

GPAC Governance Process Policy
MONITORING CEO PERFORMANCE

Number: CC-4

Date Approved: April 14, 2016

Monitoring executive performance is synonymous with monitoring organizational performance against CEO policies on ends and on executive limitations. Any formal evaluation of a CEO's performance may be derived only from these monitoring data.

1. The purpose of monitoring is simply to determine the degree to which Commission policies are being fulfilled. Monitoring will be as automatic as possible, using a minimum of Commission time so that meetings can be proactive and visionary.
2. A given policy may be monitored in one or more of the following ways:
 - 2.1. **Internal Report** – Disclosure of compliance information by the CEO, along with his/her explicit interpretation of Commission policy, and justification for the reasonableness of interpretation.
 - 2.2. **External Report** – Discovery of compliance information by a disinterested, external auditor, inspector or judge who is selected by and reports directly to the Commission such as Transport Canada.
 - 2.3. **Direct Board Inspection** - Discovery of compliance information by a designated Commission member, a committee or the Commission as a whole. Such an inspection is only undertaken at the instruction of the Commission and with the CEO's knowledge.
3. In every case, the standard for compliance shall be *any reasonable CEO interpretation* of the Commission policy being monitored. The Commission is the final arbiter of reasonableness, but will always judge with a "reasonable person" test rather than interpretations favored by Commission members or even the Commission as a whole.
4. Upon the choice of the Commission, any policy can be monitored by any of the above methods at any time. For regular monitoring, however, each *Ends* and *Executive Limitations* policy will be classified by the Commission according to frequency and method, as shown in the following table.

5. A formal evaluation of the CEO by the Commission will occur annually, based on the achievement of the Commission's *Ends* Policies and non-violation of its *Executive Limitations* policies. This formal evaluation will be conducted by cumulating the regular monitoring data provided during the year and the Commission's recorded acceptance or non-acceptance of the reports, and identifying performance trends evidenced by that data.

Policy		Method	Frequency
<u>ENDS</u>			
E		Internal Report	TBD
E-1		Internal Report	TBD
E-2		Internal Report	TBD
E-3		Internal Report	TBD
E-4		Internal Report	TBD
<u>EXECUTIVE LIMITATIONS</u>			
EL	General Executive Constraint	Internal Report	TBD
EL-1	Treatment of People	Internal Report	Annually
EL-2	Financial Planning & Budgeting	Internal Report	Annually
EL-3	Financial Condition & Activities	Internal Report	Quarterly
		External Report	Annually
EL-4	Asset Protection	Internal Report	Annually
		External Report	Annually
EL-5	Compensation and Benefits	Internal Report	Annually
EL-6	Succession Planning	Internal Report	TBD
EL-7	Communication and Support to Commission	Direct Inspection	TBD
EL-8	Investments	Internal Report	TBD

Approved: 

Reviewed: _____

Date: 16/04/28

Date: _____