



A2.6 CEO EVALUATION

INTRODUCTION

The evaluation of the CEO is one of the most important responsibilities of the Board and is carried out under the leadership of the Human Resources and Governance Committee and the Board Chair. A formal evaluation process makes performance expectations clear for both the Board and the CEO and provides an opportunity for the Board and CEO to have an open, frank and constructive discussion regarding the CEO's leadership of the Foundation.

The main objectives of the CEO evaluation process are to:

- assess and reward the CEO's past performance;
- assess the CEO in light of the future leadership needs of the Foundation and set strategic objectives and goals for the CEO for the upcoming year; and
- strengthen Board/CEO relations.

While the Human Resources and Governance Committee and Board Chair provide a leadership role in carrying out the evaluation process, it involves input from the whole Board.

PERFORMANCE BENCHMARKS

The CEO has general responsibilities to lead the Foundation as set out in the CEO's employment agreement and the CEO Position Description.

In addition to the CEO's general responsibilities, each year the CEO and Board agree on specific performance goals and objectives for the CEO for the upcoming year. The annual goals and objectives typically reflect:

- key performance measures for the Foundation developed by the Board for the upcoming year related to the Foundation's strategic plan;
- specific goals related to the CEO's leadership of the Foundation; and
- the CEO's personal professional development goals.



ANNUAL PERFORMANCE EVALUATION

The CEO's performance is evaluated annually. The CEO is evaluated on:

- execution of the CEO's responsibilities at the Foundation; and
- achievement of the annual performance goals.

PROCESS

The Board has delegated to the Human Resources and Governance Committee responsibility to carry out the CEO's annual evaluation. The process involves the following steps.

- Each year, the CEO prepares annual performance goals and objectives for the following year, specifying how progress against each target will be measured. The CEO shares those targets with the Committee, which reviews and if necessary amends them, in consultation with the CEO. The targets are then presented to the full Board for discussion, revision if required, and approval.
- Approximately six months after the targets are approved, the Committee and the CEO review and discuss the CEO's targets and progress against them.
- At the end of each year, the CEO prepares a written self-appraisal, rating his or her performance against the CEO's general responsibilities and the previously agreed-upon annual goals and objectives.
- The CEO's self-appraisal is provided to the Committee.
- The Committee obtains input from all Directors as to the CEO's performance. Feedback may be obtained by way of a written survey questionnaire, Board discussion or some other format.
- In addition to feedback from Directors, the Board may obtain feedback from various stakeholders.
- All feedback is consolidated by the Committee and discussed in confidence with the Board.
- Following discussion by the Board, the Board Chair and Chair of the Committee meet with the CEO to provide the CEO with a written summary of the Board's evaluation.



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- The CEO may provide the Board with a written response to the review, through the Committee or the Board Chair.

COMPENSATION REVIEW

Following the CEO's response, if any, the Board, on the advice of the Committee, determines the CEO's compensation.