



Illustrative EXECUTIVE PERFORMANCE AND COMPENSATION COMMITTEE CHARTER

purposes

- assist the board fulfill its responsibility for ensuring high levels of executive performance and contribution
- assist the board in overseeing (reviewing/approving and monitoring/assessing) the CEO's annual performance goals, development plan and compensation plan

The board's only direct report is the CEO; the committee focuses exclusively on this position and the person holding it.

tasks

- develop an annual committee work plan; forward it to the executive committee for review, input and approval
- make a recommendation to the board regarding the retention of an executive compensation consultant
- periodically, undertake a review of the CEO succession plan; forward analyses and recommendations to the board for review/discussion and action
- periodically, undertake a review of the CEO retention plan; forward analyses and recommendations to the board for review/discussion and action
- draft policies and decisions regarding CEO evaluation and compensation; forward to the board for review/discussion and action
- in consultation with the incumbent, draft annual CEO performance and contribution objectives; forward to the board for review/discussion and action
- periodically review methods for evaluating CEO performance and contributions; forward analyses and recommendations to the board for review/discussion and action
- oversee and direct the board's annual CEO assessment process; forward results, with analyses and recommendations, to the board for review/discussion and action
- facilitate the chair's (or other designee's) discussion of performance/contribution feedback with the CEO
- annually, draft recommendations regarding adjustments in the CEO's compensation and bonus distribution; forward to the board for review/discussion and action

- evaluate the board's compliance with legal/regulatory mandates regarding executive compensation; forward analyses recommendations, as needed, to the board for review/discussion and action
- annually, receive and review a report from the CEO regarding the performance/contributions and compensation of: all senior corporate officers; and the CEOs of subsidiary organizations
- when needed, screen executive search firms and forward a recommendation regarding selection to the executive committee
- coordinate its work with other board committees
- perform other tasks associated with CEO performance/contributions and compensation assigned by the board
- annually, forward a report to the executive committee: detailing the committee's activities/accomplishment; assessing its performance; making recommendations for altering functions, processes and procedures

meetings

- ___ times per year
- expected duration: ___ hours

composition

- board chair
- four directors (from whom the chair will be selected)
- non-directors are not permitted to serve on this committee

staffing

- professional: as appropriate, retained executive compensation consultant
- administrative: governance coordinator