALS – Goll, Klein, Lewis Taylor & Mallur	Motion: To approve the executive goals for Goll, Klein, Lewis Taylor and Mallur contingent on management confirming historical variability. Movant: Asmar Second: Parker Ayes: Asmar, Doiguchi, Miller, Parker, Somersille, Ting Noes: None Abstentions: None Absent: Hassett, Shaw Recused: None	
4. AGENDA ITEM 12: APPROVE MINUTES	Chair Miller asked that "recused" be changed to "excused" on notes from Agenda Item 10	Action:

<p>OF THE CLOSED SESSION OF THE EXECUTIVE COMPENSATION COMMITTEE</p>	<p>Motion: To approve minutes of the closed session of the Executive Compensation Committee from September 24, 2024 with the change mentioned above included.</p> <p>Movant: Doiguchi Second: Asmar Ayes: Asmar, Doiguchi, Miller, Parker, Somersille, Ting Noes: None Abstentions: None Absent: Hassett, Shaw Recused: None</p>	<p><i>Minutes of the Closed Session of the Executive Compensation Committee meeting were approved.</i></p>
<p>5. AGENDA ITEM 13: RECONVENE TO OPEN SESSION</p>	<p>Motion: To reconvene to open session at 5:31 p.m.</p> <p>Movant: Somersille Second: Ting Ayes: Asmar, Doiguchi, Miller, Parker, Somersille, Ting Noes: None Abstentions: None Absent: Hassett, Shaw Recused: None</p>	<p><i>Reconvened to open session at 5:31 p.m.</i></p>

Attest as to the approval of the foregoing minutes by the Executive Compensation Committee of El Camino Hospital:

 Tracy Fowler, Director, Governance Services

Prepared by: Tracy Fowler, Director, Governance Services

Reviewed by: Bob Miller, Committee Chair; Deanna Dudley, CHRO; Ed Braxton, Director, Total Rewards



FY25 COMMITTEE GOALS AND PACING PLAN

Executive Compensation Committee

The purpose of the Executive Compensation Committee (the “Committee”) is to assist the El Camino Hospital (ECH) Hospital Board of Directors (“Board”) in its responsibilities related to the Hospital’s executive compensation philosophy and policies. The Committee will advise the Board to meet all legal and regulatory requirements as it relates to executive compensation.

STAFF: **Deanna Dudley**, Chief Human Resources Officer (Executive Sponsor)

The CHRO shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair’s consideration and for developing and disseminating in a timely manner management’s recommendations to the Committee and appropriate supporting information to facilitate the Committee’s deliberations and exercise of its responsibilities. The CEO, and other staff members as appropriate, may serve as a non-voting liaison to the Committee and may participate at the discretion of the Committee Chair. These individuals shall be excused when the Committee is reviewing their individual compensation.

GOALS	TIMELINE	METRICS/PACING PLAN
1. Provide oversight and approvals for compensation-related decisions, including performance incentive goal-setting and plan design	Q1 September 24	<ul style="list-style-type: none"> - Review and approve FY25 executive base salaries - Review and recommend FY24 Organizational Incentive Score - Review and approve FY24 individual incentive scores - Review and approve FY24 executive payout amounts
	Q2 December 16	<ul style="list-style-type: none"> - Process Review: CEO Performance Management - Process Review: Executive Performance Management - Process Review: Succession and Development Planning
	Q3 March 11	<ul style="list-style-type: none"> - Recommend FY26 ECC Committee goals - Receive mid-year strategic plan update - Process Review: Executive Goal Setting
	Q4 June 6	<ul style="list-style-type: none"> - Review and recommend proposed FY26 organizational incentive goals - Review and approve FY26 individual executive goals - Review of CEO Performance Management Process
2. Evaluate the effectiveness of the independent compensation consultant	Q4 June 6	<ul style="list-style-type: none"> - Conduct annual evaluation of ECC consultant

SUBMITTED BY: Chair: Bob Miller | Executive Sponsor: Deanna Dudley



**EL CAMINO HOSPITAL BOARD OF DIRECTORS
COMMITTEE MEETING COVER MEMO**

To: Executive Compensation Committee
From: Deanna Dudley, CHRO
Date: March 11, 2025
Subject: Executive Goal Setting Process

Objective: To provide an overview of the executive goal setting process for the Performance Incentive Plan and outline key components, evaluation methodology, and the implementation timeline

Summary:

The Executive Goal Setting Process ensures that executive incentives align with El Camino Hospital's strategic objectives. The Performance Incentive Plan is a key component of the executive total remuneration program, linking compensation to measurable performance outcomes.

Attachments:

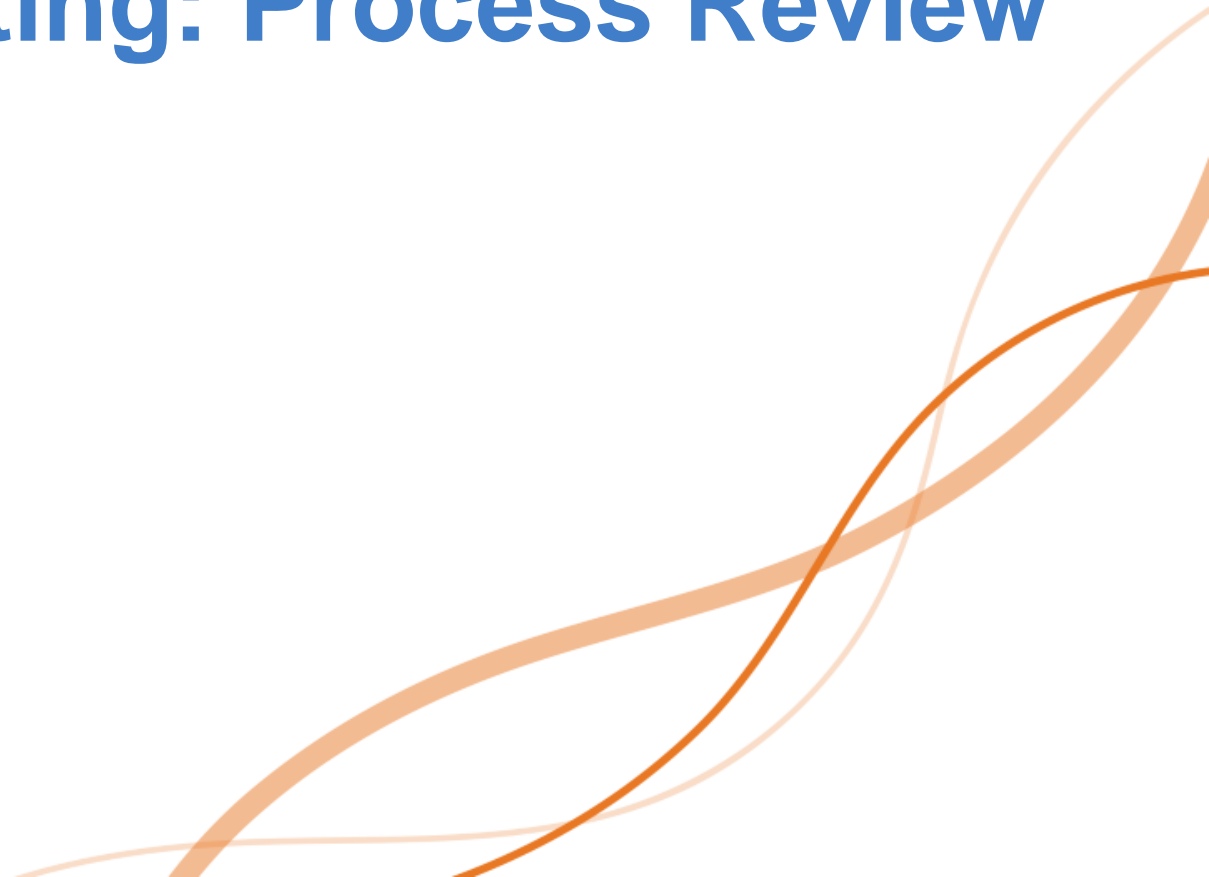
1. Presentation



Executive Goal Setting: Process Review

Deanna Dudley

March 11, 2025



Executive Performance Incentive Plan Overview

- **WHO:** The Chief Executive Officer (“CEO”) of El Camino Hospital (“El Camino”) and other individuals in positions designated by the Board of Directors to be in the Executive Group
- **WHAT:** The Performance Incentive Plan is one component of the executive total remuneration program which includes base salary, benefits, and other cash compensation. The Performance Incentive Plan is an annual goal-based compensation program designed to motivate and reward performance toward key strategic goals of El Camino.

Plan components¹

- Target amount for incentive pay will be competitive and based on performance against pre-defined organizational and individual goals
- Participants hired after December 31 will not be eligible for the program until the beginning of the next fiscal year on July 1.
- Employees promoted into an executive position at any time during the fiscal year will be eligible for executive performance incentive pay on a prorated basis.
- Each executive must “meet expectations” or higher on their performance review, and El Camino Hospital must meet the threshold financial measure.
- There will be no performance incentive payout to an executive unless both criteria are met.
- Written performance goals and measures will be determined within the first 60 days of employment.

1. El Camino Hospital BoD Policies and Procedures, 03.04 Executive Performance Incentive Plan. Section C, General Provisions.

Organizational Goals²

- Each fiscal year, El Camino Hospital will define organizational goals that support the strategic/business plan upon which at least 50% of performance incentive pay will be based.
- In addition, El Camino Hospital may establish one to three threshold measures that must be achieved for there to be any payout.
- Each goal will have annual performance metrics for threshold, target, and stretch levels that can be scored on a continuum.
- Currently, the organization has one threshold measure which is financial (i.e., net margin) that must be achieved for any participant to receive incentive pay.

2. El Camino Hospital BoD Policies and Procedures, 03.04 Executive Performance Incentive Plan. Section C, General Provisions.

Executive Individual Goals²

- Each fiscal year, individual goals will be defined for each executive that supports the strategic/business plan (excluding CEO).
- Whenever possible, each goal will have performance measures for threshold, target, and stretch with metrics that can be scored on a continuum.
- The individual score will be based on the executive's achievement against approved goals with the CEO having the discretion to modify for individual score ranging from 0% to 150%.

2. El Camino Hospital BoD Policies and Procedures, 03.04 Executive Performance Incentive Plan. Section C, General Provisions.

Weighting Organizational and Individual Goals³

JOB	ORGANIZATIONAL WEIGHT	INDIVIDUAL WEIGHT	DISCRETION
CEO	90%	N/A	10% at the Board's discretion
Presidents (Concern: EAP; Foundation; and ECHMN)	50%	50%	CEO has discretion to modify individual score from 0% to 150%
Other Participants	70%	30%	CEO has discretion to modify individual score from 0% to 150%

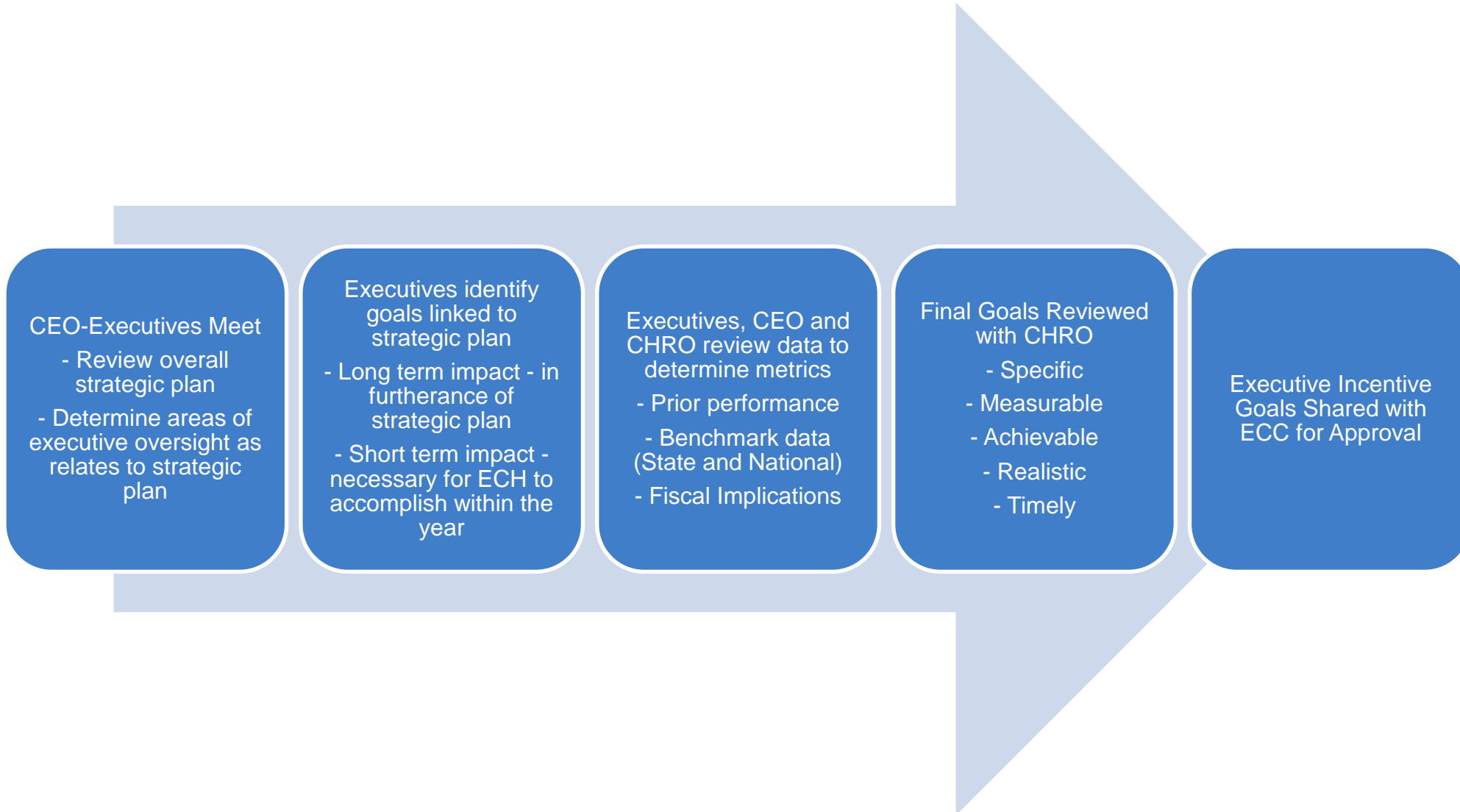
3. Table 1. El Camino Hospital BoD Policies and Procedures, 03.04 Executive Performance Incentive Plan, Section 5.C.

Goal Setting Process Overview

- Strategic plan review sessions – CEO & Executives
- Executives identify goals linked to strategic plan
 - ❖ Long term impact - in furtherance of strategic plan
 - ❖ Short term impact - necessary for ECH to accomplish within the year
- Data used to determine metrics:
 - ❖ Prior performance
 - ❖ Benchmark data
 - ❖ Fiscal Implications

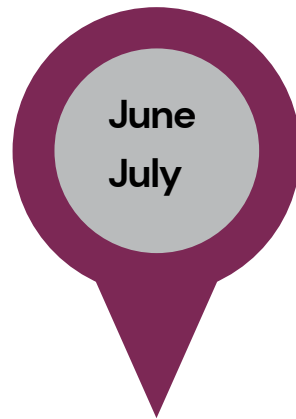


Goal Setting Process Steps



Goal Setting Process Timeline

- ✓ Executive sets 1 to 2 individual incentive goals with CEO.
- ✓ CEO meets with Executives to review goals and measures.
- ✓ Goals presented in June ECC meeting and approved by ECC.
- ✓ Mid-year check in between CEO and Executives regarding progress on goals
- ✓ Final executive goal attainment results entered via SmartSheet.
- ✓ ECC approves incentive goal payout based on CEO recommendation.
- ✓ Individual goals, with weightings and threshold, target, and stretch values, are entered via SmartSheet.
- ✓ Goals are finalized for presentation to the Executive Compensation Committee (ECC) in June .
- ✓ July 1st : Goal(s) effective and measurement begins.
- ✓ Final organizational goal attainment calculated.
- ✓ ECC recommends organizational score attainment to the Hospital Board.







**EL CAMINO HOSPITAL BOARD OF DIRECTORS
COMMITTEE MEETING MEMO**

To: Executive Compensation Committee
From: Deanna Dudley, CHRO
 Todd Shaw, Chair, ECC Ad Hoc Committee
Date: March 11, 2025
Subject: Ad Hoc Committee Report and Selection of Compensation Consultant

Recommendation: Approve selection of Compensation Consultant.

Summary:

Staff was advised to start the RFP process at the September 24, 2024 ECC.

RFPs were sent to eight (8) firms on December 18, 2024. We received a total of seven (7) responses to the RFP. The Ad Hoc Committee reviewed and narrowed the field focusing on the following: criteria and a scoring tool to evaluate the proposals submitted. The Ad Hoc Committee then interviewed four (4) finalists and further narrowed the field to two (2) for interviews with the full Executive Compensation Committee.

Timeline:

EVENT	DATE
RFP Issue Date	December 18, 2024
RFP Intent to Participate	January 8, 2025
Inquiries Deadline	January 15, 2025
Response to Inquiries	January 22, 2025
Proposal Submission Deadlines	January 30, 2025
Notification of Finalists	February 13, 2025
Oral Presentations	Week of February 17th
Notification of Final Selection	Week of March 10th
Negotiation of Service Agreement	March/April 2025
Implementation of Services	As agreed upon

List of Attachments:

1. Finalist Proposals



Proposal for Executive Compensation and Annual CEO Performance Assessment Consulting Services

Prepared for:



JANUARY 2025



Thank You

for the opportunity to provide information regarding how Korn Ferry (KF) can continue to support El Camino Health(ECH) with executive compensation & CEO evaluation consulting services.

We seek the opportunity to be a trusted advisor and partner on a long-term basis.

We have included information on Korn Ferry and our healthcare executive pay and governance practice, our proposed approach, consulting team for this engagement, and our estimated professional fees.

Korn Ferry has extensive experience working with healthcare clients at the board, leadership, and employee levels. Our 75+ year history provides us with rich insights and deep capabilities to help enable senior leaders to successfully execute strategy in demanding healthcare environments and rapidly-changing settings.

We welcome the opportunity to provide support to ECH in delivering an innovative and strategic approach to executive compensation and governance matters.

Our Understanding of the Engagement

We understand the ECH Executive Compensation Committee (Committee) is interested in partnering with Korn Ferry to:

- Conduct an annual total remuneration review and analysis for the Chief Executive Officer (CEO) and up to fifteen (15) other executives
- Assist the Committee in governing executive compensation at ECH, by providing current information on applicable legal and regulatory requirements and other best practices
- Facilitate an annual performance assessment of the CEO (collecting feedback from Board members and CEO having the CEO do a self-assessment)
- Provide ongoing support for executive compensation administration (ad hoc requests for market pricing senior management roles, providing the ECH management with support around goal setting and advising the Board on how to most effectively communicate executive compensation actions to the public)
- Conduct the analysis required for the annual letter of rebuttable presumption
- Provide annual salary budget increase data

Our response is organized based on the Proposal Criteria and Structure as outlined in the RFP. There are multiple slides for each of the eleven items, as noted in the upper left-hand corner of each slide.

Executive Compensation Workstream

Project Steps and Deliverables

Stage	Gather Information	Identify Market and Benchmarks	Analyze Current Programs	Deliver Findings and Recommendations	Ongoing Support
Work Steps	<ul style="list-style-type: none"> Facilitate a kickoff meeting Interview executives and select Board members Data collection 	<ul style="list-style-type: none"> Discuss ECH's market for leadership talent Review current compensation philosophy Develop comparator markets and/or peer groups Evaluate jobs 	<ul style="list-style-type: none"> Analyze ECH's incumbent compensation relative to agreed upon comparator markets/peer groups Make observations related to alignment between ECH's compensation and stated philosophy 	<ul style="list-style-type: none"> Prepare draft reports Review drafts with ECH's leadership Prepare final reports for Committee Meet with Committee to deliver reports and facilitate discussion 	<ul style="list-style-type: none"> Attend Committee meetings Support management with ongoing administration (including goal-setting) and ad hoc requests Provide updates on industry trends and issues
Deliverables	<ul style="list-style-type: none"> Data request Project plan Summary of interview findings 	<ul style="list-style-type: none"> Definition of comparator markets and peer groups Matrix of executive and senior leader jobs 	<ul style="list-style-type: none"> Initial quantitative benchmark findings Qualitative observations about alignment to compensation philosophy 	<ul style="list-style-type: none"> Development of and facilitation with Committee related to two comprehensive reports: <ul style="list-style-type: none"> CEO and up to 15 senior executives Individual tally sheets itemizing compensation 	<ul style="list-style-type: none"> Presentations on trends and issues Ad hoc analyses as requested Incentive plan goal-setting guidelines
Timeline	Weeks 1-4	Weeks 4-8	Weeks 6-10	Weeks 9-12	Ongoing

CEO 360 Performance Evaluation Workstream

Project Steps and Deliverables

Stage	Kick Off/Data Collection	Deploy Assessment	Tabulate Responses	Committee/Board Support
Work Steps	<ul style="list-style-type: none"> Develop timeline for the year Committee meeting -- discuss and approve, process and tool/questionnaire Kick-off call with ECH team (first in weekly series) Develop participant contact list Committee meeting -- final approval of timeline, process and tool/questionnaire Review of draft communications 	<ul style="list-style-type: none"> Internal set-up, KF/ECH: testing and assessment tool calibration Board Chair announcement memo sent to all participant groups Deploy assessment tool to all participant groups Daily monitoring of participation and regular communication to ECH Reminders sent to participants CEO performance assessment closed 	<ul style="list-style-type: none"> Tabulate responses and quality review scoring and narrative feedback Prepare draft assessment report Review draft assessment report with the Board Chair, Committee Chair and CHRO Finalize CEO assessment report Committee meeting to discuss CEO performance and preliminarily CEO compensation 	<ul style="list-style-type: none"> Committee meeting to review CEO assessment report & to discuss and approve any adjustments to CEO's compensation Development of summary for Board meeting
Deliverables	<ul style="list-style-type: none"> Finalized timeline and questionnaire for the process Committee/Board Chair approved communications 	<ul style="list-style-type: none"> KF manages the day-to-day activity in system, sends reminders KF ensures 100% participation when system closes 	<ul style="list-style-type: none"> Final materials posted for Committee meeting 	<ul style="list-style-type: none"> Summary of CEO's performance for the Board

About Korn Ferry

- Korn Ferry is a publicly traded Delaware corporation headquartered in Los Angeles, California. (900 Avenue of the Stars, Suite 1500, Los Angeles, CA 90067). Korn Ferry serves clients in more than 50 countries and has offices worldwide. Our stock is traded on the NYSE under the symbol KFY. The firm does business in the United States as Korn Ferry (US).
- The firm was established in 1969 by Lester B. Korn and Richard M. Ferry. Through decades of organic growth and strategic acquisitions, Korn Ferry evolved to become the premier global talent firm. In 2015, Korn Ferry united with Hay Group, then the largest independent human resources consultancy. As a global organizational consulting firm, we have 9,000+ colleagues that serve our clients. Korn Ferry provides services through five core solutions:
 - Organization Strategy
 - Total Rewards
 - Assessment & Succession
 - Talent Acquisition
 - Leadership & Professional Development
- We work with our clients to design optimal organization structures, roles, and responsibilities. We help them hire the right people and advise them on how to reward and motivate their workforce while developing professionals as they navigate and advance their careers

Our BLUEPRINT

WORKFORCE TRANSFORMATION	DIVERSITY, EQUITY & INCLUSION	ESG & SUSTAINABILITY	REVENUE GROWTH	PEOPLE COST OPTIMIZATION
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<p>ORGANIZATION STRATEGY</p> <hr/> <ul style="list-style-type: none"> Top Team Performance Organization Design & Analytics Work & Career Architecture People Strategy & Performance Culture & Change 	<p>TOTAL REWARDS</p> <hr/> <ul style="list-style-type: none"> Executive Pay & Governance Workforce Rewards Sales Compensation Physician Compensation 	<p>ASSESSMENT & SUCCESSION</p> <hr/> <ul style="list-style-type: none"> Leadership & Professional Assessments Succession Planning 	<p>TALENT ACQUISITION</p> <hr/> <ul style="list-style-type: none"> CEO & Board Succession Executive Search Interim Executives & Professionals Professional Search Project Recruitment Recruitment Process Outsourcing (RPO) 	<p>LEADERSHIP & PROFESSIONAL DEVELOPMENT</p> <hr/> <ul style="list-style-type: none"> Leadership Development Professional Development Personalized Coaching
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KORN FERRY INTELLIGENCE CLOUD™

KORN FERRY LISTEN

KORN FERRY ARCHITECT

KORN FERRY PAY

KORN FERRY ASSESS

KORN FERRY ADVANCE

KORN FERRY CAREER

KORN FERRY SELL



YOUR HEALTHCARE SYSTEM CAN ONLY EVOLVE *AS FAST AS YOUR PEOPLE*

HOW WE PARTNER:

Strategy

We map workforce strategy to business strategy, designing operating models & team structures that are scalable for growing organizations and enable your vision.

Assessment & Succession

We identify the leaders you need, compare that to the talent you have, & help close the gaps. Our industry-leading, evidence-based assessments guide vital decisions.

Talent Acquisition

From executive search, interim placement to recruitment process outsourcing (RPO), we help organizations attract & retain the right people across all functions, at every level.

Leadership & Professional Development

We create customized development experiences for clinicians & administrators in every stage, from potential leaders to the top team.

Total Rewards

We help organizations design and oversee executive, physician, and employee pay programs that are compliant, market-based, and aligned with strategy.



Korn Ferry Healthcare

We synchronize strategy and talent to drive superior performance. We partner with healthcare organizations across the talent continuum.

RELEVANT PRACTICE AREAS



ACCELERATE

- Delivering organizational efficiency.
- Clinical centers of excellence.
- Delivering on your M&A.
- Digital transformation and technology.

RETAIN

- Culture transformation.
- Physician compensation and performance.
- Pay equity and rewards optimization.
- Executive pay and governance.

ATTRACT

- Executive search.
- Professional and interim search.
- Project recruitment.
- Recruitment process outsourcing.

DEVELOP

- Assessment and succession.
- Leadership development and coaching.
- Building an inclusive organization.
- Accelerating new executive success.



Korn Ferry has been in the compensation strategy and design business for over 75 years. As work has evolved, so have we.



Expertise and methodologies

Our job evaluation methodology allows us to address specific ECH roles that do not fit neatly into typical job categories seen in market surveys.

Our technical and regulatory expertise is among the best in the industry.



Client-focused

We are driven by the goal of getting the compensation program “right” for you, not just bringing ideas that are common practice.



Experience

Korn Ferry works with clients all along the healthcare continuum, with extensive tax-exempt experience.

- ❖ Partner with a seasoned and experienced team, with direct access to the expertise, experience, intellectual property, research, data, and resources that Korn Ferry offers.
- ❖ We integrate a real-time sense of the market – as the number one executive search firm in the world.
- ❖ We work with our clients collaboratively to understand their business and culture, and to positively impact their organizations.
- ❖ Our consultants are conversant in issues and trends in the tax-exempt and for-profit sectors and can draw on a reservoir of talent across the firm to provide clients with broader perspectives (topics might include DE&I, succession, search, etc.)

Applicable Consulting Experience and Background

Korn Ferry works with a wide variety of health systems, academic medical centers, hospitals, medical groups and other providers throughout the healthcare continuum and across the United States. We advise these organizations at the board and senior management levels and, in many cases, provide advisory services that address multiple levels of the organizations and span the talent continuum.

EXTENSIVE EXPERIENCE

- Core team with extensive experience advising and consulting Boards on executive compensation
- Compensation philosophy and program review and design expertise
- Intimate knowledge of nonprofit, for-profit, publicly traded and tax-exempt organization components of pay
- Innovators in linking pay, benefits and performance
- Deep insights into evaluating hybrid/unique leadership roles and related compensation

BOARD-LEVEL CONSULTANTS

- Experience overseeing complex engagements with multiple workstreams
- In-depth understanding of regulatory environment
- Supported by KF's best-in-class intellectual property, research and talent analytical tools
- Well-informed on trends and their relevance to you
- Experts in leveraging compensation and benefits as a transformational tool to achieve top performance

SOUND PROCESSES

- On-time results of the highest quality and within budget
- Assigned and dedicated project management to manage agreed upon timelines, deliverables, and budgets
- Progressive methodologies for assessing all elements of total remuneration
- Rigorous quality review process
- Meticulous attention to detail and incredible responsiveness
- Success measured by client satisfaction and value creation

The Korn Ferry team designated for this engagement with ECH specialize in working with healthcare organizations and have expertise in executive and broad-based total rewards.

Our Clients

Korn Ferry works with many of the leading healthcare organizations across the United States.

We advise these organizations at the board and senior management levels and, in many cases, provide advisory services that address multiple levels of the organizations and span the talent continuum.

The logos on this slide represent some of the clients we advise on executive compensation, physician compensation, and total rewards matters.



ECH Consulting Team

There will be one coordinated project team dedicated to supporting ECH, with expertise in executive and broad-based total rewards.

Each of the team members have considerable experience working with complex healthcare organizations.

Consultant	Role
Alanna Conte Senior Client Partner Stamford, CT	Client Relationship Lead Reports to ECH, maintaining and managing the relationship with the Committee and management. Will attend key meetings. Healthcare and tax-exempt executive compensation expert.
Catherine Kelly Senior Consultant Houston, TX	Project Manager and Delivery Lead Responsible for overseeing project work and preparing work product in keeping with the project plan, focused on analytics and oversight of the analytical team. Ensures quality and timely deliverables across all workstreams. Day-to-day point of contact for all workstreams.
Esther Driessen Senior Principal Princeton, NJ	Benefits Expert Responsible for reviewing, assessing and valuing core and executive benefits provided to senior leaders at ECH.
Alex Goff Associate Consultant Orlando, FL	Analyst Conducts competitive market analyses, including Form 990 peer group. Provides all analytical support for this engagement.
Marian Karam Consultant Washington, DC	Performance Evaluation Lead Runs the CEO performance evaluation process in Qualtrics. Responsible for managing the details and sensitive nature of this important workstream.

*The bios for this Korn Ferry team are provided in the **Appendix**.*

Benchmarking

Developing market data

- We will work with ECH to understand the competitive market for executive talent in order to provide the most relevant data for comparison purposes to inform your executive compensation decisions
- To develop the market data, we first will use our proprietary methodology to evaluate each ECH job included in the study. This allows us to precisely differentiate roles based on their value to ECH and job content. This methodology has become increasingly important as organizations have designed jobs that don't fit neatly into categories identified by commonly used titles
- We will develop market data in two ways:
 - Based on the results of the evaluation – from our compensation surveys
 - Based on the title of the job – from our surveys and other third-party surveys – but only if the job as titled is appropriately comparable to the ECH job

Market Data

Our Surveys:

- Korn Ferry Pay – General Industry (global database)
- Korn Ferry Compensation & Benefits Healthcare Survey – Integrated Health Systems (“IHS”)
- Korn Ferry Compensation & Benefits Healthcare Survey – Hospitals (“Hospitals”)
- Third-Party Purchased Data – Healthcare specific

The IHS and Hospitals surveys have a combined 842 participants.

Our surveys can provide data by factors such as geography (global database), industry, revenue size, and bed size.

However, we are survey agnostic and will use the best data for your positions. We routinely use multiple purchased surveys in the provision of market insights.

Differentiated Market Data:

We bring **two resources** to our clients that are truly unique, as part of the broader Korn Ferry:

1. Access to the real time '**spot market**' for executive pay through pay information collected by our Search colleagues, who are in the market quite literally all the time, seeing more live pay data than anyone else. That information provides important context for us and our clients in understanding broader pay data, as well as providing insights into pay trends before they may be seen in the survey data. Client privacy is always maintained.
2. Plus, we **maintain dedicated market analysts** in every major industry doing real-time research on talent trends; for many of the boards we advise - who are looking for validation of what they hear about. For example, retention concerns - we are able to provide a talent snapshot on key and emerging talent trends, and their implications (if any) for compensation decisions.

Access to General Industry and Real Time Data

Korn Ferry maintains a proprietary pay database, a proprietary job sizing tool, and access to up-to-the-minute information through our network of search professionals that we can leverage for ECH:

- **KF Pay Database** – our global executive compensation database with market data on hundreds of senior executive and broad-based positions. Our database encompasses data on 20 million employees from 25,000 organizations in more than 110 countries across all industries. The database also contains data on the “standard” pay elements and, “other” pay elements such as executive benefits and perquisites, retirement programs and health & welfare benefits. As part of our engagement, our project team would have access to our KF Pay database for any ad-hoc or planned market pricing requests.
- **Executive Search Data and Expertise** – our search colleagues collect comprehensive compensation data for executive placements that KF uses to validate all of our external pay data resources (e.g., survey, 990 and proxy statement data that may be “dated”); through our search colleagues, we are the only consulting firm with access to extensive “real time” compensation data which supplements our external market data sources.

Peer Group Development

Korn Ferry has extensive experience developing not-for-profit custom peer groups based on a number of specific criteria for organizations similar to ECH. This peer group can be used to pull Form 990 compensation data for at least the top three executives in the organization as another market reference point for the Committee

Some examples of criteria used to develop a peer group include:

- Financial information (revenue, operating margin, bond rating, etc.)
- Organizational information/system components (number of employees, number of hospitals, number of beds, affiliation with medical school, etc.) in order to gauge size and complexity
- Organizational structure; level of integration between university/school of medicine, practice plan and teaching hospital
- Breadth and scope of services
- Geographic location
- Type of organization (e.g., academic medical center, regional health system, etc.)
- Quality and patient satisfaction performance indicators
- Rankings and reputation

Korn Ferry: A Collaborative Partner

Setting Engagement Guidelines

Our starting point for effective engagement management, where our role is an independent committee consultant, is to establish a clear understanding that we work for the Committee and with management. We employ a collaborative approach, which involves both the Committee and management team, to ensure the right conversations take place at the right times. We have found that the following guidelines for our interaction with both the Committee and management help set the stage for an effective working relationship:

- The Committee Chair, management, and Korn Ferry confirm an **annual calendar** and agree on both recurring and special planned workstreams/projects. Of course, events and ad-hoc items may lead to changes to the calendar and plans.
- Our senior consultants are actively engaged with and available to ECH. The core team is fully knowledgeable of the programs and issues of ECH and able to **provide meaningful advice and guidance**.
- We receive **input on the business situation, strategy, and organizational issues** from both the Committee and management. We expect this to include regular discussion and interaction with senior executives, including the CEO, CFO, CHRO, and Legal, as appropriate.
- We assist management in **planning for Committee meetings**, setting agendas, and reviewing materials in advance.
- We typically meet with management prior to Committee meetings to confirm our understanding of any proposals, **surface any issues**, and suggest additional information/analyses that may be helpful to the Committee.
- We have a **preparatory meeting** with the Committee Chair, independently or with management, at the Committee Chair's discretion, including a review of any materials provided by Korn Ferry.
- After a Committee meeting, we typically **debrief** with the Committee Chair independently or with management to review key decisions and learnings and to define key work steps going forward.

Proposed Project Steps

REVIEW THE CURRENT EXECUTIVE COMPENSATION PROGRAM	
Primary Work	Detail
<p>Provide a quantitative and qualitative evaluation of “total remuneration” (base salary + incentives + benefits*) for 16 executives</p>	<ul style="list-style-type: none"> ▪ Korn Ferry will conduct a review of the total remuneration provided to ECH’s 16 executive roles (including the Chief Executive Officer). ▪ We will evaluate each component of pay that comprises total remuneration: <ul style="list-style-type: none"> ▪ Base salary. ▪ Bonus/Incentives (both actual and opportunity) ▪ Standard benefits. ▪ Supplemental executive benefits.
<p>Assess alignment of total remuneration with ECH’s philosophy, strategic objectives, and market best practices</p>	<ul style="list-style-type: none"> ▪ This review will compare ECH’s total remuneration to data for comparable jobs, which is developed from our own and other third-party surveys based on the definition of “market(s)” in the compensation philosophy. ▪ The use of national, regional and/or local market data will be discussed and agreed upon as part of the philosophy discussion.

Proposed Project Steps

REVIEW THE CURRENT EXECUTIVE COMPENSATION PROGRAM	
Primary Work	Detail
Develop market data	<ul style="list-style-type: none"> To develop the market data, we first will use our proprietary methodology to evaluate each ECH job included in the study. This allows us to precisely differentiate roles based on their value to ECH and job content. This methodology has become increasingly important as organizations have designed jobs that don't fit neatly into categories identified by commonly used titles. We will develop market data in two ways: <ul style="list-style-type: none"> Based on the results of the evaluation – from our compensation surveys. Based on the title of the job – from our surveys and other third-party surveys – but only if the job as titled is appropriately comparable to the ECH job.
Develop report(s)	<ul style="list-style-type: none"> Korn Ferry will develop two reports – one with the CEO compensation review that we will review in Executive Session with the Committee; one for the other executives to be reviewed with the CEO and the Committee. The reports will have detailed findings from our analysis, including an evaluation of each executive's competitive positioning relative to the market. The reports will also include our observations on the degree of alignment of the compensation program with the philosophy, as well as any recommended programmatic or individual changes to consider, in the context of current market conditions/practices and ECH's strategic objectives.

Proposed Project Steps

REVIEW THE CURRENT EXECUTIVE COMPENSATION PROGRAM	
Primary Work	Detail
Prepare tally sheets for the executives	<ul style="list-style-type: none"> We will prepare a “tally sheet” for each executive, which will show the current structure of their compensation arrangement and the current “actual” compensation (i.e., with the most recent pay that was earned). Tally sheets provide a summary of actual compensation in one place, giving the Committee the opportunity to easily understand the changes to each individual’s compensation over a period during their career at ECH.
Provide opinion letter on the executives’ compensation	<ul style="list-style-type: none"> If determined appropriate by ECH, Korn Ferry will issue opinion letters on the reasonableness of the total remuneration provided to the top 30 executives after a review of the executive compensation report and after any changes to compensation are made based on that review and other factors, consistent with Intermediate Sanctions guidance. One letter will be specific to the CEO and the other will cover the other senior executives at ECH.

Proposed Project Steps

EXECUTIVE COMMITTEE SUPPORT	
Primary Work	Detail
Draft and finalize executive compensation reports with coordinated input from management	<ul style="list-style-type: none"> ▪ Korn Ferry will provide drafts of the executive compensation reports we have prepared at a time that provides for sufficient review by the CEO. ▪ Review the draft reports with the Chair of the Committee. ▪ We will finalize the reports after these reviews, well in advance of Committee meetings.
Attend Committee meeting to present the compensation reports	<ul style="list-style-type: none"> ▪ Korn Ferry will attend Committee meetings to present the executive compensation reports. ▪ We will also provide commentary on ECH's current alignment with trends, and if determined appropriate, specific actions/changes that could help further calibrate the governance and oversight of the executive compensation philosophy and executive compensation program.
Prepare for and attend other Committee meetings throughout the year	<ul style="list-style-type: none"> ▪ Korn Ferry will assist in preparing for and will attend the other Committee meetings that are scheduled during a typical 12-month period. ▪ We anticipate a set annual calendar with Committee meeting agenda topics set in advance but are also willing and able to join the Committee in discussions that come up off-cycle, depending on the situation.

Proposed Project Steps

EXECUTIVE COMMITTEE SUPPORT	
Primary Work	Detail
Provide relevant market trends and changes in regulatory and legislative areas of impact	<p>Our technical and regulatory expertise is among the best in the industry in terms of understanding the issues and implications, including dedicated in-house legal expertise and in-depth experience among our consultants.</p> <ul style="list-style-type: none"> ▪ Korn Ferry will prepare an update on trends in executive compensation governance and related regulatory requirements, for discussion with the Committee. ▪ Commentary will also be provided on ECH’s current alignment with these trends and specific actions/changes that will help further calibrate the governance provisions and principles that are currently in place, as well as to minimize risk. ▪ Besides the initial report described above, regulatory, and other industry/market trends will be communicated to the Committee on an ongoing basis as any changes/key topics arise during the year.

Proposed Project Steps

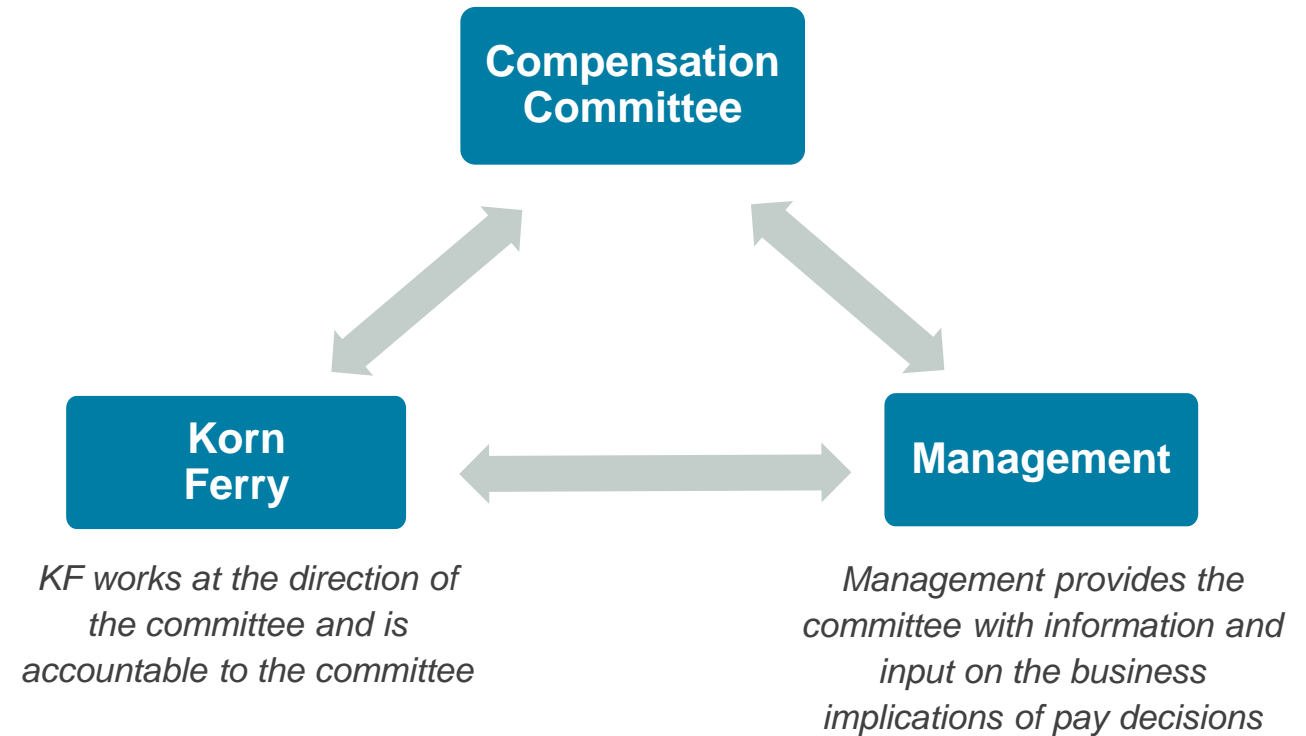
AD HOC SUPPORT	
Primary Work	Detail
Ad hoc support – pricing new or changed positions, other requests	<ul style="list-style-type: none"> ▪ Specific to this RFP, Korn Ferry will be available to provide support with: <ul style="list-style-type: none"> • Ad hoc compensation reviews of up to four senior management (non-executive) positions • Goal-setting support for management related to the executive incentive plans (guidelines and two training sessions) • Advice to the Board around effectively communicating executive compensation actions to the public ▪ Other requests and associated level of support are not known at this time, we anticipate we will discuss the scope of any work that fits in this category and determine whether it is within the scope of the work addressed in this proposal or if we should develop a separate fee quote for review and approval.

Korn Ferry: A Collaborative Partner

A truly collaborative relationship is fundamental to our approach:

- We are business consultants that advise on executive pay through the lens of the client’s business. As such, we see the executive compensation program as a tool to execute client strategy.
- For that reason, while we report to a Board Committee, we expect to work in partnership with management to understand the business, culture, strategy and needs of the client.
- As the independent advisor, we will always tell management and the Board Committee what we think – which will be centered on programs that reflect the client’s business and organizational needs.

At the direction of the committee, KF will partner with the management team as desired



Governance Approach

- Our philosophy and governance approach to executive compensation is driven by the size and sophistication of a client, its market(s) for talent, and our commitment to ensure that the Board and Committee are always up to speed on key issues in order to provide appropriate oversight and guidance
- Our framework of thinking includes:
 - 1) How much compensation
 - 2) For what (performance); and
 - 3) In what way (vehicles)
- The executive compensation philosophy and program should be aligned with your strategy and customized to your unique organization and informed by what we're seeing in the market
- We provide a sophisticated and strategic view as your executive compensation advisor that includes developing a governance process that supports the unique complexity of your organization and limits organizational risk

Guidelines for an Effective Process

We have found that the following guidelines for our interactions with both the Committee and management help set the stage for an effective working relationship:

- 1 The Committee Chair, management, and Korn Ferry confirm an annual calendar and agree on both recurring and special planned work streams/projects. Of course, events and ad hoc items may lead to changes to the calendar and plans.
- 2 Our senior consultants are actively engaged with and available to the client. The core team will be fully knowledgeable of the programs and issues of ECH and able to provide meaningful advice and guidance in a timely manner.
- 3 We receive input on the business situation, strategy, and organizational issues from both the Board and management; we would expect this to include regular discussion and interaction with senior executives, including the CEO, CFO, CHRO, and Legal, as appropriate. Additionally, we look to attend strategy related calls to ensure our understanding of the business and strategic imperatives is current.
- 4 We assist management in planning for Committee meetings, setting agendas, and reviewing materials in advance.
- 5 We typically meet with management prior to Committee meetings to confirm our understanding of any proposals, surface any issues, and suggest additional information/analyses that may be helpful to the Committee.
- 6 We have a preparatory call or meeting with the Committee Chair independently or with management, at the Committee Chair’s discretion, including a review of any materials provided by Korn Ferry.
- 7 After a meeting, we would typically debrief with the Committee Chair independently or with management to review key decisions and learnings and to define key work steps going forward.

Key Action Items	'Ideal' State	Who / Roles
Agenda Creation	Codified no later than one month before the CC meeting; should flow from annual calendar	<ul style="list-style-type: none"> ▪ Management ▪ CC Chair
Materials Completion	No later than 2 days before the <i>pre-meeting</i>	<ul style="list-style-type: none"> ▪ Korn Ferry ▪ Management
Pre-Meetings	No later than 10 days out from the CC meeting	<ul style="list-style-type: none"> ▪ CC Chair ▪ Management ▪ Korn Ferry
Materials Posting	No later than one week out from the CC meeting	<ul style="list-style-type: none"> ▪ Management ▪ Korn Ferry
More Time for Meetings	Range from 60 – 120 minutes depending on topic	<ul style="list-style-type: none"> ▪ CC ▪ Management ▪ Korn Ferry

Issues Facing Healthcare Organizations and How KF Helps

Healthcare is evolving unpredictably

- Hybrid & evolving care models
- Non-traditional entrants
- Consolidation
- Integration of advanced technologies
- Economic pressures
- Population health management

- Design incentive compensation programs that align with the strategic priorities of the organization to drive results
- Design competitive compensation programs to compete with markets beyond tax-exempt healthcare (balanced with financial constraints and regulatory compliance)

Executive talent and succession management

- Limited talent pool with skills and experience needed
- Lack of succession plans leading to real organizational risk
- Lack of structured development programs to prepare internal candidates for executive roles

- Use job evaluation for new and evolving positions to understand the role and responsibilities and to benchmark appropriately
- Design a multifaceted approach, including competitive compensation packages, robust succession planning, assisting in implementing and administering development programs, and fostering a positive organizational culture

Getting performance metrics “right”

- Finding an appropriate balance of financial, quality, and other strategic priorities
- What is measurable? What can executives truly impact? Is level of stretch performance appropriate?

- Korn Ferry’s frequent pulse surveys provide real-time perspective on what organizations across industries are measuring and rewarding
- Drawing on our deep experience with healthcare organizations, we help to refine and tailor performance metrics to your unique situation

Translating Strategy Into a Meaningful Pay Philosophy

The key objectives of a solid executive compensation program are not only to reward participants for the organization’s success, but also, and most importantly, to align the interests of all parties involved in creating value. We will stress test the current ECH structure and pay philosophy by posing the following questions:



Some client case studies are provided on the following slides.

Case Study: Academic Health System

Contemporizing an Executive Compensation Program

ACHIEVEMENTS

✓ Korn Ferry inventoried all the idiosyncratic financial arrangements between the organization and each executive (some in place for decades and often with limited documentation) and gathered information and data from internal and external sources (law firm)

✓ Reviewed and redeveloped the various layers of incentive compensation plans – from two different annual plans (one with a deferred payout schedule) and a long-term plan, to one annual and one long-term plan

✓ Created tally sheets to itemize each element of pay and track executives' compensation arrangements (legacy and current)

✓ Developed a competitive peer group of select organizations to complement the Client's high growth mode by looking at each peer's specific growth journey; this included not only financials, but growth, organizational structure, patient satisfaction and reputational and quality rankings, among other things

✓ Worked with the Committee to ensure alignment of the program to Client's strategic priorities



Developed an agreed inventory and valuation of all components of the compensation program - - base salary, variable compensation, perquisites, benefits, and special arrangements



Created a simplified approach to executive compensation that was approved by the independent directors



Refocused the compensation program from "retention" based to "performance-focused" and the re-design of both a short- and long-term incentive program to drive performance



A market definition that included multiple data sources, including a custom peer group of high-performing organizations that met all criteria agreed upon by the Committee



A satisfied Committee who were able to refocus their attention from the nuts and bolts of the executive compensation program to the primary mission of the organization: clinical care, research, and medical education

Case Study: Academic Health System

Aligning Executive Compensation

✓ Korn Ferry reviewed the executive compensation program and worked with management on goal-setting for both the annual and long-term incentive plans to ensure performance measures aligned with strategy and allowed for stretch performance

- ✓ - Helped the client assess the compensation programs in place at newly-acquired regional hospitals
- ✓ - Compared each position to roles of similar size and scale, taking into account that these hospitals were now sites within a larger enterprise
- Developed recommendations for streamlining compensation philosophies and structures going forward

✓ Led the process of developing a consistent scorecard for measuring and rewarding annual performance, aligned with the corporate, system-level strategic objectives.

✓ Ensured that the structure of the total remuneration program aligned with the executive compensation philosophy and continues to support and reinforce the organization’s mission, values, and strategic objectives.

ACHIEVEMENTS



A Committee focused on managing pay levels to sustain the system’s continued levels of performance, while acknowledging the competitive landscape for leadership talent from both within and outside of the healthcare industry



Provided a common framework for comparing roles across the regional hospitals and the system



An integrated approach designed to be scalable to facilitate future mergers, meet core regulatory needs, align executive compensation with the market and across the system



A senior leadership team that works collaboratively in setting incentive plan metrics, insisting on stretch goals in order to drive organizational performance

Why Korn Ferry?

We lead with your business, and our focus is on structuring your executive pay program to support that business strategy

Science

- We give our clients access to comprehensive research, breakthrough observations, and innovative solutions that impact performance – and translate into incentive designs that actually predict it.
- We are market leaders in talent and reward data analytics.
- We have pay data for 26 million people, in 30,000 companies in 155 countries and over 5 billion talent data points on professionals worldwide.

Scope

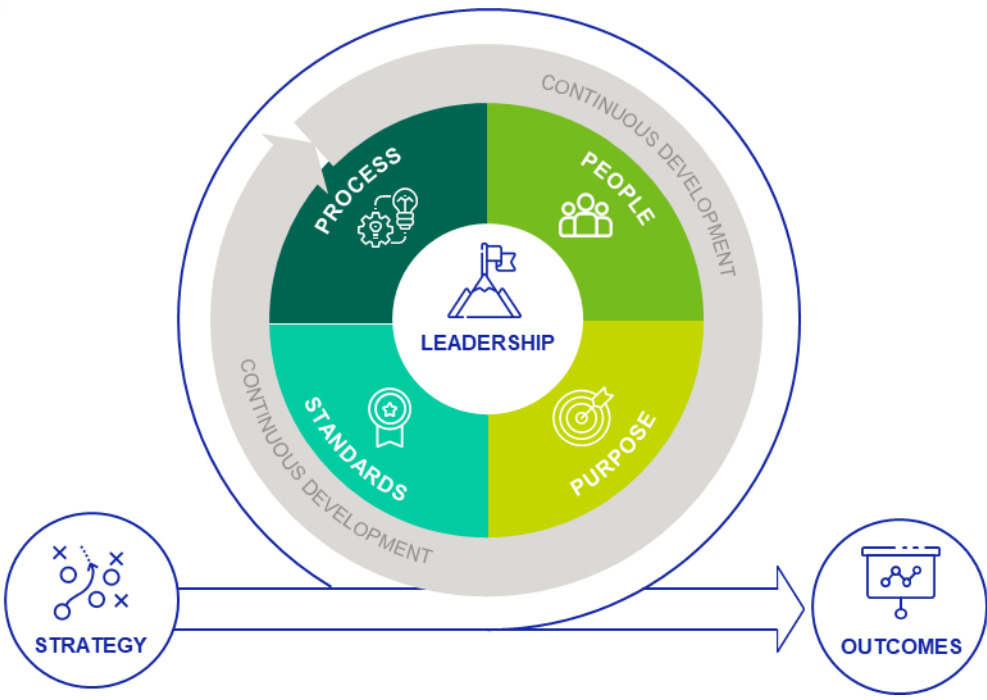
- Our expertise areas cover the whole talent journey.
- This means we have access to both behavioral scientists and executive search colleagues which gives us unprecedented insight into what motivates and incentivizes top executives.

Scale

- A leader in global executive compensation for over 40 years, we are one of the largest and most experienced consulting practices in the world.
- We advise across the spectrum – from small private equity-backed firms to Fortune 100 companies across all industries.
- We work with both management and Boards so we understand the issues on both sides.

Performance Starts with the CEO

Only the CEO can put the conditions in place for the team to excel and add value



LEADERSHIP

The organization and team leader secure the resources and create the conditions that enables the team to deliver optimal performance.

PURPOSE

The team’s reason for existing is inspiring and important, and the team’s objectives and priorities are well-defined and clearly understood by the team.

PEOPLE

The team is composed of members with the range of knowledge, skills, and expertise needed to execute the team’s purpose, and who act inclusively to recognize the value of diverse perspectives.

PROCESS

The team has defined clear individual responsibilities, collective work, decision-making processes, and performance tracking in line with the team’s purpose.

STANDARDS OF BEHAVIOR

The team has established and demonstrates clear norms, actively discusses issues, and fosters supportive relationships among team members.

CONTINUOUS DEVELOPMENT

The team improves its processes and dynamics, innovates, and addresses team skill gaps to adapt to the evolving business environment.

Dynamics of a High Performing Team

Early indicators that drive team outcomes

- Members are aligned on mission, strategy, goals, and priorities – and how the **team’s collective work** furthers organizational performance
- The team is both **diverse and inclusive**, openly discussing vital issues and assuming positive intentions even as they disagree
- Members make decisions unselfishly for **the greater good**, not in their own self-interest
- When a **decision is made**, everyone owns and fully supports it – even if they disagreed during the debate
- Members **fully participate** in change initiatives; they do not just “bless” them
- Members **walk the talk** and live the organization’s values, acutely aware of the shadow they cast

* Based on the research of Korn Ferry and Harvard University in *Senior Leadership Teams* (Wageman, Nunes, Burruss, and Hackman, 2008) and furthered in *Leadership Team Coaching* (Hawkins, 2017)

Team outcomes that drive business outcomes

- The whole is greater than the sum of its parts: the **collective intelligence of the team creates new possibilities**
- Stakeholders at all levels believe that the team is **outperforming expectations**
- Members **develop breadth** as individual executives, because they are a member of the team
- The team as a whole improves its performance over time, **continuing to evolve and grow**

Korn Ferry works with clients to develop leadership frameworks that have lasting impact because they are integrated into your people and talent practices (talent acquisition, onboarding, development, performance management and succession)

Objectives of CEO Performance Evaluation

An effective CEO performance evaluation process:

- Creates a shared understanding of CEO performance expectations between the board and the CEO;
- Provides a platform for articulating goals, monitoring progress, and assessing performance;
- Determines who should play what roles in the performance review process;
- Sends a message to the CEO on what the board considers as important and therefore are areas on which the CEO's performance is assessed;
- Provides the foundation from which to conduct ongoing discussions on the CEO's performance throughout the year; and
- Enables the Board and the CEO to communicate effectively on performance-related issues.

Every CEO evaluation is unique

- No two companies' strategies, culture, and leadership requirements are alike
- The CEO performance metrics are a highly personalized representation of the organization and where the Board expects the CEO to spend his/her time
- The CEO's performance objectives should be reviewed each year to ensure alignment with the organization's strategy and major organizational initiatives

Recommended CEO Performance Evaluation Format

- Korn Ferry, as an independent advisor to the Board, administers a confidential, easy-to-use, online assessment tool to collect feedback from the various stakeholder groups (CEO/self, Board members, CEO’s direct reports)
- We will develop the survey instrument to include a number of questions that will require a rating of the CEO’s performance in a given area.
- The assessment scale is typically a 5-point quality scale (poor to exemplary) and covers the CEO’s performance related to agreed upon areas of relevance such as leadership behaviors/culture, strategy execution, fiscal responsibility, community outreach, etc.
- In addition, there are open-ended questions for assessors to provide written commentary for the CEO.
- The CEO will also have the opportunity to provide his/her feedback on their performance for the year and his/her needs of the Board going forward.
- After all data inputs are summarized, Korn Ferry develops a comprehensive report based on the assessment feedback.
- Korn Ferry will review the draft report with the Committee Chair. In addition, an Executive Summary will be developed for the Chair’s use in communicating with the full Board.

Fee Estimate: Executive Compensation

The table below shows the breakdown of our estimated professional fees based on reviewing the compensation and benefits program for approximately 16 executives for ECH

Project Steps	Estimated Fees		
	Year 1	Year 2	Year 3
Data Collection/Interviews		Same as Year 1	
Total Remuneration Market Analysis – 16 Senior Executives			
Report Development (2 reports)			
Committee Meeting Preparation and Attendance (assume 2 meetings)			
Reasonableness Opinion (2 letters)			
Ad Hoc Requests (up to 4 one-off market pricings and goal setting guidelines and 2 training sessions)			
Subtotal for Professional Fees			
Administrative Fees (of professional fees)			
Total Investment	\$108,300		

Pricing Notes:

- **Interviews:** we are including interviews in these project steps but are not including them in the fee amount of \$3,600 – this relates to data collection (including kick-off meeting; assembling and reviewing the data). We view the interviews as an investment in our relationship with ECH.
- **Expenses.** Direct out-of-pocket expenses including travel, lodging, and videoconferencing will be billed monthly as incurred. If there are data fees applicable to special purchases of surveys or use of our databases, those will be billed at cost.
- Fees contained in this proposal are valid for 90 days from the date of the proposal. The stated price is an estimate based on the scope of work outlined in this proposal and may change based on scope changes to which ECH and Korn Ferry agree to in advance. **Three-year engagement locks in Korn Ferry hourly billing rates at Year 1 levels** and assumes same scope of work from one year to the next.

Fee Estimate: CEO 360 Performance Evaluation

Project Steps	Estimated Fees		
	Year 1	Year 2	Year 3
Develop assessment tool and communications	[Redacted]	[Redacted]	[Redacted]
Set up and testing in Qualtrics			
Compilation of rater (assumes approx. 30) responses			
Draft and QC assessment report & summary			
Present to Committee Committee			
Ongoing project management (w/ HR, Committee and individual raters)			
Subtotal for Professional Fees			
Korn Ferry Administrative Fee ([Redacted] of Services)	[Redacted]	[Redacted]	[Redacted]
Total Investment			

- Fee estimate assumes about 30 raters (Board members and CEO); estimate can be refined based on ECH’s board size.
- Fee estimate locks in Korn Ferry hourly billing rates at Year 1 levels.
- Out-of-pocket costs, such as consultant travel expenses, will be billed in addition to the fees quoted above.
- Changes in scope, deliverables, or timelines may impact fees.

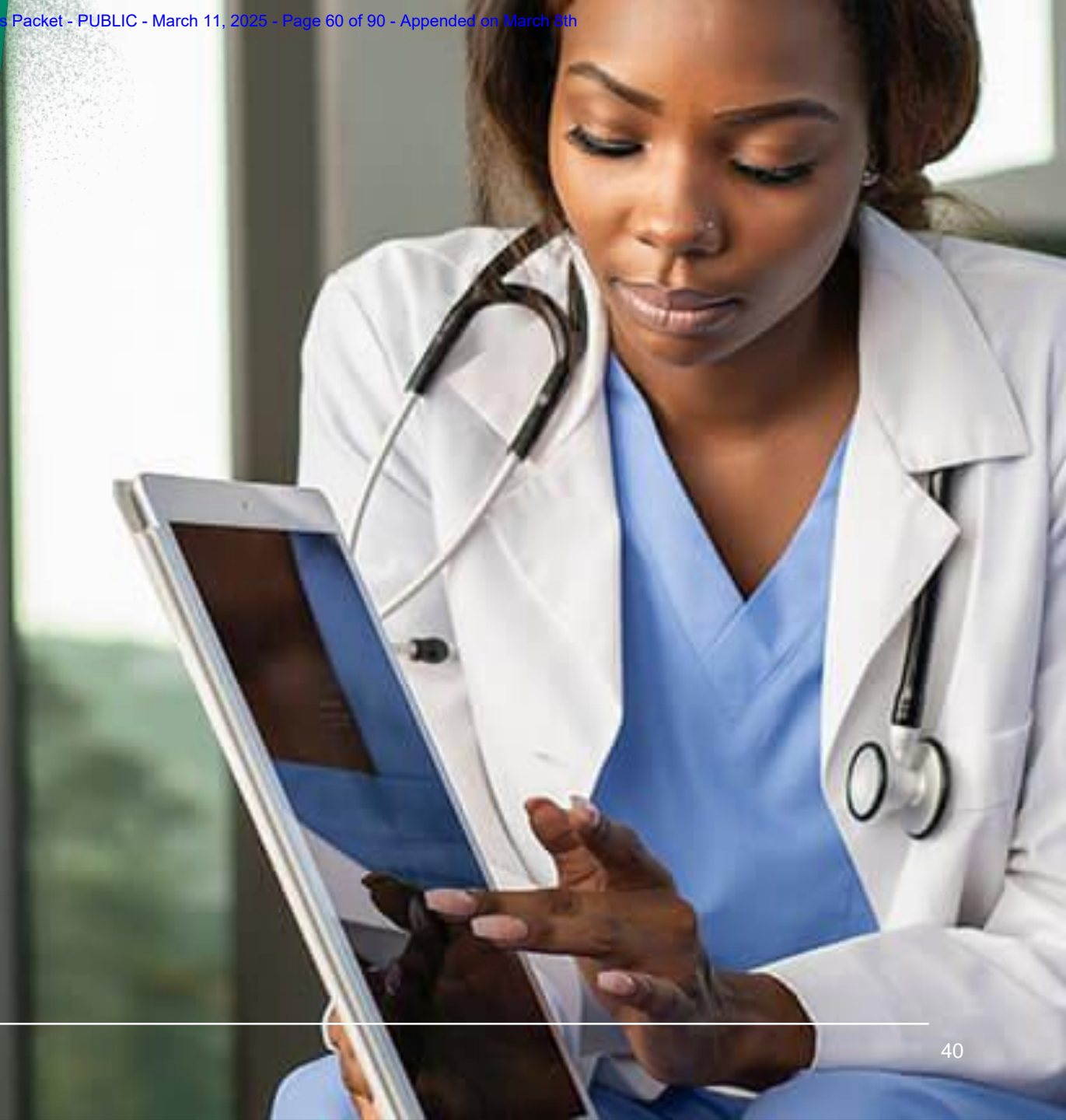
References

The table below provides three client references for ECH’s consideration. Korn Ferry provides executive compensation consulting services to these clients:

Reference Information	Reference 1	Reference 2	Reference 3
Organization name & location	[Redacted]		
Name, title, and email			



APPENDIX





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ALANNA CONTE

SENIOR CLIENT PARTNER

Delivering results for clients

- Alanna Conte is a Senior Principal for Korn Ferry, based in the firm's Stamford office.
- Ms. Conte focuses on providing solutions to clients in the healthcare industry and brings a combination of experience on the client level and in the consulting field. A seasoned human resource management consultant, she advises boards, CEOs and management around organizational and people issues, providing solutions that impact organizational performance.
- Ms. Contes provides clients with data and information to make sound decisions on executive compensation arrangements. She works closely with HR management staff to support needs around job leveling, titling, compensation structures, incentive plans, talent management, succession planning, and employee engagement.

Expertise

- Ms. Conte has over twenty years of industry experience consulting to a variety of healthcare organizations. She has worked with a wide range of academic medical centers, health systems, community hospitals, health plans, healthcare services companies, and physician groups.
- Ms. Conte directs engagements involving total compensation assessments, compensation philosophy development, incentive plan design and audits, compensation program reviews, best practice development, and guidance on governance and custom surveys.

Academic and Professional Background

Ms. Contes is a member of the American College of Healthcare Executives (ACHE), the American Society of Healthcare Human Resources Administration (ASHHRA), and the WorldatWork Association. She is a graduate of Mount Holyoke College, South Hadley, Massachusetts with a bachelor of arts degree in international relations. Ms. Conte is a member of the Society of the Daughters of the American Revolution, Pemaquid, Maine chapter.

ESTHER DRIESSEN

SENIOR PRINCIPAL



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Delivering results for clients

- Esther Driessen is a Principal for Korn Ferry, based in the firm’s Princeton office.
- Ms. Driessen specializes in employee benefits including retirement, health, and post-retirement medical. She provides financial and Internal Revenue Service regulated consulting for clients with defined benefit pension plans.
- Ms. Driessen helps clients design, administer, and evaluate competitive benefits and total remuneration programs.

Expertise

Ms. Driessen has over twenty years of experience in all areas of benefits, especially retirement benefits. She provides broad actuarial expertise related to defined benefit pension plans, to comply with Internal Revenue Code (US), and Financial and Government Accounting Standard Boards (FASB and/or GASB) rules.

Ms. Driessen has extensive experience performing specialized nondiscrimination and coverage testing for all retirement plans. She also works on competitive benefit and total remuneration benchmarking studies for executives and the workforce at large. These studies will often include redesign of benefits programs.

Academic and Professional background

Ms. Driessen holds a bachelor’s of science from the University of Connecticut where she majored in mathematics. She continued her studies in actuarial science and is an enrolled actuary with US Internal Revenue Service, a member of American Academy of Actuaries, and a fellow of the Conference of Consulting Actuaries.

Ms. Driessen is fluent in Spanish and Dutch.

CATHERINE KELLY

SENIOR CONSULTANT



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- Ms. Kelly joined Korn Ferry in 2015 and her primary area of focus includes working with clients in the healthcare industry, focusing on the competitive analysis and program design of not-for-profit executive compensation. She supports the development of market competitive and engaging programs considering each client's complexities.
- Ms. Kelly's work at Korn Ferry is focused on providing analytical and project management support for KF's reward practice. She performs competitive market analyses, 990 analyses, survey benchmarking, peer group development, and custom compensation surveys to help create and/or manage executive pay programs based on a client's needs.
- Ms. Kelly's areas of expertise include healthcare and not-for-profit executive compensation and supporting the reward practice.

Academic and Professional background

Ms. Kelly graduated from the University of Georgia with a Bachelor of Business Administration in Marketing. She also has a Master of Marketing Research from UGA.



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ALEX GOFF ASSOCIATE CONSULTANT

Alex, a Healthcare Advisory Associate Consultant, is dedicated to providing holistic healthcare solutions to clients. His expertise in Total Rewards, Organizational Strategy, and Leadership & Development ensures a comprehensive approach to every engagement.

Alex is passionate about helping healthcare organizations fully utilize their talent and create better environments to work in. Propelling organizations towards success and empowering them to provide better care, leading to a healthier population.

His diverse journey has equipped him with the skills to excel in dynamic environments, solve problems analytically, and think strategically to develop innovative solutions.

Alex earned a Finance degree and an MBA in Data Analytics from Samford University. While at Samford, he excelled both on and off the field as a pitcher on their Division 1 baseball team, leading his team to two conference championships.

MARIAN KARAM

SENIOR CONSULTANT



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Ms. Karam works as a consultant within Korn Ferry's Rewards and Benefits solution with a primary focus in the healthcare sector.

Prior to joining Korn Ferry, Ms. Karam interned at Lighthouse Healthcare Advisors. In her role she assisted multiple health systems adhere to regulatory requirements and medical coding standards. She analyzed job descriptions to create uniform role requirements for client organizations. As a member of the marketing committee, she contributed to expanding the firm's reputation by highlighting client successes stories. A key project she completed was a white paper on implementing and optimizing an EHR.

At Korn Ferry, Ms. Karam works with healthcare organizations on annual reviews of compensation and managing the merit increase process for executives, providers, and staff. She helps clients ensure that their programs are aligned with the market and their strategic priorities, and she supports client teams with research related to market trends, strategy, and performance measurement. As a Senior Consultant for Korn Ferry, Marian focuses on market research, peer group development, cost impact analysis, and structure modeling to ensure organizations are properly rewarding employees to their strategy and pay philosophy.

Additionally, Marian has extensive expertise in conducting comprehensive performance evaluations that provide organizations with actionable insights into leadership effectiveness and overall team performance. By aligning evaluation frameworks with organizational goals and market benchmarks, her approach identifies strengths, addresses gaps, and ensures accountability at all levels. These evaluations integrate qualitative feedback, quantitative metrics, and market insights to create a holistic view of performance, enabling informed decisions about rewards, succession planning, and team alignment. This process helps organizations drive individual and organizational success while fostering a culture of excellence and continuous improvement.

Ms. Karam holds a bachelor's degree in Healthcare Administration from Towson University. While at Towson she assisted two faculty members with a study focused on reforming federal healthcare law. Ms. Karam presented her work in Florida at the SGS conference. Marian Karam is bilingual and fluently speaks Arabic.



Response to Request for Proposal for Executive Compensation Consultation

January 30, 2025



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EXECUTIVE SUMMARY

Provide a written executive summary of your proposal (maximum two pages).

SullivanCotter is a trusted partner to diverse and complex health care organizations nationwide, providing a deep understanding of the unique challenges faced by public health entities like El Camino Health. As a leading community health system in Mountain View, California—at the heart of Silicon Valley—El Camino Health operates in one of the most competitive talent markets in the nation. This dynamic environment demands an executive compensation strategy that aligns with industry benchmarks while addressing the unique challenges of Silicon Valley, including talent retention and performance alignment.

With growing scrutiny on executive compensation practices, El Camino Health requires actionable insights and innovative solutions to maintain its position as a high-performing health care leader. This proposal aims to showcase how SullivanCotter is well-positioned to deliver these solutions, combining unparalleled expertise in health care executive compensation with a tailored, data-driven approach. Our mission is to ensure El Camino Health's executive compensation strategy supports its goals of recruiting and retaining top-tier leadership while fostering high performance and organizational alignment.

How SullivanCotter Can Support El Camino Health

- **Data-Driven Insights Specific to Silicon Valley:** By leveraging proprietary survey databases, third-party data sources, and our firm's collective expertise from working with organizations across the country and several Bay Area health care providers—including CommonSpirit Health, UCSF Health, Sutter Health, John Muir Health, and Stanford Health Care—we are able to provide both localized and national market perspectives. This ensures that El Camino Health's compensation strategy remains competitive in attracting and retaining top executive talent.
- **Comprehensive Services Tailored to Your Needs:** Through our proposed total compensation analysis and support services, we seek to design executive compensation programs that align with El Camino Health's mission, address the unique challenges of a high-cost, innovation-driven market, and support your organization's evolving strategic goals.
- **Seasoned Leadership and Expertise:** Dan Mayfield, Principal, and Paula Robinson, Consulting Manager, will lead this engagement, bringing extensive experience advising public health systems and community-based organizations. Dan and Paula will be supported by a dedicated team of subject matter experts specializing in executive benefits, performance analysis, and governance.
- **Proven Experience with Public Health Entities:** SullivanCotter has decades of experience advising public and not-for-profit health systems nationwide, delivering strategies that balance public accountability with organizational excellence.

Why Choose SullivanCotter?

- **Health Care Compensation Expertise:** Our consulting practice includes the largest group of advisors specializing in health care compensation, with over 20 senior-level consultants who bring more than 15 years of board-level experience.
- **Tailored, Innovative Solutions:** We understand the complexities of public health systems like El Camino Health and excel in designing customized solutions that align with organizational strategy, transparency, and equity.
- **Proven Results:** With a client retention rate of over 90% and an 84.4% Net Promoter Score, we deliver measurable value and long-term results that exceed industry standards.
- **Long-Term Partnership Approach:** Our enduring relationships are built on trust, collaboration, and shared success. We aim to be a long-term, thought partner to El Camino Health, ensuring your compensation strategy evolves with your organizational needs and is guided by innovative, market-based consulting support.

Data, Performance Analytics, and Innovation

- **Unmatched Insights:** [REDACTED]
- **Performance Alignment:** Our Performance Analytics and Advisory Services (PAAS) team evaluates the alignment of long-term (LTIP) and annual (AIP) incentive plans with organizational and individual goals. This ensures that compensation programs effectively motivate performance and deliver measurable outcomes.
- **Technology-Enabled Solutions:** Our proprietary tools and resources provide real-time analytics and actionable recommendations that align with El Camino Health's strategic objectives.

Our Commitment to El Camino Health

SullivanCotter is committed to supporting El Camino Health with innovative and practical strategies for executive compensation. By combining our market expertise, data-driven approach, and focus on long-term collaboration, we ensure your leadership team is positioned for success in achieving your mission of delivering high-quality, accessible care. Together, we can help maintain or improve upon a compensation strategy designed to empower El Camino Health to remain a leading public health entity in Silicon Valley and beyond.

FIRM BACKGROUND AND CORE SERVICES ALIGNED WITH REQUEST FOR PROPOSAL

Provide background on your firm, history, service offerings related to each component of the scope of work described above, and a review of client base for those services.

Founded in 1992, SullivanCotter is a nationally recognized firm specializing in advisory services, data, and technology solutions for health care and not-for-profit organizations. With over 400 associates, we partner with clients to drive performance and improve outcomes through integrated workforce strategies. As a privately held firm, 100% owned by our Managing Directors and Managing Principals, we maintain complete independence, deriving revenue solely from our professional services, proprietary data and technology tools. Unlike some firms, we do not engage in executive search services, sell commission-based products, or accept third-party referral payments, ensuring our advice is unbiased and tailored exclusively to our clients' needs.

SullivanCotter has been rooted in fact-based consulting and data-driven insights since its inception. Our four pillars—Integrity, Independence, Insight, and Information—serve as the foundation of our mission and values.

Consulting Services and Client Base

SullivanCotter partners with health care systems to help drive performance and improve outcomes by developing and implementing integrated workforce strategies. We provide a full range of compensation and benefits consulting services, including the following:



Executives



Physicians



Advanced Practice Providers



Employees



With over 20 board-level advisors, each possessing more than 15 years of experience and client relationships spanning decades, SullivanCotter delivers unparalleled expertise in executive compensation. We pride ourselves on providing tailored, data-driven solutions that reflect our clients' unique challenges and opportunities. Our experience, expertise, and commitment to innovation ensure that we are well-positioned to support El Camino Health in achieving its goals.

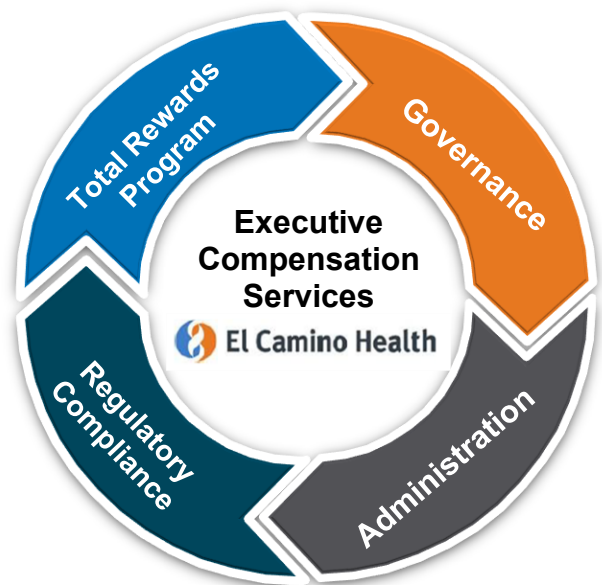
We have served over 1,000 health care clients nationwide on executive, physician, advanced practice providers, employee compensation engagements, and workforce-related issues. No other consulting firm in the industry provides such an expansive level of consulting services to health systems.

- Our clients include academic and integrated health systems, specialty health systems (e.g., cancer centers and pediatric institutions), public health systems, community hospitals, health plans, research institutes and medical schools. We also advise for-profit health care organizations, including for-profit subsidiaries of not-for-profit health systems, and work with leading healthcare-related tax-exempt associations.
- We are the leading provider of health care compensation survey data. Our 2024 survey participation includes 3,266 health care organizations across the United States, representing over 45,000 incumbents and is the most extensive in the industry; we focus on obtaining data from the premier health care organizations across the country.

Core services aligned with the requested scope of work

We have deep expertise in providing a full range of executive compensation, administrative, regulatory and compliance, and governance services to our clients, including:

- **Executive Compensation Philosophy:** Articulating the guiding principles for the executive total compensation program, including relevant peers, market positioning and the role of each element of pay.
- **Executive Compensation Governance:** Providing a range of advice, including committee charters, philosophies, annual calendars of meetings/agendas, summary board presentations and other activities.
- **Trends and Committee/Board Education:** Providing regular updates on trends in executive compensation and governance, including education sessions for the governing body.
- **Performance Evaluations:** Advising on approaches for evaluating the CEO, senior executives, and the compensation committee's performance.
- **Total Compensation Analyses:** Reviewing salary, incentives, and core and executive benefits to assess market competitiveness and alignment with the philosophy and talent strategy.
- **Rebuttable Presumption of Reasonableness Assessments:** Assessing and opining on the reasonableness of total compensation for compliance.
- **Incentives:** Assessment and design of incentive plans, assistance with goal selection and calibration, including testing the probability of achievement of performance targets, and modeling and/or calculation of awards and payouts.
- **Executive Benefits:** Assessment and design of retirement plans, including 403(b) and 457(f) plans, paid-time off approaches, severance, and other executive-specific benefits (e.g., supplemental life insurance, disability programs), and advising on potential tax implications, including the potential excise tax under the Tax Cuts and Jobs Act.
- **Special Issues:** Advising on pay equity, executive workforce metrics, employment contracts, mergers and acquisitions, change in control, retention arrangements and communication.



EL CAMINO HEALTH'S CONSULTING TEAM

Describe the engagement team you would assign to us, both primary consultants and their roles and any other resources that may assist; please include their office location(s) and a summary of their professional experience.

SullivanCotter brings extensive experience advising health care organizations, providing the expertise of highly experienced advisors and access to the collective knowledge of our firm's entire consulting staff. The following table summarizes the proposed core consulting team for this engagement. Detailed biographical sketches and contact information for each team member are included in **Appendix B**.

Primary Consultants	Summary of Experience and Project Team Role
<p>Client Relationship Manager / Lead Consultant</p> <p><i>Dan Mayfield</i> <i>Principal</i></p> <p><i>Austin, TX</i></p>	<p>Experience: With nearly two decades of consulting expertise, specializing in advising not-for-profit health care systems and healthcare-related organizations. With a proven track record of delivering strategic insights and tailored solutions, Dan has established himself as a trusted partner to health care leadership teams and governance committees.</p> <p>Role: As the client relationship manager and lead consultant, Dan will ensure the overall success of this engagement by overseeing all aspects of the project. He will serve as a direct advisor to the Committee, providing strategic guidance and actionable recommendations. Dan will personally direct all workstreams, ensuring alignment with El Camino Health's objectives, and will attend all Committee meetings to support decision-making and facilitate meaningful discussions.</p>
<p>Project Manager</p> <p><i>Paula Robinson</i> <i>Consulting Manager</i></p> <p><i>Saint Paul, MN</i></p>	<p>Experience: Fifteen years of experience in total rewards consulting. She has a strong background in health care operations, having worked in nursing, corporate HR, and consulting roles. Paula's expertise in managing executive compensation governance and organizational transitions positions her to effectively oversee the El Camino Health project, ensuring that all aspects align with the organization's operational and strategic needs.</p> <p>Role: Oversee the El Camino Health project, ensuring that all project steps and workflows align with the overall desired final outcomes.</p>
<p>Executive Benefits – Subject Matter Expert</p> <p><i>David Cohn</i> <i>Principal</i></p> <p><i>Atlanta, GA</i></p>	<p>Experience: With more than 20 years of consulting experience, David has worked with a wide variety of for-profit and not-for-profit employers with an emphasis on not-for-profit health care organizations. He is a member of the Society of Actuaries and the American Academy of Actuaries. In addition, he is certified to perform actuarial services by the Joint Board for the Enrollment of Actuaries. David is the Firm's leading consultant on the design of nonqualified deferred compensation programs. He specializes in helping clients transition from legacy programs with limited value to more current programs that reflect the emerging market expectations.</p> <p>Role: David will serve as the lead benefits consultant. In this role, he will provide guidance on all benefit issues, including plan design, evaluation, compliance, and disclosure requirements.</p>

Additional Resources

In addition to the core team, subject matter experts in performance measurement, analytics, and other relevant disciplines will contribute their specialized knowledge to this engagement. SullivanCotter will also leverage the firm's full capabilities and expertise, ensuring access to relevant insights, tools, and additional resources to support your needs.

Our team's depth of experience and collaborative approach ensures that your organization receives thoughtful, actionable advice tailored to your strategic objectives.

MARKET DATA RESOURCES

Describe the size and quality of your health care executive compensation and benefit survey benchmarking database and pay practices data, including a list of participants comparable to El Camino Health nationally, in California, and in the Bay Area. Describe other relevant data sources to which you have access.

As the executive talent market continues to evolve and new leadership roles emerge, access to the right data is critical. Our dedicated Center for Information, Analytics and Insights is responsible for our surveys and related research. This team works closely with our consultants to ensure our research reflects current issues and provides relevant insights.

SullivanCotter invests significant resources in collecting and analyzing market data, including information on incentives, benefits and other pay practices. Our survey data and research division provides us with access to source information and the ability to customize our analyses in response to client requests – creating significantly more targeted analyses for our clients in ways that are not available to our competitors.

Given our work with large and complex health systems, SullivanCotter has a deep understanding of successful best practices and emerging approaches. Our data warehouse is comprehensive, and we invest significant resources into mining data and producing meaningful compensation and benefits information. SullivanCotter routinely conducts annual surveys and other research focused on compensation and benefits levels and practices within the health care industry.

For more than 25 years, SullivanCotter has been working closely with industry-leading health systems to strengthen their total compensation solutions through data-driven intelligence and analysis. We maintain several of the most comprehensive compensation and benefits survey databases in the health care industry – including our *Health Care Management and Executive Compensation Survey Report*.

Below is a summary of the health systems and hospitals whose current executive compensation data is included in our *Health Care Management and Executive Compensation Survey Report* database that could be used to develop peer group(s) and survey market cuts for El Camino Health’s benchmarking. A list of the specific organizations included in each category is presented in **Appendix A**.

Peer Category	Description	Revenue Range
[Redacted Content]		

Our surveys are designed to provide the following:

- **Valuable Insights:** Our deep industry knowledge and consulting experience informs our surveys, focusing data collection to reveal emerging market trends. In addition, our survey participation among hospitals and health systems is extensive and unmatched at 3,266 participating health care organizations. Many participants are also clients, which provides us with a level of understanding beyond the survey data alone. This combination of data and insight is of considerable value when identifying the practices of appropriate peers for compensation comparisons.
- **Experience:** With over 25 years of collecting data, our surveys reflect a strong longitudinal history. All surveys are conducted by a dedicated team of highly experienced and qualified compensation research experts in our Center for Information, Analytics and Insights and consultants who specialize in that area.
- **Superior Data:** Proprietary data collection, cleaning, analysis and reporting methodologies ensure benchmarking data of the highest integrity. We focus on the quality of our data and not just the quantity. We also invest significant resources in scrubbing survey submissions to ensure the reported data are the most relevant and meaningful for our clients.

Research and Data

For over 30 years, SullivanCotter has provided the most comprehensive total compensation data, analyses and reporting to health care organizations

Targeted and customized analyses

- Academic medical centers
- Integrated health networks
- System-owned hospitals
- Children's hospitals
- Physician groups
- Health plans
- Foundations and Endowments

High quality, comprehensive data sets

- Participants from leading organizations
- Strong focus on quality control
- Evolve surveys to capture emerging issues and trends

We also maintain a library of over 100 published compensation surveys and a proprietary Form 990 database

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In addition to our proprietary data resources, our survey library contains over 100 leading surveys, including health care executive compensation surveys, general industry surveys, as well as the results of custom surveys, containing both national and regional information.

SCOPE OF WORK AND PROJECT PLAN

Describe your process regarding reviewing El Camino Health's compensation and benefit plans, benchmarking, competitive analysis, and recommendations to the Executive Compensation Committee and the Board of your clients.

As a first step, the SullivanCotter team would plan to meet with key stakeholders to plan the timing and approach to the entire body of work as would be most efficient and pleasing to the El Camino Health Board and Management team. We expect that the different aspects would not be linear but would rather efficiently progress, sometimes concurrently, as we collectively benefit from the continuous learnings gleaned from each effort and interaction.

Total Remuneration Review for CEO and Fifteen Other Executives

Project Planning, Data Collection, and Familiarization

- Conduct stakeholder interviews to understand strategic plans and obtain feedback on compensation philosophy (e.g., comparator market(s), target market positioning), culture and human capital issues. Confirm project scope, key dates, deliverables and expectations.
- Collect data on El Camino Health executive compensation and benefits programs.
- Gain understanding of job responsibilities

Compensation Strategy Review

- Prepare a summary of key themes that emerged from interviews and the implications for El Camino Health's total compensation program. Connect themes with processes and expected outcomes for the next cycle.
- Consider the development of a specialized custom peer group for El Camino Health.
- Review custom peer group/survey scope with management and the Committee Chair (as well as other Committee members, as deemed appropriate by the Chair).

Competitive Analysis

- Review total compensation program and policies for the CEO and 16 El Camino Health's executives.
- Gather market total compensation data and establish benchmarks for executives. Collect market salary increase budget data.
- Conduct qualitative and quantitative review of compensation and benefits/perquisites.
- Conduct competitive comparisons/gap analyses, including competitive practices among peer hospitals nationally and in the Bay Area with respect to salary increase budget data, design of performance management, market competitiveness, merit pay, incentive compensation, and executive benefits that will support El Camino Health's business strategy.
- Formulate recommendations for program enhancements, as appropriate.
- Draft reports and reasonableness letter.

Total Remuneration Review for CEO and Fifteen Other Executives (Continued)

Report Review and Meetings

- Develop two reports – CEO specific report and Other Executive report.
- Review reports and reasonableness letter with management designees to verify accuracy of data and organizational cultural context.
- Review the reports with the CEO.
- Review the reports with the Committee Chair.
- Revise the draft reports and issue final reports.
- Meet with the Committee to review final reports and discuss recommendations.
- Finalize the reasonableness opinion, consistent with the IRS Intermediate Sanctions regulations.
- Attend additional Committee meetings as requested.

Advise and Educate the Committee

- Develop and present an annual summary of trends and a review of best practices regarding executive compensation in tax-exempt organizations.
- Present a summary of El Camino Health current executive compensation practices and opportunities for improvement.
- Present a conception of and lead a discussion regarding interest in implementing new executive compensation strategies in the next one to three years.

Chief Executive Officer Annual Performance Assessment

- Lead discussion with Board members and CEO to evaluate satisfaction with the current tool and process.
- Draft new online survey tool and process and present for feedback. Revise as necessary and receive approval from Board representative.
- Establish timeline for survey tool completion by Board members.
- With CEO and Board representative, determine approach for CEO self-appraisal.
- Upon receipt of completed tools (and CEO self-appraisal), develop report summarizing quantitative and qualitative assessments. Review and finalize with Board representative.
- Present report to Board. At conclusion of process, solicit feedback on process from Board and CEO to guide planning for next year.

Provide Ongoing Support for Executive Compensation Administration

- Upon engagement, meet to explore needs and establish process for the coming cycle. Upon request, solicit needed data, and provide market assessment for requested non-executive positions (four per year).
- Determine timing and approach for training sessions regarding individual performance objectives. Develop agenda and materials, review with leadership, present at training sessions.
- Meet with Board, Management, and other key Stakeholders to assess current public communications strategy regarding executive compensation. Determine new high-level concepts, draft specific communications and plan for disseminations, needed training and approach for adjustments/enhancements as needed during cycle. Present entire plan and materials.

APPROACH TO ADVISING EL CAMINO HEALTH

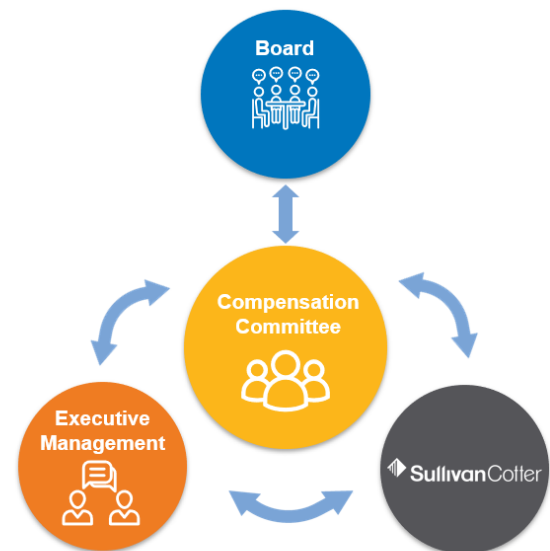
Describe your role and approach to advising client's Boards on governance of executive compensation programs from the perspective of multiple stakeholders.

The El Camino Health SullivanCotter consulting team serves at the behest of the Compensation Committee, prioritizing its responsibilities to ensure governance excellence. Our primary focus is helping organizations mitigate risk, ensure alignment with organizational strategy, and uphold governance best practices. While we collaborate closely with management, our duty to the Committee remains paramount—ensuring unbiased, data-driven advice that supports informed decision-making.

Advising from a Multi-Stakeholder Perspective

Our approach incorporates perspectives from both the Committee and management to ensure the executive compensation program is fair, transparent, and aligned with organizational objectives. Our engagement with El Camino Health and process focuses on the following:

- **Committee Engagement:** We work directly with the Compensation Committee to understand its priorities, provide market insights, and deliver actionable recommendations that align with governance and compliance requirements.
- **Collaboration with Management:** While maintaining our independence, we coordinate with management to gather operational context, ensuring our analyses reflect both strategic goals and day-to-day realities.
- **Stakeholder Input:** To further inform our recommendations, we can engage with management leaders, as needed, across the organization and other stakeholders. These discussions provide critical first-hand perspectives, promoting alignment and understanding of the compensation strategy.
- **Continuous Improvement:** By fostering open dialogue across the organization, we create a foundation for iterative improvements to the governance and compensation process—enhancing its effectiveness and ensuring ongoing stakeholder trust.



Describe your role and approach in advising clients' Boards in proactively evolving executive compensation and benefits practices to improve the effectiveness and alignment with business strategy.

At SullivanCotter, we take a thoughtful and strategic approach to advising Boards on evolving executive compensation and benefits practices. This process is designed to balance immediate needs with long-term implications, ensuring that all decisions support the organization's mission and strategic goals.

As trusted advisors, we guide Boards in evaluating, refining, and enhancing compensation practices to ensure executive compensation programs remain effective, sustainable, and aligned with business strategy. Our approach includes:

- **Listening and Learning:** Engaging with leadership and key stakeholders to understand the organization's business strategy, values, and goals.
- **Assessing Alignment:** Evaluating whether the existing compensation program effectively supports the business strategy and identifying opportunities for both immediate adjustments and long-term improvements.

- **Providing Market Context:** Benchmarking compensation practices against peer organizations to ensure competitiveness and alignment with industry trends.

We assess whether the current compensation program aligns with El Camino Health's priorities, considering factors such as cultural fit, performance alignment, stakeholder perceptions, and long-term sustainability. When the program is well-aligned, valued by stakeholders, and supports strategic goals, we focus on ongoing monitoring to ensure it continues to deliver results. However, when gaps are identified, we collaborate with the Board to determine root causes, benchmark practices, and develop tailored solutions that consider cultural fit, affordability, ease of implementation, and likelihood of adoption.

By engaging in a continuous cycle of assessment, refinement, and enhancement, we help Boards proactively address gaps, anticipate future challenges, and align compensation practices with evolving organizational priorities. This approach ensures that executive compensation not only drives performance but also supports long-term success, reflecting the organization's mission and values while remaining competitive and sustainable.

Describe your role and approach in advising clients' Board on executive talent management consideration related to compensation, such as executive performance management, executive development and approaches to mitigate flight risk.

At SullivanCotter, we understand the unique challenges faced by El Camino Health in maintaining a high-performing executive team amidst the competitive landscape of Silicon Valley. Our tailored approach to executive talent management ensures alignment between compensation strategies, leadership development, and retention initiatives to support El Camino Health's mission of delivering exceptional care. Our role is to become the following to El Camino's Compensation Committee and Management team:

1. **Strategic Partner to the Compensation Committee:** Provide independent, data-driven recommendations to align executive talent management and compensation practices with El Camino Health's strategic priorities.
2. **Performance Alignment Expert:** Facilitate frameworks that link compensation with clearly defined performance metrics, reinforcing the health system's strategic and operational goals.
3. **Retention Advocate:** Design solutions to address flight risks, ensuring key leaders remain engaged and committed to driving exceptional outcomes for El Camino Health.

Our approach supported by our expertise and data analytics, include:

1. Executive Performance Management

- **Goal Setting and Incentive Alignment:** We can work closely with the Committee and management to define performance metrics that directly support El Camino Health's strategic priorities, such as advancing clinical excellence and achieving financial sustainability.
- **Evaluation Frameworks:** Develop and implement robust performance evaluation tools, including CEO assessments, to ensure alignment with organizational goals.
- **Market-Informed Incentive Design:** We have the expertise to calibrate short- and long-term incentive plans, if applicable, to reward measurable achievements, with a focus on outcomes that reflect the values of El Camino Health.

2. Executive Talent Development

- **Succession Planning:** Assist in developing a succession pipeline that identifies and prepares leaders for future roles, ensuring continuity in leadership.
- **Leadership Development:** Provide recommendations for structured leadership development programs to build capabilities aligned with El Camino Health's future needs.
- **Customized Strategies:** Design talent development approaches that address the competitive dynamics of Silicon Valley and the unique needs of El Camino Health.

3. Retention and Flight Risk Mitigation

- **Data-Driven Retention Strategies:** Use our proprietary data and insights to benchmark compensation against peer organizations in the Bay Area and nationally, ensuring El Camino Health remains competitive.
- **Retention Agreements:** Structure targeted retention plans, including deferred compensation or multi-year incentive arrangements, to retain high-performing executives.

- **Non-Monetary Incentives:** Advise on leveraging organizational culture, mission alignment, and career development opportunities to reinforce loyalty among key leaders.

SullivanCotter's proven methodologies and extensive experience advising Compensation Committees allow us to deliver solutions tailored to El Camino Health's operational and strategic context. By aligning compensation, performance management, and retention strategies with your unique mission, we help ensure the long-term success of your executive leadership team.

Describe your role and available resources/tools to support Board's with CEO performance assessment process.

SullivanCotter can offer support to El Camino Health's Board in conducting CEO performance assessments that align with strategic objectives and provide actionable insights. By leveraging data-driven tools and processes, we ensure that the evaluation process is both effective and efficient. Our CEO Performance Assessment includes the following:

Confidential Feedback Collection

- **Secure, Web-Based Evaluation Administration:** Administer a confidential and secure CEO performance evaluation using a user-friendly web-based platform accessible via computer or smartphone.
- **Targeted Feedback Solicitation:** Gather input from Board members and/or senior leaders on the CEO's performance against established criteria, ensuring a broad and balanced perspective.
- **Ease of Access and Use:** Facilitate an intuitive evaluation experience, ensuring high participation rates and meaningful feedback.

Comprehensive Results Analysis

- **Summary Report Compilation:** Analyze and compile evaluation results into a detailed summary report, highlighting key themes, strengths, and opportunities for development.
- **Actionable Insights:** Present findings in a manner that supports informed decision-making, aligning recommendations with El Camino Health's strategic goals.

CONSULTING SERVICES FEE DETAIL

Outline fees assuming commitment to a three-year engagement and fee structure. Include an outline of proposed services in the second and third year of the agreement. When presenting the pricing for your services, please break out the fees for each activity – clarifying which scope of work items are included in your primary fee structure and which items would be an additional cost.

SullivanCotter’s professional fees are determined on an hourly-rate basis (fee-for-service) and reflect the projected time and level of consultant required to deliver outstanding service and the highest quality advice and technical work. Our estimated professional fees are based on our understanding of your request and our experience with similar projects for other clients. If selected, we will confirm the scope, work steps and assumptions with you and refine our professional fees as needed.

SullivanCotter is thrilled for the opportunity to partner with El Camino Health on this important work and has proposed that our thorough initial introductory process will be **an investment in our relationship and, as such, at no cost to El Camino Health**. The early-stage relationship building process has been developed to ensure a thorough understanding of your leadership roles, compensation philosophy, comparator markets, culture, strategy, preferred communication and interaction, and governance process. The estimated professional fees for SullivanCotter’s executive compensation consulting and services for the first three years of our engagement are summarized in the table below.

Work Focus	Year 1	Year 2	Year 3	Assumptions
1. Total Executive Compensation Review for 16 Executives, including Reasonableness Opinion Letter and Annual Salary Budget Increase Data				<ul style="list-style-type: none"> SullivanCotter will conduct initial planning, data collection and introductory activities at no cost to El Camino Health One reasonableness letter encompassing all executives One meeting to present findings and recommendations.
2. Advise on Governance, including Presentation on Trends, Evaluation of Current Practices, and Recommendations on How to Evolve				<ul style="list-style-type: none"> Assumes presentation at one meeting focused on trends content, evaluation of current practices, and recommendations for evolving to future state.
3. CEO Appraisal Process and Report				<ul style="list-style-type: none"> Assumes use of the current El Camino Health CEO evaluation form and our online survey platform. Assumes one meeting to present and discuss findings.
4. Ongoing Support, Including Additional Market Pricing, Training and Guidelines for Executive Goal Setting, Communication Recommendations,				<ul style="list-style-type: none"> Assumes up to 4 additional market valuations Development of guidelines and two training sessions regarding individual goal setting. One set of recommendations regarding public communication strategy. <i>Note: This step does not include enterprise goal setting support, but this can be provided for an additional cost if requested.</i>
Total Professional Fees				



Ad Hoc Consulting

Ad hoc services include requests related to executive compensation and/or any matter under the purview of the Committee for which we are professionally qualified. Some examples include the re-design of incentive plans, the selection and calibration of incentive performance measures, compensation or SERP plan design, advice on new hire packages, and compensation assistance related to mergers and acquisitions. Fees for additional advisory services will be mutually agreed upon and detailed in a separate Statement of Work.

Provide three references for hospital organizations for which you have done similar work in hospitals comparable to El Camino Health.

Organization	Description	Contact
[Redacted content]		

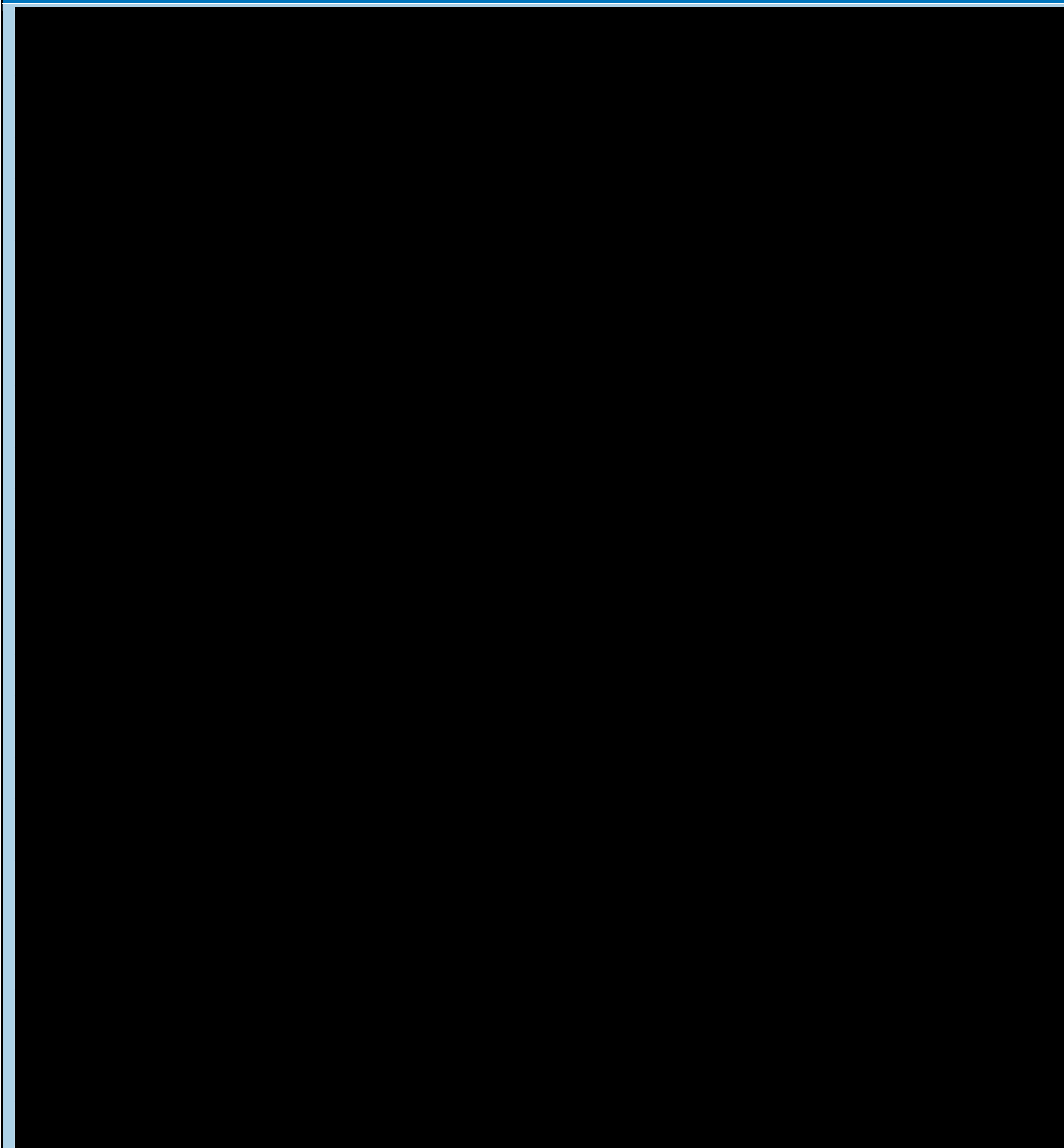
APPENDIX A

Survey Participants Comparable to El Camino Health



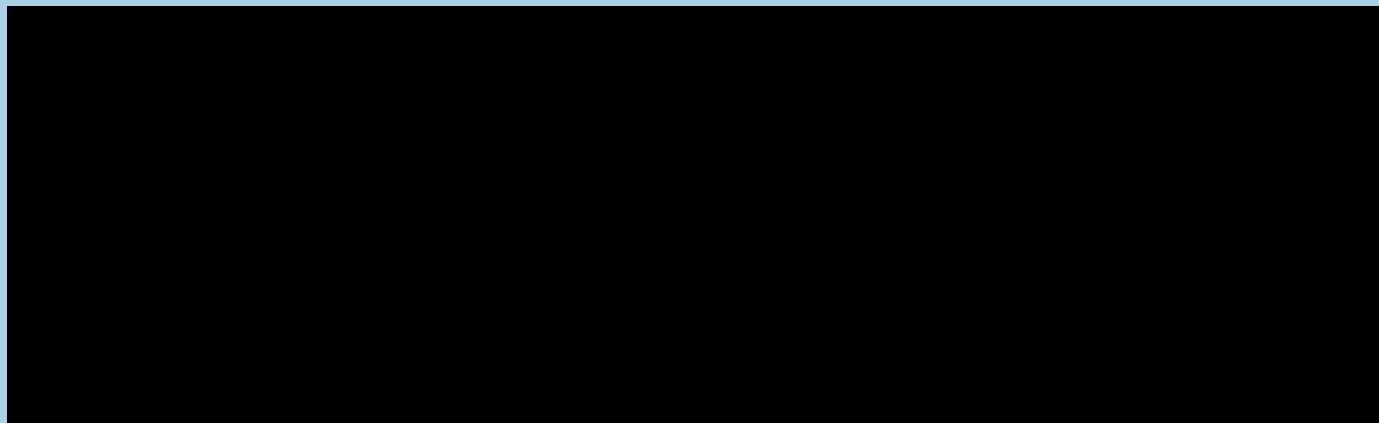
SURVEY PARTICIPANTS COMPARABLE TO EL CAMINO HEALTH

National Independent NFP Organizations similar in size to El Camino Health

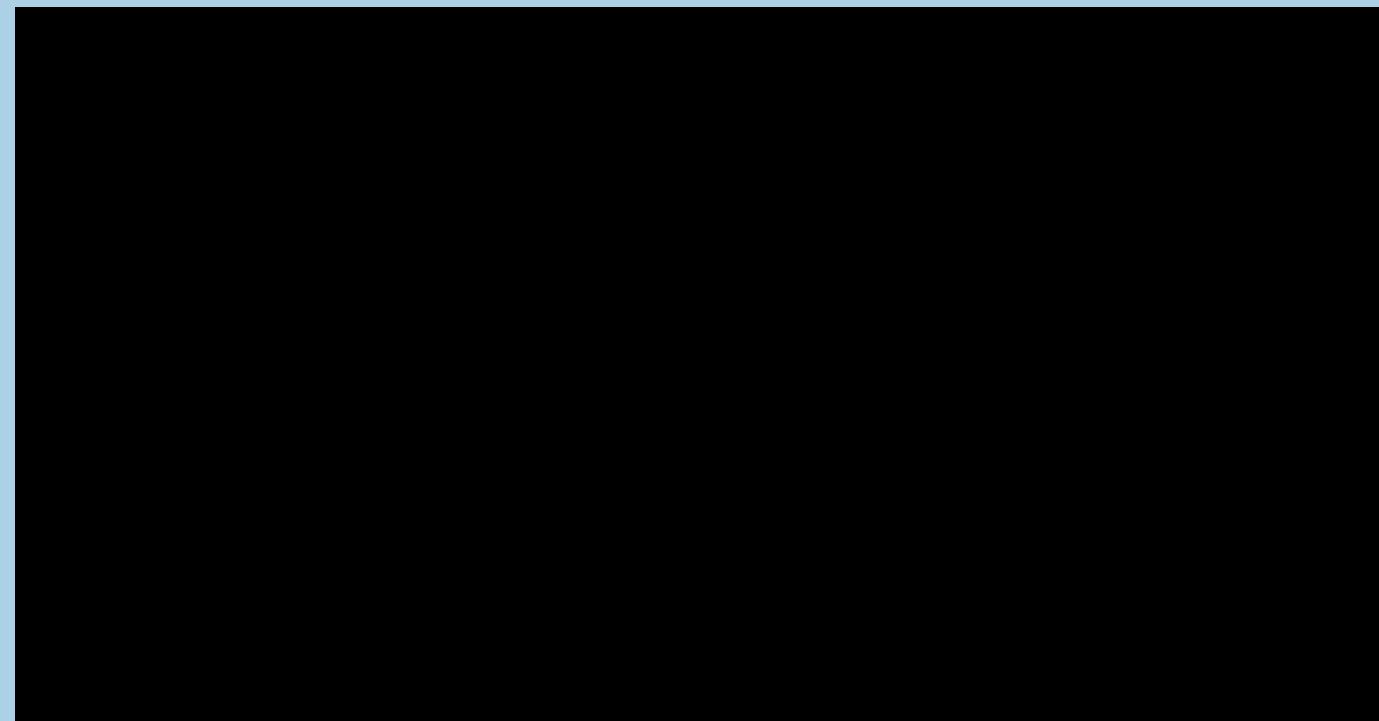


SURVEY PARTICIPANTS COMPARABLE TO EL CAMINO HEALTH

Independent NFP California Organizations



Independent and Subsidiary NFP Bay Area Organizations



APPENDIX B

Professional Biographies





PROFESSIONAL BIOGRAPHIES



Dan Mayfield **Principal**

Dan Mayfield is a Principal in the Executive Workforce Practice at SullivanCotter. He is an experienced consultant with a demonstrated history of providing counsel to management and boards on strategic workforce issues.

Leveraging more than 15 years of experience in executive compensation and governance, Dan specializes in helping not-for-profit health care organizations attract, engage and retain leadership talent through the development of integrated total rewards and workforce performance strategies. Dan leverages his experience partnering with both for-profit and not-for-profit organizations across industries to assist his clients.

CONTACT INFORMATION

Direct: 612.699.8064

danmayfield@sullivancotter.com

His experience includes:

- Working with compensation committees to develop and implement executive total rewards programs aligned with an organization's mission and long-term operating goals.
- Designing comprehensive executive incentive plans to help drive performance in a new value-based care environment.
- Preparing formal opinion letters regarding the reasonableness of compensation provided to disqualified persons of not-for-profit 501(c)(3) and (c)(4) organizations.
- Assisting organizations in the assessment of executive and corporate performance to measure progress against established goals, identify opportunities for improvement, and ensure the alignment of pay with performance.
- Educating clients on best practices in governance and oversight to help mitigate risk and support regulatory compliance.

Dan has previously worked for prominent global consulting firms, where he advised large organizations on matters of executive compensation and governance. He is also a sought-after speaker on compensation and governance trends.

Dan received his Master of Business Administration in Finance and Strategy from Southern Methodist University Cox School of Business in Dallas, Texas. He holds master's and bachelor's degrees from The University of Texas at Austin.



PROFESSIONAL BIOGRAPHIES



Paula Robinson **Consulting Manager**

Paula Robinson is a Consulting Manager in the Executive Workforce Practice at SullivanCotter. With 15 years of experience in total rewards consulting, Paula has also worked in a wide variety of other roles within the health care industry and beyond – including nursing, health and wellness, and corporate HR.

Paula has advised boards and executives from a broad range of health care organizations, including large multi-state health systems, academic health centers, hospital associations, and physician groups. Having both direct patient care and corporate human resources experience, she leverages an in-depth understanding of the operational and workforce challenges her clients continue to face. She has a strong interest in health care quality and maintains an active MN RN license.

CONTACT INFORMATION

Direct: 248.204.9525

paularobinson@sullivancotter.com

Paula's experience includes:

- Partnering with compensation committees on the governance of executive compensation for large multi-billion, multi-state hospital systems.
- Overseeing compensation for physician executives/administrators serving in hybrid roles (both clinical and administrative).
- Crafting creative solutions for organizations undergoing major transitions such as mergers/partnerships, changes in organizational structure, and strategic and operational shifts to support value-based care models.

Prior to her consulting work, Paula provided in-patient nursing care at a subsidiary hospital of Allina Hospitals & Clinics, a large integrated delivery system in Minneapolis, Minnesota. She also managed the FMLA and short-term disability benefit programs for a population of 12,000 employees at General Mills. Before beginning her career in health care, Paula worked in the not-for-profit sector, where she managed programs in performing arts and social services organizations.

Paula received an MBA from the Carlson School of Management at the University of Minnesota, a BA in Biology from Brown University, and a BS from the University of Minnesota School of Nursing.



PROFESSIONAL BIOGRAPHIES



CONTACT INFORMATION

Direct: 678.551.7187

davidcohn@sullivancotter.com

David Cohn, ASA, MAAA, EA Principal

David Cohn is a Principal at SullivanCotter and co-leader of the firm's Benefits Practice. With more than 20 years of consulting experience, David combines his strengths as an actuary and as a creative problem solver to help hospitals, health systems and tax-exempt organizations design executive total rewards programs that meet their needs. He also works with organizations to refresh and refine the design of executive benefits strategies.

David's experience includes:

- Leading teams that advise boards and compensation committees on how to use total rewards for executives to attract and retain top leadership talent and drive organization results.
- Designing total compensation philosophies and programs that strike the right balance of base pay, incentives and benefits to align with business goals and keep pace with industry changes.
- Working with top management to develop succession planning that facilitates orderly leadership transitions and initiates development of internal talent.
- Advising organizations on the competitiveness, design and management of executive benefits, including retirement income and deferred compensation plans.
- Helping boards and management understand regulations and market trends that affect executive compensation, benefits and program governance strategies to ensure appropriate organizational oversight.
- Preparing formal opinion letters regarding the reasonableness of compensation provided to disqualified persons of not-for-profit 501(c)(3) and (c)(4) organizations.

Previously, David was a consulting actuary at global accounting and human resources consulting firms. He is a member of the Society of Actuaries and the American Academy of Actuaries. David is also certified to perform actuarial services by the Joint Board for the Enrollment of Actuaries.

An expert on "Implications of tax law and industry changes on executive benefits," David frequently presents to members of the American Health Lawyers Association, state hospital associations and large law firms.

David received a Bachelor of Science in business administration from the University of Florida in Gainesville. He also has a Master of Actuarial Science from Georgia State University's J. Mack Robinson College of Business in Atlanta.



FY26 COMMITTEE GOALS AND PACING PLAN

Executive Compensation Committee

The purpose of the Executive Compensation Committee (the “Committee”) is to assist the El Camino Hospital (ECH) Hospital Board of Directors (“Board”) in its responsibilities related to the Hospital’s executive compensation philosophy and policies. The Committee will advise the Board to meet all legal and regulatory requirements as it relates to executive compensation.

STAFF: **Deanna Dudley**, Chief Human Resources Officer (Executive Sponsor)

The CHRO shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair’s consideration and for developing and disseminating in a timely manner management’s recommendations to the Committee and appropriate supporting information to facilitate the Committee’s deliberations and exercise of its responsibilities. The CEO, and other staff members as appropriate, may serve as a non-voting liaison to the Committee and may participate at the discretion of the Committee Chair. These individuals shall be excused when the Committee is reviewing their individual compensation.

GOALS	TIMELINE	METRICS/PACING PLAN
1. Provide oversight and approvals for compensation-related decisions, including performance incentive goal-setting and plan design	Q1 September 25	<ul style="list-style-type: none"> - Review and approve FY25 executive base salaries - Review and recommend FY24 Organizational Incentive Score - Review and approve FY24 individual incentive scores - Review and approve FY24 executive payout amounts
	Q2 November 6	<ul style="list-style-type: none"> - Process Review: CEO Performance Management - Process Review: Executive Performance Management - Process Review: Succession and Development Planning
	Q3 March 5	<ul style="list-style-type: none"> - Recommend FY26 ECC Committee goals - Receive mid-year strategic plan update - Process Review: Executive Goal Setting
	Q4 June 10	<ul style="list-style-type: none"> - Review and recommend proposed FY26 organizational incentive goals - Review and approve FY26 individual executive goals - Review of CEO Performance Management Process
2. Evaluate the effectiveness of the independent compensation consultant	Q4 June 10	<ul style="list-style-type: none"> - Conduct annual evaluation of ECC consultant

SUBMITTED BY: Chair: Bob Miller | Executive Sponsor: Deanna Dudley



Executive Compensation Committee
Proposed FY2026 Meeting Dates

RECOMMENDED ECC DATES	CORRESPONDING HOSPITAL BOARD DATE
Thursday, September 25, 2025	Wednesday, October 15, 2025
Thursday, November 6, 2025	Wednesday, November 19, 2025
Thursday, March 5, 2026	Wednesday, March 25, 2026
Wednesday, June 10, 2026	Wednesday, June 24, 2026