



## BOARD POLICY III.05

AREA:	Governance		
POLICY TYPE:	Board-Management Delegation	PAGE:	1 of 1
POLICY TITLE:	<b>MONITORING CEO PERFORMANCE</b>	EFFECTIVE:	09/28/2022
		REVIEWED:	10/25/2022

### **POLICY:**

Systematic and rigorous monitoring of CEO performance will be solely against the only expected CEO job outputs: organizational accomplishment of any reasonable interpretation of board policies on Ends and organizational operation within the boundaries established in board policies on Executive Limitations, reasonably interpreted.

Accordingly:

1. Monitoring is simply to determine whether or not expectations expressed in board policies have been met. Information that does not disclose this will not be considered to be monitoring information.
2. The board will obtain disclosure about the CEO's interpretations of the board policy being monitored from the CEO himself or herself.
3. The board will obtain data disclosing whether or not the CEO's interpretations have been accomplished using one or more of three methods: (a) by internal report, in which the CEO discloses the data to the board; (b) by external report, in which an external, disinterested third party selected by the board collects the data; and (c) by direct inspection, in which data are collected by the board, a designated board member or by designated board members.
4. In every case, the board will determine: (a) the reasonableness of the CEO's interpretations, using a "reasonable person test" rather than with interpretations favored by board members or the board as a whole. The board is the final arbiter of reasonableness. The board will also assess: (b) whether data demonstrate the accomplishment of the interpretation.
5. All policies that instruct the CEO will be monitored at a frequency and by a method chosen by the board. The board can monitor any policy at any time by any method but will normally use a routine schedule.