



MEMORANDUM

TO: JOINT PERSONNEL COMMITTEE

FROM: VALTER VIOLA, CORTEX

SUBJECT: RESOLVING DISAGREEMENTS IN EXECUTIVE PERFORMANCE EVALUATIONS

DATE: MAY 4, 2023

CC: ROBERTO PENA (CEO); PRABHU PALANI (CIO); BARBARA HAYMAN (COO AND DEPUTY DIRECTOR)

At the last meeting of the Joint Personnel Committee (“JPC”), we briefly discussed how disagreements between the two Boards regarding the performance evaluations of the CEO or CIO might be resolved (e.g., differences in the two Boards’ ratings and/or awards).

The Designees (Board Chairs, unless otherwise determined by the JPC) may reconcile any differences when developing recommendations to the Boards. If these differences still cannot be resolved, two other alternatives are available.

**Alternative 1: Each Board assigns a different rating and/or award**; e.g., the executive’s rating and/or award would simply be an average or composite of the two.

**Alternative 2: Schedule a joint meeting of the Boards to resolve the disagreement**, noting that this resolution mechanism is reflected in the *CEO Performance Evaluation Policy* (“*CEO Policy*”) in the event that one Board wishes to terminate the CEO and the other Board does not (as stated below).

*In the event one Board wishes to terminate the CEO and the other Board does not, the Boards shall schedule a joint meeting of the Boards in closed session at the earliest opportunity to resolve the disagreement. Termination of the CEO shall require the approval of both Boards.*

Condensed versions of the CEO Policy and *Procedures for Evaluating the Performance of the CEO* (“*CEO Procedures*”) are below; the process for the CIO is similar.

**CEO Policy:**

1. Two members of the JPC (“the Designees”) shall co-ordinate the evaluation of the CEO. Unless otherwise determined by the JPC, the Designees shall be the Board Chairs.
2. Each Board shall review the CEO’s Performance. Each Board may also arrive at preliminary determinations regarding the awarding of Individual Personal Compensation Adjustments (“IPCA”) and Additional Executive Leave Days. The Designees shall meet to prepare a draft Final Evaluation to reflect any additional input received from the Boards.
3. The Designees shall present the draft Evaluation to each Board for approval.
4. If the Boards assign different weights to any Outcome, Method, or Metric; or provide conflicting ratings regarding the CEO’s Performance Outcomes or Management Methods, the Designees may reconcile the differences when developing recommendations to the Boards.

**CEO Procedures:**

5. As provided for in the Policy, if the two boards arrive at different ratings or awards, the Designees may reconcile the differences to arrive at a single evaluation when developing final recommendations for the Boards.
6. Each Board shall also discuss and arrive at preliminary determinations regarding IPCA and Additional Executive Leave Days to be awarded to the CEO. The Board that holds its closed session first is encouraged to establish an acceptable range for IPCA and Executive Leave in order to facilitate the other Board arriving at its determinations.