
PERFORMANCE REVIEW PROCESS FOR THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

I. INTRODUCTION

- A. Planning and reviewing the performance and development of the President and Chief Executive Officer ("CEO") is one of the most important responsibilities of the Board of Directors (the "Board"). The performance planning and review process provides an ongoing opportunity for the Board and CEO to have a constructive discussion regarding the performance of the Corporation and the CEO's own personal contribution to that performance, as well as his/her development as the principal leader of the Corporation.
- B. The Board works through the Human Resources and Compensation Committee (the "Committee") and the Committee Chair in implementing the performance planning and development review process. The Board ultimately approves both the CEO's annual performance plan as well as any development objectives.

II. BENCHMARKS

The following constitute the benchmarks against which the CEO's performance will be both planned and reviewed:

- A. The CEO's personal performance plan for the year under review.

The performance plan will have been agreed to by the CEO, the Committee Chair and the Board Chair at the beginning of the year and consist of those core responsibilities and key objectives the CEO will strive to make to the Corporation over the course of the year. The Board will approve the CEO's performance plan.
- B. The Corporation's performance against the:
 - (i) Strategic plan; and
 - (ii) Annual operating and capital plans.
- C. Board approved *Terms of Reference for the CEO*, which are found in the Board Manual (Tab 4.1).
- D. In addition, the Board Chair, the Committee Chair and the CEO will reach agreement on a development plan to enhance the CEO's capabilities. The Board Chair will be responsible for providing the necessary resources to complete the developmental activities.

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III. THE PROCESS

- A. The Committee Chair is charged with leading and implementing the CEO performance review, but does so in consultation with the full Board.
- B. In December, the CEO prepares a draft personal performance plan for the forthcoming year. These objectives will be the matter of discussion and agreement between the CEO, the Committee Chair and the Board Chair. At the conclusion of those discussions, and having reached agreement with the CEO, the Committee Chair and the Board Chair recommend to the Board, and the Board approves the CEO's performance plan in Q1 for that year.

If the Committee Chair, the Board Chair and the CEO cannot reach agreement on a performance plan, the matter will be raised to the Board for further discussion with the CEO.

- C. At its normal meetings during the year, the Committee Chair, the Board Chair and the CEO will informally discuss the CEO's progress toward achieving his personal performance plans during the year.
- D. In April/May, the CEO will provide the Committee Chair and the Board Chair with a written self-assessment against the benchmarks outlined in Section II. The self-assessment is discussed by the CEO with the Committee Chair and the Board Chair in advance of the performance review of the CEO.
- E. Once the Committee Chair and the Board Chair have received and discussed the CEO's self- assessment it will be circulated to the Board:
 - i) Each Board member will contribute his/her review of the CEO's performance to the Committee Chair and
 - ii) These individual reviews of the CEO's performance will then be consolidated by the Committee Chair into a formal performance review.
- F. The Board Chair and the Committee Chair will discuss the performance review with the Board before meeting to discuss the performance review with the CEO.

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IV. TIMING



V. 360° ASSESSMENT

The Committee Chair, the Board Chair and the CEO will collaborate to complete every second year a 360° assessment of the CEO's leadership. This assessment will be for developmental purposes only and will not be a factor in any performance-related compensation decisions.

In Q3, an external consultant will be engaged to complete a 360° survey of the CEO's performance as a leader. The results of the 360° survey will be used only for development purposes. The 360° survey participants will be those that directly report to the CEO, as well as members of the Board. Participation will be optional and anonymous. The results will be shared with the Board and at the CEO's option, with the CEO's subordinates.

VI. LEADERSHIP ASSESSMENT

On the alternate years to the 360°, the CEO will utilize a Leadership Assessment survey, to be completed by the Board Chair, and the CEO's direct subordinates. The focus and process will conform to the standard leadership assessment process employed by the company. The results will be shared with the Board and at the CEO's option, with the CEO's subordinates.

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VII. TIMING AND RESPONSIBILITIES

ACTIVITY	WHO	WHEN
(a) The Committee ensures that there is a prudent process in place to review the performance of the CEO and that such process is followed and provides desired results.	<ul style="list-style-type: none"> • Committee 	Ongoing
(b) The CEO develops a performance plan for the forthcoming year that is reviewed by the Committee Chair and the Board Chair and, upon their recommendation, approved by the Board.	<ul style="list-style-type: none"> • CEO • Committee Chair • Board Chair • Board 	Q4
(c) The CEO writes self-assessment of his/her performance in respect to the previous year's performance plan and submits to the Committee Chair and the Board Chair	<ul style="list-style-type: none"> • CEO • Committee Chair • Board Chair 	April/May
(d) The CEO discusses self-assessment with the Committee Chair and the Board Chair, and individual Board Members submit their assessments of the CEO to the Committee Chair.	<ul style="list-style-type: none"> • CEO • Committee Chair • Board Chair • Board Members 	June
(e) Input from the Board Members is summarized by the Committee Chair and reviewed with the full Board	<ul style="list-style-type: none"> • Committee Chair • Board 	June
(f) The CEO's Performance Review	<ul style="list-style-type: none"> • Board Chair • Committee Chair • CEO 	July
(g) Meeting to discuss potential development opportunities for the CEO	<ul style="list-style-type: none"> • Board Chair • Committee Chair • CEO 	July

Last reviewed by the HRCC Committee: October 24, 2016