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## **CHIEF EXECUTIVE OFFICER EVALUATION POLICY**

### **INTRODUCTION**

- 1) One of the most important functions of the Board is to effectively direct and oversee the Chief Executive Officer. To assist in carrying out this function, the Board has adopted this Chief Executive Officer Performance Evaluation Policy.
- 2) The objectives of this policy are to help ensure:
  - a) The Board communicates to the Chief Executive Officer clear and meaningful performance goals and expectations;
  - b) The Chief Executive Officer receives useful and timely feedback from the Board; and
  - c) There is proper alignment between the Chief Executive Officer's performance and compensation.

### **ROLES AND RESPONSIBILITIES**

- 3) The Board shall be responsible for evaluating the performance of the Chief Executive Officer and all trustees shall have an opportunity to provide input.
- 4) The Administrative Committee shall coordinate the evaluation process.

### **EVALUATION CRITERIA**

- 5) The Chief Executive Officer's annual evaluation shall be based on the following minimum criteria:
  - a) The Board's satisfaction with the Chief Executive Officer's general leadership, management, and administrative skills, as determined by the results of a performance evaluation survey (i.e. the Chief Executive Officer Performance Evaluation Survey); and
  - b) Objective criteria that the Board may establish from time-to-time, as appropriate measurement methodologies are established (e.g. service quality targets, implementation of specified business plan initiatives).

- 6) In addition to the above minimum criteria, the Board may establish in advance, special one-time criteria covering unique issues or circumstances that may arise in a given year.
- 7) To the extent possible, evaluation criteria shall be:
  - a) Objective, realistic, and measurable; and
  - b) Pertain only to outcomes over which the Chief Executive Officer has a high degree of control. For example, it would be inappropriate to evaluate the Chief Executive Officer on total fund performance, given that the Chief Executive Officer does not have the authority to set the asset allocation of the Fund, which is a key determinant of total fund performance.

### **THE EVALUATION PERIOD & FREQUENCY**

- 8) The Board shall review the performance of Employee at least annually; provided, however, that Employee timely provides the Board with the evaluation materials and places the matter on a Regular Board meeting agenda. Annual evaluations shall be performed in accordance with the process set out herein. The Board may perform interim evaluations of the Chief Executive Officer at any time, using any methods it deems appropriate.
- 9) The period of performance to be evaluated each year shall be referred to as the evaluation period (“Evaluation Period”) and will consist of 12 consecutive months typically commencing with the Chief Executive Officer’s month of hire (i.e., if the Chief Executive Officer was hired in August, the Evaluation Period will be August to July).

### **PROCESS – ESTABLISHING ANNUAL EVALUATION CRITERIA**

- 10) Approximately one month prior to the start of each Evaluation Period, the Chief Executive Officer shall meet with the Administrative Committee to review the performance evaluation criteria to be used in evaluating the Chief Executive Officer’s performance for the coming Evaluation Period, including reviewing or confirming:
  - a) Agreed-upon minimum evaluation criteria;
  - b) The Chief Executive Officer Performance Evaluation Survey (the “Survey”) and any other surveys that may be used as part of the evaluation;
  - c) Special, one-time criteria if applicable;
  - d) The relative weightings of the various criteria;
  - e) If applicable, the details of any performance incentive structure (e.g., criteria, bonus structure, etc.).

11)The Administrative Committee shall recommend for board approval all evaluation criteria and, if applicable, any performance incentive structures for the Chief Executive Officer. The Administrative Committee shall, however, have the authority to approve changes to the Survey and any other surveys that may be used as part of the evaluation.

### **PROCESS – THE EVALUATION**

12)Approximately two months prior to the end of each Evaluation Period, the Chief Executive Officer shall distribute an Evaluation Package to each member of the Board to assist the Board in evaluating the performance of the Chief Executive Officer over the previous Evaluation Period. The Evaluation Package shall include:

- a) All agreed-upon criteria (all criteria would have normally been approved approximately one year earlier);
- b) The Chief Executive Officer's own assessment of his or her performance relative to the above criteria, along with supporting documentation and information (e.g. a copy of the financial audit results);
- c) A blank copy of the Survey<sup>1</sup>; and
- d) Any additional supporting documentation that the Chief Executive Officer believes may assist the Board in its evaluation.

13)Trustees shall treat the Evaluation Package as confidential, and shall complete the Survey within a time frame to be specified in the Survey. Completed Surveys shall be tabulated by the Administrative Committee, or by a designated third-party. Trustees may be given the opportunity to expand on their survey responses during brief, one-on-one follow-up discussions with a designated third-party. Any tabulation or summary of the completed Surveys shall maintain the anonymity of trustees' input. If tabulated by a third-party, said party shall provide the results to the Chair of the Administrative Committee prior to being reviewed by the Committee. The Chair may direct the third-party to also forward the results to the Chief Executive Officer.

14)The Administrative Committee shall meet in executive session to review the results of the Survey and any other information related to the evaluation, and prepare a Summary of Results and Recommendations.<sup>2</sup> Once the Summary of Results and Recommendations is completed, the Committee shall invite the Chief Executive

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<sup>1</sup> The Survey may instead be distributed to trustees using on-line technology.

<sup>2</sup> This requires the Administrative Committee to meet at least twice each fiscal year.

Officer to join the meeting and participate in a discussion of the Chief Executive Officer's performance.

- 15) The Chair of the Administrative Committee shall report to the Board on the Administrative Committee's Summary of Results and Recommendations. The meeting shall be held in executive session and the Chief Executive Officer shall be invited to attend and to address the Board. The results of the Board's evaluation, and any decisions concerning compensation adjustments or incentive pay, shall be placed in the Chief Executive Officer's personnel file.
- 16) Following the above meeting with the Board, the Chief Executive Officer may meet with individual trustees to discuss any specific comments or concerns raised during the evaluation.
- 17) An allowance for potential adjustments in the Chief Executive Officer's compensation shall be established by the Board during the annual budget process.
- 18) The Chief Executive Officer shall schedule the Administrative Committee to meet and review the results of the Survey and any other information related to the evaluation, not more than two months after the Evaluation Period ends.

#### **POLICY REVIEW AND HISTORY**

- 19) The Board shall review this policy at least every five years.
- 20) This policy was:
  - a) Adopted by the Board on January 12, 2005.
  - b) Amended on December 12, 2007; December 12, 2012; April 13, 2016; June 13, 2018; August 11, 2021; and April 13, 2022.