

Version Number	Description of Changes	Effective Date
1	Initial release	2017-02-22
2	Comprehensive revision	2025-06-18
3	Revision	2026-09-30

Purpose

To establish a rigorous, transparent process aligned with the responsibilities of the Executive Performance and Development Committee (EPDC), for conducting an annual evaluation of the Chief Executive Officer's performance based on the Strategic Alignment and Performance Framework.

Policy Objectives

This policy applies to the Board's annual evaluation of the CEO's performance, including the establishment of priority organizational objectives, the self-evaluation process, the role of the EPDC, and recommendations relating to compensation.

This policy is part of the series of policies on the linkage between the Board and its delegated officers and is to be read together with Policy 2.1 – Delegation to the CEO and Policy 2.3 – Monitoring CEO Performance.

Guiding Principles

- 2.5.0** The Chief Executive Officer's annual performance appraisal is based on:
- priority organizational objectives, aligned with the organization's strategic planning and operational plan, aimed at improving the programs and activities of support services, administrative services and clinical programs, including service delivery;
 - the criteria defined in the Chief Executive Officer's performance evaluation grid;
 - compliance with the Board's Ends policies and within the limits established in the Board's Executive Limitations policies.

Policy

- 2.5.1** The Board of Directors will ensure that an effective process is in place for the annual performance appraisal of the Chief Executive Officer based on the following elements:

- review strategic priorities and operational plan for current year;
- discuss opportunities for improvement with senior management;
- discuss future plans and priorities.

- 2.5.2** The Board of Directors delegates oversight of the Chief Executive Officer's performance appraisal process to the EPDC. This committee is responsible for:

- developing the Chief Executive Officer's performance objectives and recommend them to the Board for approval;
- conducting the Chief Executive Officer's annual performance appraisal, including discussions with the Chief Executive Officer;
- making recommendations to the Board on the results of the evaluation and on annual compensation (including bonuses);
- supporting succession planning for the Chief Executive Officer.

2.5 Chief Executive Officer Performance Evaluation

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Evaluation Process

2.5.3 The evaluation process will include the following steps:

- a) In the fall, as part of the Board of Directors' annual retreat, the Chief Executive Officer presents the status of current priorities and proposes organizational priorities for the coming year. The Board will provide its suggestions and comments.
- b) In January or February, the Chief Executive Officer will present the final version of the organizational objectives to the Board of Directors for approval.
- c) In March, the EPDC reviews the priorities proposed by the Chief Executive Officer, in relation to strategic and operational plans, including the Quality Improvement Plan (QIP) through the Quality Committee, and the budget through the Finance and Planning Committee. The EPDC makes recommendations to the Board.
- d) Approval of the complete plan will take place at the March board meeting, so that the plan and budget are ready for April 1, marking the start of the new fiscal year.

2.5.4 Annual priorities and action plans proposed by the Chief Executive Officer will be aligned, where appropriate, with the Corporate Operational Plan and the Quality Improvement Plan. They are also linked to the five strategic directions and the twelve priorities of the Strategic Plan.

2.5.5 At the end of the fiscal year, the Chief Executive Officer will submit a self-evaluation document to the EPDC, describing achievements in relation to the plan approved by the Board, as well as any other accomplishments he or she wishes to present. It will also cover the items on the evaluation grid.

2.5.6 The EPDC may collect additional information on each of the evaluation components (i.e. compliance reports, annual QIP report, etc.) as agreed with the Chief Executive Officer. The EPDC will solicit comments from Board members regarding the evaluation points in the grid.

2.5.7 The EPDC will review the information received and confirm the rating given to the results of the performance self-assessment. The EPDC will prepare an evaluation report for approval by the Board of Directors.

2.5.8 In the event of disagreement, the Chair of the EPDC, or the committee as a whole, will discuss the results of the assessment with the Chief Executive Officer.

2.5.9 The EPDC will then present a report and recommendations on the Chief Executive Officer's performance and bonus rate to the Board of Directors at its April or May meeting.

Definitions

Board Ends: Strategic directions defined by the Board of Directors, outlining expected outcomes for patients, families and the community.

Chief Executive Officer Performance Evaluation Grid: Structured tool used to evaluate the Chief Executive Officer's performance according to qualitative and quantitative criteria.

Corporate Operational Plan: Plan detailing the annual activities required to implement strategic planning.

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EPDC (Executive Performance and Development Committee): Committee of the Board of Directors responsible for overseeing the performance evaluation of the Chief Executive Officer and Chief of Staff, recommending performance objectives and making recommendations related to compensation.

Executive Limitations: Board policies governing the limits within which the Chief Executive Officer must operate to achieve objectives.

HGH By-laws: The official document governing the operation, powers, responsibilities and structure of the Board of Directors and the governance of HGH.

HGH Strategic Plan: Document defining the vision, mission, values and strategic directions for a given period.

Priority organizational objectives: Key objectives identified for the current year, aligned with overall HGH strategy.

Quality Improvement Plan (QIP): Annual document identifying priorities in terms of quality of care and patient safety, submitted to the Board for approval.

References

- ❖ *Public Hospitals Act, R.S.O. 1990, c. P.40, and Regulation 965*
- ❖ *Excellent Care for All Act, 2010, S.O. 2010, c. 14*
- ❖ *Broader Public Sector Accountability Act, 2010, S.O. 2010, c. 25*
- ❖ *Broader Public Sector Executive Compensation Act, 2014, S.O. 2014, c. 13*
- ❖ *HGH Corporate By-laws (June 26, 2024), sections 8.7 and 12.2*
- ❖ *Terms of Reference for Board Committees*
- ❖ *Guide to Good Governance (OHA), 4th Ed. — Chapter 3 (Supervision of Senior Leadership)*
- ❖ *Accreditation Canada – Governance Standards (HSO A1001:2022) — Standards 3.4.2, 3.4.3*
- ❖ *CEO Performance Evaluation Grid (Appendix B)*
- ❖ *Policy 2.1 – Delegation to the CEO*
- ❖ *Policy 2.3 – Monitoring CEO Performance*
- ❖ *Policy 3.8 – Emergency Replacement of the CEO and Long-Term Succession Plan*
- ❖ *Policy 4.0 – Strategic Directions of the Board of Directors*
- ❖ *2025–2029 Strategic Plan*
- ❖ *Quality Improvement Plan*

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Appendix A - Timetable for the Chief Executive Officer's annual appraisal process

Period	Step	Manager(s)
September / October	Presentation by the Chief Executive Officer of progress on current priorities and proposed priorities for the following year, as part of the Board of Directors' retreat.	Chief Executive Officer Board of Directors
January or February	Final version of priority organizational objectives presented for approval.	Chief Executive Officer Board of Directors
March	Review of priorities by EPDC (in relation to strategic plan, QIP and budget). Recommendations to the Board.	EPDC Quality committee Finance and Planning Committee
March (Board meeting)	Final approval of the plan and budget for the fiscal year beginning April 1.	Board of Directors
April / May	Presentation by EPDC to the Board: evaluation report, recommendations on performance and bonus.	EPDC Board of Directors
March to May	Gather feedback from board members, analyze Chief Executive Officer self-evaluation, obtain supporting documents (compliance reports, QIP, etc.).	EPDC
End of fiscal year	Submission of the Chief Executive Officer's self-assessment, including achievements in relation to the approved plan and the evaluation grid.	Chief Executive Officer EPDC
In the event of disagreement	Discussion between the EPDC (or its Chair) and the Chief Executive Officer on the results of the assessment.	EPDC Chief Executive Officer

Appendix B - Chief Executive Officer performance evaluation grid

The following grid is used by the Board of Directors to assess the Chief Executive Officer's performance on an annual basis. Each criterion is accompanied by a space for comments to enable qualitative feedback.

Criteria	Comments
1. Leadership	
1.1. Proven strategic thinking	
1.2. Creative and determined	
1.3. Board relations - a culture of no surprises	
1.4. Unquestionable credibility and integrity	
1.5. Senior management - developing operational plans	
2. Quality and operations management	
2.1. Quality, service and patient safety results - against plan	
2.2. Incorporates patient experience into all operations	
2.3. Quality processes	
2.4. Use of resources	
2.5. Administrative controls	
3. Financial management	
3.1. Operating costs - versus plan	
3.2. Financial information	
3.3. Capital reserves and planning	
3.4. Risk management	
3.5. Revenue generation - Market development	

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4. Talent management	
4.1. Management team development - succession planning	
4.2. Cascading of objectives - LEM	
4.3. Rounding employees through leadership	
4.4. Model acting with tenacity and resilience	
4.5. Upward and downward motivation and communication	
4.6. Earns and maintains the respect of employees, medical staff, volunteers and the Board of Directors	
4.7. Attracting and retaining staff	
4.8. Working Relationships	
5. Relationship management	
5.1. Medical staff	
5.2. Donors and Ministry	
5.3. Community leaders and communities	
5.4. Media	
5.5. Other organizations and partners	