

POLICY TYPE: BOARD - STAFF RELATIONSHIP

3-06 Registrar, CEO Performance Evaluation and Compensation Process Policy

BACKGROUND

The Board is committed to yearly, on-time performance evaluations of the Registrar, CEO. This policy describes the process for the Registrar, CEO Performance Evaluation (“Performance Evaluation”).

POLICY

Annual Performance Evaluation

1. The goals of the Performance Evaluation are:
 - a. To summarize annual performance trends.
 - b. To determine if job expectations have been met.
 - c. To provide opportunity to commend the Registrar, CEO on excellent performance and forum for constructive feedback.
 - d. To develop an action plan for the upcoming review period.
 - e. To address any areas for Registrar, CEO improvement or development.
 - f. To provide recommendations for Registrar, CEO compensation.
2. The Registrar, CEO’s job performance is measured by the degree to which the Registrar, CEO:
 - a. Meets the job expectations outlined in the Registrar, CEO Expectations and Job Products Policy, 3-05.
 - b. Demonstrates reasonable interpretations of the Strategic Outcomes Policy, 1-01.
 - c. Is successful in achieving the organizational milestones, targets or strategic outcomes that were identified for the review period.
 - d. Demonstrates effective leadership within the risk boundaries established in Board policies on Operational Boundaries.
 - e. Demonstrates effective leadership in building collaboration within the COO and with external stakeholders.
 - f. Demonstrates effective communication with and support to the Board.
3. The Performance Evaluation is coordinated and prepared by a Performance Evaluation/Compensation Sub-Committee (the “Sub-Committee”) which will be made up of the Chair, Vice Chair, and one member-at-large of the Executive Committee to be selected by the full Board. The board shall ensure that the Sub-Committee includes at least one public member. To support the Sub-Committee, an external consultant can be retained.
4. The process for the Performance Evaluation is as follows:
 - a. During the year, during each Board meeting, Board members will be asked to assess, by way of a motion, each monitoring report delivered by the Registrar, CEO, to confirm that the Registrar, CEO’s interpretation of the relevant Strategic Outcomes or Operational Boundaries policy was reasonable and that the Registrar, CEO complied with the policy. The Board will have the opportunity to ask questions at each Board meeting.

- b. The results of the motions will be used to tabulate in a year-end accumulated average overall score for how well the Registrar, CEO interpreted and achieved the various Strategic Outcomes and Operational Boundaries policies.
- c. During the December Board meeting the Registrar, CEO will provide the Board with an overview presentation of the previous year's accomplishments.
- d. In December, after the final year-end Board meeting, a Registrar, CEO evaluation survey will go to all Board members. The survey will assess the past year on how well the Registrar, CEO achieved and/or demonstrated:
 - i. specific annual targets (set the previous January),
 - ii. effective leadership within the risk boundaries established in Board policies on Operational Boundaries,
 - iii. effective leadership in building collaboration within the COO and with external stakeholders,
 - iv. effective communication with and support to the Board.
- e. The survey will also provide space for commentary on the strengths, areas for development, and specific areas of focus for the following year.
- f. The Registrar, CEO will also participate in the final year end survey providing their perspective on the year's achievements.
- g. A qualified external facilitator will assist with data collection and synthesis of the final survey and prepare a written report that includes the aggregate score for the monitoring reports for the Sub-Committee in January of the following year.
- h. Broader stakeholder input will be sought approximately every four years which may include Appointed Committee Members, staff, and registrants.
- i. The Sub-Committee will finalize the Registrar, CEO evaluation, including compensation, with the support of the external consultant and a representative from COO Human Resources (to ensure the financial capacity of COO).
- j. In camera, the Sub-Committee will provide the Board with a summary of the Registrar, CEO Performance Evaluation Report including the conclusions, recommendations and objectives for the coming year. (February/March Board meeting).
- k. The Sub-Committee will discuss the results of the performance evaluation with the Registrar, CEO along with compensation and a discussion of objectives for the coming year.
- l. The final report will be prepared and submitted to the Registrar, CEO for their records. A copy of the report signed by the Registrar, CEO and the Chair, is kept in the confidential HR files.

Compensation

- 5. The Board is responsible for establishing and maintaining an appropriate, equitable and competitive compensation package for the Registrar, CEO (the "Compensation Package") in to:
 - a. Attract and retain a highly skilled Registrar, CEO with the requisite competencies and experience, and
 - b. Reward meritorious performance.

6. When establishing the Compensation Package for a newly engaged Registrar, CEO, consideration will be given to the following factors:
 - a. COO financial capacity.
 - b. The Registrar, CEO Position Description.
 - c. Comparable market rates paid for similar positions in the local geographic area at organizations of a similar size and function.
 - d. Historical COO levels.
 - e. Prior experience.

7. The Registrar, CEO Compensation Package may include:
 - a. A base salary, which may be adjusted on an annual basis, having regard to the considerations set out in this policy.
 - b. The potential for a discretionary bonus based on Registrar, CEO job performance.
 - c. Funds to support Registrar, CEO continuing education and development that is relevant to the Registrar, CEO's duties and responsibilities. These funds may be subject to an annual budget limitation set by the Board.
 - d. Reimbursement of reasonable expenses that are related to COO business.
 - e. Vacation allotment.
 - f. Enrolment in the COO Employee Benefits Plan or such other benefit plan as the Board determines to be appropriate.
 - g. Participation in the COO RRSP plan and/or contribution program.
 - h. Severance package formula.
 - i. Appropriate technology to support the role including but not limited to mobile phone, laptop and remote access support.
 - j. Other reasonable forms of compensation as recommended by a qualified third-party consultant in order to ensure that the Compensation Package aligns with current market trends and realities.

8. The Sub-Committee will be responsible for all reviews and adjustments of the Compensation Package, and in doing so, may seek outside guidance and/or the guidance of COO HR and, will adhere to the following principles:
 - a. The Compensation Package will be reviewed at least once annually.
 - b. Adjustments may be made to the Compensation Package in the form of:
 - i. A cost of living increase;
 - ii. A merit increase; and/or
 - iii. A discretionary performance bonus.
 - c. A cost of living increase is not automatic on an annual basis and shall be assessed based on the COO's financial capacity. Where the Sub-Committee determines that a cost of living increase is appropriate, such increase shall:
 - i. Be applied to the base salary; and
 - ii. Be determined with reference to an appropriate consumer price index.
 - d. A merit increase is not automatic on an annual basis. When considering whether a merit increase is warranted, the Sub-Committee will take the following into account:
 - i. COO financial capacity;

- ii. Any changes to the Registrar, CEO Position Description or scope of work of the Registrar, CEO;
 - iii. The Registrar, CEO's leadership and communication competencies, and achievement of the Board Strategic Outcomes policies within the risk boundaries set out in the Board's Operational Boundaries policies. In assessing the Registrar, CEO's achievement of these policies, consideration will be given to all monitoring data collected by the Board during the relevant time period; and
 - iv. Maintaining the Registrar, CEO's salary at the upper quartile of the range for comparable positions in the local geographic area at organizations of a similar size and function.
- e. Where the Sub-Committee determines that a merit increase is warranted, such increase shall be applied to the base salary.
 - f. A performance bonus may be awarded as an outcome of the Registrar, CEO's annual performance appraisal, or at such other time as the Sub-Committee determines to be appropriate.
 - g. A performance bonus is not automatic. The intended purpose of the performance bonus is to reward above average or extraordinary performance and to motivate future performance. When considering whether a performance bonus is warranted, the Sub-Committee will take the following into account:
 - i. COO financial capacity;
 - ii. Whether the Registrar, CEO demonstrated exemplary performance during the review period in question in the areas of leadership, communications with the Board, achievement of strategic outcomes and compliance with operational boundaries;
 - iii. Whether the Registrar, CEO took on significant additional responsibilities over and above the duties set out in the Registrar, CEO Position Description during the review period in question; and
 - iv. Whether the Registrar, CEO has reached the top of the salary range available for the position.
 - h. Where the Sub-Committee determines that a performance bonus is warranted, such bonus shall not be applied to the base salary but rather paid in the form of a one-time lump sum payment.