

CIVIC SAN DIEGO BOARD POLICY

Section: 1.0 – Governance
Sub-section: 1.09 – Process for the Performance Evaluation of the President and the Chief Financial Officer
Effective Date: May 23, 2018

1. PURPOSE

1.1 To establish a policy for the systematic annual performance evaluations of the CORPORATION'S President and Chief Financial Officer ("EXECUTIVES").

2. EFFECTIVE DATE AND AMENDMENTS

2.1 This Policy shall be effective upon the approval of the BOARD of the CORPORATION. This Policy may only be amended by approval of the BOARD, except as provided in Policy 1.01, Section 5.8.

3. DEFINITIONS

3.1 BOARD – The Board of Directors of the CORPORATION.

3.2 BY-LAWS – The Amended and Restated By-Laws of the CORPORATION, adopted July 31, 2012 (Document No. R-307539).

3.3 COMMITTEE – The Executive Committee of the BOARD.

3.4 CORPORATION – Civic San Diego.

4. PROCEDURES

4.1 The Chair of the BOARD is authorized to establish and disseminate administrative procedures to implement this Policy, as applicable.

5. POLICY

5.1 Section 8.3 of the CORPORATION'S BY-LAWS provides that the BOARD shall perform an annual performance evaluation of the President and the Chief Financial Officer. Because the BY-LAWS do not specify the manner in which the performance evaluation should be conducted, this policy establishes a process for the performance evaluation of these EXECUTIVES.

5.2 The performance evaluation of the EXECUTIVES is one of the most important responsibilities of the BOARD. The evaluation process provides a formal opportunity for the BOARD and the EXECUTIVES to have a constructive

discussion regarding the performance of the EXECUTIVES' leadership of the CORPORATION.

5.3 The following constitutes the benchmarks against which performance shall be measured:

5.3.1 A written statement of each EXECUTIVE'S Corporate Goals and Objectives ("OBJECTIVES") for the year under review. These OBJECTIVES shall be agreed to by the EXECUTIVES and the COMMITTEE at the beginning of the year under review.

5.3.2 The CORPORATION's performance against the:

- (i) Strategic plan;
- (ii) Work plan;
- (iii) Annual operating and capital budgets.

5.3.3 The COMMITTEE approved performance evaluation form.

5.4 The BOARD works through the COMMITTEE in implementing the evaluation process.

5.4.1 The performance evaluation period shall be from September 1 through August 31.

5.4.2 EXECUTIVES shall be directed by the COMMITTEE Chair to recommend OBJECTIVES for the upcoming review period.

5.4.3 The COMMITTEE shall convene to discuss the OBJECTIVES suggested by the EXECUTIVES, and to confirm OBJECTIVES and standards against which to measure performance.

5.4.4 The COMMITTEE Chair and COMMITTEE Vice Chair, or another COMMITTEE member designated by the COMMITTEE Chair ("DESIGNEE") shall meet with each EXECUTIVE to discuss the OBJECTIVES recommended by the COMMITTEE, to garner feedback from each EXECUTIVE, and to confirm OBJECTIVES for the upcoming review period.

5.4.5 The COMMITTEE Chair shall report the confirmed OBJECTIVES to the BOARD.

5.4.6 The EXECUTIVES shall submit a self-appraisal in written form to the COMMITTEE Chair.

- 5.4.7 The COMMITTEE is best equipped to undertake its assessment of the EXECUTIVES if its members know how each incumbent has evaluated his/her performance against the agreed upon OBJECTIVES of the previous year and the strategic, operations and capital plans.
- 5.4.8 The self-appraisal is discussed by the EXECUTIVES and the COMMITTEE Chair and COMMITTEE Vice Chair or DESIGNEE in advance of the COMMITTEE'S ensuing evaluation of the EXECUTIVES.
- 5.4.9 Once the COMMITTEE has received and reviewed the EXECUTIVES' self-appraisal forms:
- i. The COMMITTEE shall convene to discuss the self-appraisals and to provide individual assessments of the EXECUTIVES' performance to the COMMITTEE Chair.
 - ii. The COMMITTEE shall evaluate the EXECUTIVES' current compensation package and shall make recommendations for adjustments. The COMMITTEE shall consider overall performance and market data from similiarly situated organizations with a similar mission focus.
 - iii. The assessments shall be consolidated by the COMMITTEE Chair onto one performance evaluation form from the COMMITTEE.
 - iv. The COMMITTEEE shall present the consolidated performance evaluations and compensation recommendations to the BOARD.
 - v. In accordance with Sections 8.3.1(c) and 8.3.2 (c) of the CORPORATION'S BY-LAWS, the BOARD shall review and comment on the COMMITTEE'S recommended performance evaluations and compensation recommendations and provide final approvals on both items.
 - vi. The COMMITTEE Chair and the COMMITTEE Vice Chair or DESIGNEE will deliver the consolidated reviews and any compensation adjustments to the EXECUTIVES.
 - vii. The fully executed performance evaluation form shall be forwarded to the CORPORATION'S Assistant Vice President, Human Resources and Compliance who will place the performance evaluation form in each EXECUTIVE'S personnel file.
- 5.5 Timing and Responsibilities are attached to the policy as Exhibit A.

Exhibit A

Timing and Responsibilities

Activity	Who	When
EXECUTIVES establish a recommended slate of OBJECTIVES.	EXECUTIVES	June
OBJECTIVES and performance standards for EXECUTIVES are discussed and established.	COMMITTEE	July
OBJECTIVES and performance standards confirmed with EXECUTIVES.	COMMITTEE Chair and Vice Chair or DESIGNEE	August
Confirmed OBJECTIVES reported to the BOARD	COMMITTEE Chair	September
Self-appraisal forms completed for review period.	EXECUTIVES	August
Self-appraisals reviewed and COMMITTEE input provided to COMMITTEE Chair at COMMITTEE meeting.	COMMITTEE	September
EXECUTIVES' compensation is evaluated and recommendations confirmed for BOARD approval.	COMMITTEE	September
BOARD receives consolidated performance evaluations and compensation recommendations, provides comments and any revisions, and provides final approval on both items.	BOARD	September

Activity	Who	When
Performance evaluations delivered to the EXECUTIVES.	COMMITTEE Chair and Vice Chair or DESIGNEE	October
Fully executed performance review form forwarded to the CORPORATION'S Assistant Vice President, Human Resources and Compliance.	COMMITTEE Chair	October