

Each year, the Executive and Governance Committee of the Airports Authority's Board of Directors reviews the chief executive officer's compensation through a performance-based comparative process guided by an independent executive compensation consultant.

The process begins with a performance review of the chief executive measured against Board-established goals and metrics. The consultant undertakes a comparative analysis of the compensation received by the chief executives of organizations similar in complexity to the Airports Authority that are located in the greater Washington, DC, metropolitan area and nationwide. The consultant also examines compensation data from a wide variety of published sources to capture statistics on the base salaries and total cash compensation of chief executives in four categories of enterprises: non-profit and for-profit organizations; airports and airport-related businesses; and transportation authorities.

Based upon its review of the chief executive's performance during the year and the competitive compensation analysis and data presented by the consultant, the Committee determines the adjustments, if any, to be made to the chief executive's compensation for the upcoming year.

The Committee's performance and competitive compensation review of the chief executive officer toward the end of 2019 led to the following conclusions:

- First, that the chief executive officer had met or well exceeded his 2019 performance goals;
- Second, that the chief executive's 2019 salary was below the average 2019 median salary received by chief executives in the four categories of enterprises surveyed; and
- Third, that the chief executive's 2019 total cash compensation was below the average median level of total cash compensation received by chief executives in the four enterprise categories.

Based on these conclusions, the Committee determined to move the chief executive's compensation in 2020 closer to, but still short of, the average median salary and median total cash compensation received by chief executives in the surveyed enterprises. This was done by providing a salary increase of 3%, to \$503,253 and approving a 30% performance bonus of \$146,579 and a 2020 retention payment of \$90,000.

The chief executive officer's 2020 compensation modification memo describing changes to the officer's compensation is attached.



Metropolitan Washington
Airports Authority
1 Aviation Circle
Washington, DC 20001-6000



November 22, 2019

Mr. Anthony Vegliante
Senior Vice President for Human Resources
and Administrative Services
Metropolitan Washington Airports Authority
1 Aviation Circle
Washington, DC 20002

Dear Mr. Vegliante:

The Executive and Governance Committee met on November 20, 2019. The committee was briefed by the Board's compensation consultant, Peter Kennedy from PRM Consulting, on executive compensation.

Peter made compensation proposals for the President and Chief Executive Officer and the Board Secretary. The committee discussed the recommended proposals and a consensus of the committee was reached to give the President and Chief Executive Officer a three percent base increase in salary to \$503,253 and a 30 percent bonus of \$146,579 based on his 2019 performance, and that the Chief Executive Officer has earned the 2019 retention payout of \$90,000. The committee further agreed that the retention payout of \$90,000 would continue into 2020 and would be payable if the Chief Executive Officer is employed with the Metropolitan Washington Airports Authority as of December 31, 2020.

The committee also discussed the Board Secretary's compensation, and it was agreed to increase the Secretary's salary by four percent (\$9,928) making the new salary \$258,178.

Sincerely,

A handwritten signature in black ink, appearing to read "Warner H. Session".

Warner H. Session
Chairman
Board of Directors

WHS:bb