POLICY NUMBER: POL-112

Chapter:
BOARD OF DIRECTORS

Subject:
BOARD - CHIEF EXECUTIVE OFFICER (CEO) RELATIONSHIP, MONITORING CEO PERFORMANCE

Effective Date:
January 23, 2003

Last Update:
December 11, 2025

PURPOSE:

The purpose of this policy is to set out guidelines for monitoring the CEO's performance.

REFERENCE:

Workers Compensation Act, R.S.P.E.I. 1988, c W-7.1, Section(s) 28(1) & 30(2)(b)

DEFINITION:

POLICY:

1. Monitoring of CEO performance is synonymous with monitoring organizational performance against Workers Compensation Board (WCB) policies on *Ends* and *Executive Limitations*. Any evaluation of the CEO performance, formal or informal, may be derived only from these monitoring data.

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2. The purpose of monitoring is to determine the degree to which the WCB policies are being fulfilled. Information which does not do this will not be considered to be monitoring.

3. A policy may be monitored in one or more of the following ways:

   A. Internal report: Disclosure of compliance information to the Board of Directors from the CEO.

   B. External report: Disclosure of compliance information by an independent, qualified professional who is selected by and reports directly to the Board of Directors. Such reports must assess executive performance only against the policies of the WCB, not those of the external party unless the Board of Directors has previously indicated that the party's opinion is to be the standard.

4. Upon the choice of the Board of Directors, any policy can be monitored by any method at any time. For regular monitoring, however, each *Ends* and *Executive Limitations* policy will be classified by the Board of Directors according to frequency and method.

   A monitoring schedule is attached as Appendix "A" to this policy. This schedule will be reviewed annually.

5. In the month of May of each year, the Board of Directors will have a formal evaluation of the CEO. This evaluation will only consider monitoring data as defined here, as it has appeared over the intervening year.

   In accordance with Treasury Board 10.03 (Reporting Entities – Good Governance Policy), a copy of the annual evaluation of CEO performance will be submitted to the responsible Department by December 31st of each year.

HISTORY:

December 11, 2025 – Editorial changes made to the policy as a result of a review by the Governance Committee and Board of Directors.

May 16, 2024 – Non-substantial change made to Appendix "A"

December 8, 2022 - Amended Appendix "A" to revise the frequency of the Treatment of Clients monitoring report to annually. Included the Board Governing Style monitoring report in the schedule with the CEO monitoring reports for ease of reference.

May 12, 2022 – Editorial changes made to the policy as a result of a review by the Governance Committee and Board of Directors.

May 7, 2020 – Amended Appendix "A" to reflect change in monitoring schedule for "Financial Condition and Activities."

May 9, 2019 - Added a purpose statement and amended "Appendix A – Monitoring Schedule".

December 12, 2017 – Amended Appendix "A" to reflect change in monitoring schedule for "Financial Condition and Activities" to quarterly.

February 25, 2016 - Amended Appendix "A" to reflect monitoring frequency of the "Financial Condition and Activities" to four times annually.

April 23, 2015 - Amended the Appendix "A" to reflect a change in monitoring frequency for the "treatment of clients" from bi-annually to annually. Also, removed the October review of the policy.

October 24, 2013 – Policy reviewed by Board of Directors. No changes made.

April 4, 2006 - Editorial changes made to the policy as a result of a review by the Board of Directors.

September 22, 2004 - Amended the Appendix "A" to reflect a change in monitoring frequency for the "treatment of clients" from quarterly to bi-annually. Also changed the monitoring frequency for the "compensation and benefits" from August to December of each year.

Board of Directors Approval Date: January 23, 2003

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Appendix "A"

MONITORING SCHEDULE

POLICY	FREQUENCY	MONTH											
		Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec
General Executive Constraint	annually	X											
Treatment of Clients	annually			X									
Staff Treatment	annually			X									
Financial Planning and Budgeting	annually										X		
Financial Condition and Activities	Three times annually					X		X			X		
Emergency Executive Succession	annually	X											
Asset Protection	annually	X											
Compensation and Benefits	annually												X
Communication, Information and Advice to the Board	annually					X							
Monitoring of CEO Performance	annually					X							
Ends	annually												X
Governing Style *(Board monitoring report)*	annually												X