

Monitoring CEO Performance

Policy Type: Board-CEO Linkage

Policy Number: #305

Date Approved: 10/16/97

Date Amended: 19 Oct 00,
28 Jul 03, 19 Jul 04, 4 Apr 05

Monitoring Responsibility:

Frequency:

Systematic monitoring of CEO job performance will be solely against the only expected CEO outputs: accomplishment of the results the Board expects and operation within the expectations established in its Executive Responsibility policies.

Monitoring is simply to determine the degree to which board policies are being met. Data that do not do this will not be considered to be monitoring data.

The Board will acquire monitoring data by one or more of three methods:

- a. by internal report, in which the CEO discloses compliance information to the Board;
- b. by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies; and
- c. by direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.

In every case, the standard for compliance shall be *any reasonable CEO interpretation* of the Board policy being monitored.

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 ordinarily depend on a routine schedule.

Victoria Airport Authority
Board of Directors Policy & Procedures Manual

CEO Accountability and Performance Monitoring Schedule

Amended 04 Apr '05

POLICY	MONITORING SCHEDULE (CEO REPORTS TO COMMITTEE)	MONITORING RESPONSIBILITY
User Satisfaction		
♦ Tenants (ATB & Land)	Annually – Fall	Planning and Development
♦ Traveling Public	Annually - Fall	Planning and Development
♦ Airlines	Annually – Fall	Planning and Development
Staff Relations	Annually – Fall	Governance Committee
Financial Planning and Budgeting	Annually - Fall	Audit and Finance
Financial Condition and Activities	Generally each time Audit and Finance Committee meets	Audit and Finance
Emergency CEO Succession	Annually - January	Governance Committee
Asset Protection and Financial Control	Annually – February - March	Audit and Finance Auditor
Compensation and Benefits	Annually Staff: March CEO: January - March	In Camera Audit and Finance Steering Committee, & In Camera Audit & Finance
Communication and Support to Board	Annually - January	Steering Committee
Growth	Generally each time Planning and Development Committee meets	Planning and Development
Land Development	Generally each time Planning and Development Committee meets	Planning and Development
Art at the Airport	Annually - March	Planning and Development
Corporate Donations	Annually - January	Audit and Finance
Environmental Stewardship	Quarterly or immediately as issues arise	Audit and Finance
Safety on Lands or Operations under VAA Control	Quarterly or immediately as issues arise	Planning and Development

CEO Performance Evaluation Process

Amended 04 Apr '05

ACTIVITY	RESPONSIBILITY	TIMELINE
CEO develops a set of annual objectives that are approved by the Board.	CEO	December
CEO writes self-appraisal and submits to Steering Committee.	CEO	December
CEO discusses self-appraisal with Steering Committee.	CEO	December
Board members submit their written assessments of the CEO to the Chair of the Steering Committee.	Board Members	December
Input from Board members is summarized.	Steering Committee	January
Consolidated input is discussed within the Steering Committee.	Steering Committee	January
Steering Committee reviews consolidated input with the Board.	Board	January
CEO Performance Review	Board Chair	January
CEO compensation and bonus.	Steering Committee	March
Recommendation from Steering Committee on CEO compensation and bonus	In Camera Audit and Finance Committee	March
Approval of CEO compensation and bonus	Board	March

CEO Performance Evaluation Rating Scale

Amended 28 Jul 03

4. Performance consistently exceeds objectives and ongoing accountability measures.
3. Performance consistently meets and occasionally exceeds objectives and accountability measures.
2. Performance almost always meets objectives and accountability measures.
1. Performance fails to meet most objectives and accountability measures.