

Hamot Health Foundation Executive Compensation Statement

All not-for-profit organizations are required to complete the IRS Form 990, "Return of Organization Exempt From Income Tax", each year. It provides detailed information on the organization's operations, such as its revenue, contributions received, community benefit inventory as well as the compensation provided to top executives. In Hamot Health Foundation's case, it submits three Form 990's, including one for Hamot Medical Center and one for Regional Health Services.

All not-for-profits are required to make the Form 990 available for public inspection in their offices. Form 990's are available by contacting the Chief Compliance Officer.

In regard to our executive compensation program:

- **Our executives are accountable** for ensuring that Hamot's mission is carried out at the highest levels of safety & quality, service and stewardship within the communities that we serve.
- **Our Board of Trustees determines executive compensation** under its Executive Compensation Committee. The Committee is composed of Board members who are independent of Hamot management, have no personal interest in the compensation arrangements, are not related to nor under the control of any individual whose compensation arrangement is being reviewed, have no material business relationship with Hamot and are not paid for their services as Board members.
- **The Committee retains an independent consultant to conduct an annual compensation analysis** to help ensure that Hamot compensation practices and compensation levels are reasonable. This consultant provides only advisory services related to compensation to Hamot.
- **To attract and retain the highest caliber of healthcare professionals** needed to sustain the quality of the healthcare this institution provides to the communities that we serve, compensation must be competitive with that provided by the organizations we compete with in the job market. When senior management positions are filled, Hamot typically conducts national and regional searches.
- **We benchmark ourselves against organizations of comparable size** and mission across the region and the nation. Market data are assembled for all elements of executive compensation (i.e., cash compensation, benefits and perquisites).
- **Compensation levels reflect the scope of each executive's responsibilities**, educational background, experience and industry standing as well as individual and organization performance.
- **It is the obligation of the Committee to assess the performance of Hamot's CEO**, determine his/her compensation and report its finding in this regard to the Board. The Committee is also responsible for reviewing and approving the performance assessments and compensation recommendations for the executive management staff. All compensation decisions are made in a manner that is consistent with Hamot's Board-approved compensation philosophy.