

AMERICAN NATIONAL RED CROSS
BOARD OF GOVERNORS

**FORMAL EVALUATION OF THE
CHIEF EXECUTIVE OFFICER**

Scope of Performance Review Criteria: On behalf of the Board of Governors (the “Board”), the Chairman of the Board (“Chairman”) and the Compensation and Management Development Committee (the “Committee”), consistent with the Committee’s Charter, will be responsible for the oversight of an annual evaluation of the performance of the Chief Executive Officer (the “CEO”). This performance review will be based on a number of criteria, including overall performance of the Corporation, formulation and accomplishment of annual performance and long-term corporate strategic goals and objectives, development of management talent, the adequacy of the Corporation’s succession plan for the CEO and other executive officers of the Corporation, and the achievement of other specific goals and objectives approved by the Board for the fiscal year.

Relation to Compensation: The Chairman of the Board and the Committee will evaluate the CEO’s performance against annual performance and long-term strategic objectives established for the CEO and make recommendations to the Board for any merit increase to the CEO’s annual salary and payouts, if any, under any incentive plans.

Timing and Process for Performing Evaluation: The following is the process used to conduct the annual evaluation of the performance of the CEO.

1. The Chairman and the Committee will ask the CEO to submit to them for review annual performance goals and objectives for the upcoming fiscal year, annual goals for any incentive plans, and long-term strategic goals, as required. As necessary, the Chairman and Committee will meet with the CEO to refine these goals and objectives. The Committee, in coordination with the Chairman, will review and agree on the final goals and objectives prior to the start of the fiscal year and recommend them for consideration, discussion and vote of approval to the full Board. The full Board will act on this matter in advance of the beginning of the fiscal year. The Chairman will inform the CEO once the final goals and objectives have been approved.
2. In August, the Chairman and the Committee will begin their evaluation process for the previous fiscal year by asking the CEO to prepare a report that describes the progress and challenges in the achievement of annual performance goals and objectives, annual goals for any incentive plans, and any long-term strategic goals. The CEO will provide this report to the Chairman and the Committee no later than August 15.

3. In August, after receipt of the CEO's report, the Chairman and the Committee will seek input from the Board members, in writing or verbally, and from executive officers, and internal and external Red Cross constituents, as appropriate.
4. The Committee in coordination with the Chairman will evaluate the information gathered and will prepare its evaluation for the CEO. The Committee will review the evaluation during September. The Chair of the Committee will present the assessment of the CEO to the full Board in October and solicit any final input.
5. The Chairman, the Chair of the Committee and any other designated members of the Committee will meet with the CEO and conduct the annual evaluation in October after the Board meeting.
6. The Chair of the Committee will provide a written summary of the meeting to both the Chairman and the CEO to memorialize the discussion of that fiscal year's performance.