

Compensation Philosophy for the GM/CEO

RTD's mission to *make lives better through connections* and vision to *be the trusted transit leader in mobility, delivering excellence, and value to our customers and community* requires the expertise of a highly skilled and seasoned executive capable of leading and inspiring an innovative, complex, and unique multi-modal transit agency.

An overarching goal of the Board of Directors is to attract, motivate and retain the requisite executive talent necessary to achieve the agency's mission and vision. The Board further acknowledges that competition to attract a GM/CEO with the required suite of competencies, knowledge, and experience is extremely challenging given the highly specialized transit environment. Therefore, RTD must be market competitive on a Northern American scale in both public and private sectors when considering talent acquisition and retention.

Furthermore, the following principles will guide the components of the GM/CEO's total compensation. Total compensation will be designed to:

- Demonstrate internal equity, fairness, and transparency while being externally market competitive, aligned to the 50th percentile of comparable public transit agencies, and related public and private sectors where executive talent may reside
- Comprise a component of pay-for-performance designed to motivate and incent performance and retention
- Incent agency, team, and individual performance aligned to the agency's strategic objectives and directly linked to a pay-for-performance framework
- Provide appropriate opportunities for personal and professional development
- Recognize the value in compensation components that directly support the health and welfare of the GM/CEO today (e.g., health [including dedicated executive health benefits], dental, vision, PTO, executive leave) and into the future (e.g., deferred compensation, retiree health benefits)
- Consider specific agency variables (e.g., size, values, strategic goals, stage of evolution, geographical markets)
- Recognize and respect the agency's fiscal reality and the commitment to responsible stewardship of public tax dollars and customer revenue
- Adapt nimbly to changing external (e.g., labor market) and internal circumstances (e.g., fiscal restraints)
- Be reviewed for market competitiveness and legislative/regulatory compliance (local, state, and federal) on an annual basis

Additionally, the GM/CEO's performance will be formally assessed on an annual basis.

Further, should the GM/CEO be employed with a term contract, the Board will endeavor to hold meaningful discussion about extending the term of such contract no later than 18 months prior to the expiration of the contract's term.