



MEMORANDUM

TO: JOINT PERSONNEL COMMITTEE

FROM: VALTER VIOLA, CORTEX

SUBJECT: REVIEW OF PERFORMANCE EVALUATION PROCESS

DATE: JANUARY 31, 2022

CC: PRABHU PALANI, CIO; ROBERTO PENA, CEO

On January 6, 2022, the JPC met to review the CEO/CIO performance evaluation processes. Most of the discussion focused on the Leadership/Management Survey (the “Survey”) in Appendix B of the draft Procedures for Evaluating the Performance of the CEO (the “January Draft Procedures”).

The Survey in the January Draft Procedures consisted of:

- **36 criteria, developed in an earlier draft**, showing nine (9) proposed deletions for the JPC to consider (i.e., items 1, 5, 6, 7, 13, 16, 20, 26, 30 from the January Draft Procedures); or
- **27 remaining criteria** (i.e., 36 less the 9 proposed deletions above).

It was agreed at the January JPC meeting that Cortex would review the 27 remaining criteria in the Survey again, with a goal to further reduce the number of criteria. The proposed changes are as follows:

1. **Group criteria into four (4) groups:**
 - A. Stakeholder Relations;
 - B. Board Relations;
 - C. Enterprise Risk Management, Operations Management, and Human Resources; and
 - D. Leadership/Management;
2. **Merge 12 criteria that were similar**, reducing the criteria to 15 (down from 27 above); and
3. **Remove one (1) additional criteria** (see footnote)¹, leaving 14 criteria for the JPC to consider.

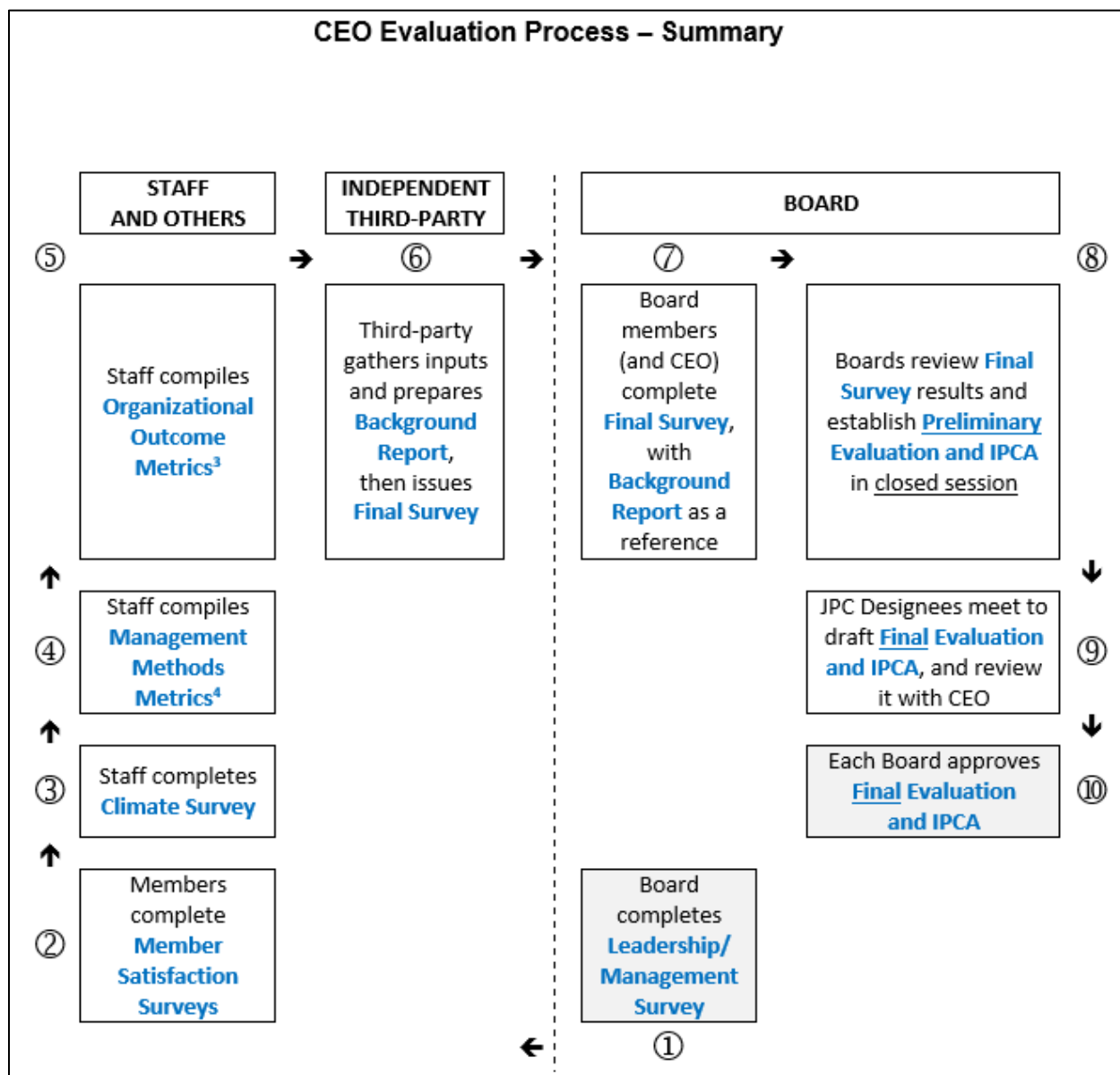
The Procedures have been revised to reflect the above, and are attached (the “February Draft Procedures”) as a **Word document** for JPC’s consideration. This “clean” (Word) version shows how some criteria in the Survey have been merged (highlighted in **yellow** in Appendix B). (The **PDF** version tracks the changes noted above, assuming the other changes proposed at the January JPC meeting were acceptable. Minor changes to formatting are also shown in the PDF.)

¹ **Criteria #8 from January Draft Procedures:** Demonstrates an appreciation of both the “big picture” (e.g., strategy and policy) and the day-to-day tasks of management and administration.

The only other proposed change to the Procedures is the diagram that depicts the CEO Evaluation Process; this change is designed to clarify roles and to distinguish between inputs and outputs. This is shown below.

The proposed diagram (below) describes the 10-step process in a clockwise manner:

- The first step ① involves the Board completing the CEO Leadership/Management Survey; and
- The process ends with step ⑩, when each Board approves the Final Evaluation and IPCA.



I look forward to discussing the above at the February JPC meeting.