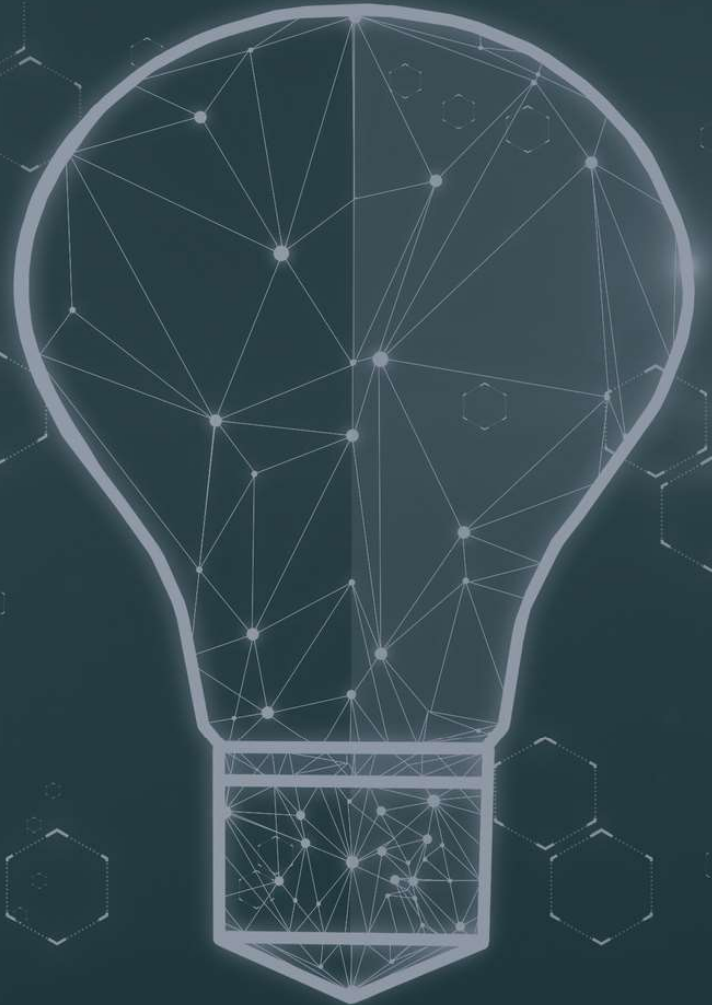
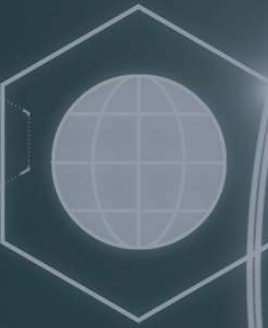


SERP PHILOSOPHY & GUIDELINES



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Executive Requirements for Consideration

- Must hold one of the following positions at the organization
 - CEO, CFO, CIO, CQO, or CHRO of the System
 - President/CEO of one the 4 member organizations (ex: AVH, WMC, UCVH, NCHHHA)
- Have a total projected tenure of at least 10 years
- Have verbally committed to staying with the organization out until the agreed upon retention date

Benefit Calculation

- Base Salary Today, scaled at 3% out until the agreed upon retention age, to deduct projected final pay.
- Employer Annual Contribution of 10% of base salary for all participants into the NQDC plan.
- NQDC Account Balance assumed to grow at a return of 5% a year, compounded.
- All of this leads to a final balance in the NQDC plan, at the stated retention date, which will be used today to pre-fund a CASD plan for the participant (unless participant/spouse are not healthy enough to qualify for CASD and thus are defaulted into the 457(f), with a potential offset with COLI to ensure key person insurance coverage)

Legal Specifications

- Access Date:
 - No less than 7 years. No longer than 10 years
- Vesting Schedule:
 - 0% upfront. Proportional Vesting from Plan Start Date to Access Date.

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Legal Specifications

- Employment Separation Outcomes
 - Vesting % at Access Date
 - Termination
 - Resignation
 - Accelerate Vesting, Access at Access Date
 - Disability
 - Change of Control:
- Accelerate Vesting, Access Immediately
 - Death
- Governing Definitions:
 - Mirror verbiage in Employment Agreement for both Disability and Change of Control.

System President/CEO Discretion

- President/CEO of the System has full discretion to offer/implement CASD plans for his/her management team, in order to retain, recruit, and/or reward top talent; assuming...
 - CEO follows guidelines listed above
 - CEO requests approval from the Compensation Committee whenever a potential participant does not meet the guidelines listed above, but is deemed an appropriate individual to receive a CASD plan.

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Expectations Moving Forward

- Conduct Annual Reviews of Plan performance
- Request Peer Group Benchmarking every 2-3 years (e.g. update Shortfall Analysis Summary and/or Contribution Calculations)
- Explore Plan adjustments / enhancements when applicable (e.g. If base compensation increases from some Xth percentile, then most likely the target benefit will go up. Proposal is built to allow for such increases, to a certain extent. When major changes occur, Employer will need to supplement the program, if goal is to maintain commensurate target benefit.)
- Review SERP Philosophy / Guidelines and its applicability every 3-5 years.