

SOE Board Talk

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The topic of management is very wide and beyond the scope of SOE Board Talk. This week we present a draft or template for a CEO performance-based contract.

SOEs are encouraged to adapt this and implement performance-based contracts as soon as possible.

Next week we will conclude on the subject of management by reference to the role of management as per the CliffsNotes study guide.

Please contact SOEMU if there are any concerns or clarifications needed.

2nd Floor Finance Building
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CEO Performance Based Contract

Indicative Draft CEO Employment Contract (Performance-based)

This agreement is made and effective as of by and between [Name of SOE], (the "Employer") and I.M. Old ("Executive") and supersedes any prior employment-related agreement or agreements between the Employer and Executive. Unless the context otherwise requires, all references to a designated section refers to the designated provision of this Agreement.

Statement of Agreement:

FOR AND IN CONSIDERATION of the mutual promises and covenants set forth herein, each of the Employer, directly or through its subsidiaries, and Executive hereby agrees to the employment of the Executive on the following terms and conditions and, except to the extent specifically superseded by this Agreement, subject to all of the Employer's policies and procedures regarding its employees:

- Section 1: Position
- 2: Specific Authority and Responsibility
- 3: Term
- 4: Base Salary

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- 5: Long-Term Performance-Based Incentive Pay
- 6: Benefits
- 7: Severance Payments and Benefits and Liquidated Damages
- 8: General Release
- 9: Executive Covenants
- 10: Specific Enforcement and Liquidated Damages
- 11: Resolution of Disputes
- 12: Representation as to Limitations
- 13: Other:
 - a) Notices
 - b) Amendment/Waiver
 - c) Governing Law

The full template is as attached.

Please consider this as a template or draft. Each SOE will have different requirements and as with any contractual arrangement it is wise to seek legal advice prior to implementation.

Good luck this week in the boardroom

SOEMU

