

Tift Regional Health System Inc./Southwell, Inc.

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

Community Commitment and Organization Successes

Tift Regional Health System (TRHS)/Southwell is a leading integrated healthcare system dedicated to delivering quality and compassionate care in South Georgia. TRHS/Southwell includes Tift Regional Medical Center, Southwell Medical, Southwell Health and Rehabilitation, and more than thirty-five (35) outpatient diagnostic and treatment facilities, physician clinics, and endoscopy procedure centers.

In addition to providing a wide-range of services, Tift Regional Health System continues to invest in our local communities. In 2021, TRHS provided \$50 million in uncompensated care and has an estimated \$900 million impact on the local economy.

Executive Compensation Governance and Decision Making:

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

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

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

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

The Compensation Committee conducts its review and approval using a process that strictly adheres to Internal Revenue Service guidelines for establishing reasonable compensation for executives pursuant to Internal Revenue Code Section 4958 ("Intermediate Sanctions" regulations). The IRS has indicated that, when an organization follows a three-step process, as Tift Regional Health System does, the compensation determined by the Compensation Committee is presumed to be reasonable:

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

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

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Executive Compensation

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

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

Compensation/Benefits Report – Administrative Positions in the Hospital (HB 321) for Tift Regional Health System, Inc.

(A) Position Title*	(B) Breakdown of W-2 and/or 1099-MISC Compensation				(C) Retirement and other Deferred Compensation	(D) Nontaxable Benefits
	(i) Base Compensation	(ii) Bonus & Incentive Comp.	(iii) Taxable Deferred Comp. Accrued in Prior Years	(iv) Other Reportable Compensation		
President & Chief Executive Officer	621,379	-		45,707	14,500	23,543
Senior Vice President & Chief Financial Officer	358,402	-			14,500	27,820
Senior Vice President, Ambulatory Services	244,312	-		6,202	12,216	15,378
Southwell Chief Nursing Executive	231,278	-			11,564	18,112
Senior Vice President & General Counsel	473,530	-		23,804	14,500	24,507
Vice President, Revenue Cycle	218,971	-			10,891	16,806
Chief Nursing Officer	204,889	-	-	29,569	6,147	15,966
Vice President & Chief Information Officer	194,056	-	-	-	9,328	17,209
TRMC Vice President & Chief Operating Officer	192,822	-	-	-	9,641	15,336
Southwell Medical Vice President & Chief Operating Officer	142,750	-	-	-	7,137	44,280

Notes:

- a. Reporting Period is Calendar Year 2020.
- b. Deferred compensation is reported only for the year when earned or accrued, whether or not funded, vested, qualified, or non-qualified or subject to substantial risk of forfeiture.
- c. Other Reportable Compensation includes converted PDO (paid days off) due to forfeiture.