

BOARD POLICY

BOT-04 - CEO Emergency Succession Plan

Owner: General Counsel

Key Points

- The Board of Trustees (Board) of The MetroHealth System (MHS) recognizes that the position of President and Chief Executive Officer (CEO) is central to MHS's success, and therefore believes that diligence in exercising its governance functions requires that MHS have an emergency succession plan in effect for the CEO.
- Nothing in this policy is intended to alter or limits the rights of the CEO or MHS under the CEO's Employment Agreement, including but not limited to the provisions regarding disability contained therein.

Policy

1. This policy is intended to, in the event the CEO is unavailable to MHS for more than fourteen (14) consecutive days (an Absence), minimize any disruption to MHS's operations and performance.
2. Development of Succession Plan
 - 2.1. It is the responsibility of the of the CEO, in consultation with the Executive Committee of the Board, to review the plan on an annual basis, including any recommended amendments.
 - 2.2. The Board shall review the CEO's recommendation and update this policy as may be necessary.
 - 2.3. Copies of this policy, along with corresponding documentation, shall be maintained by the General Counsel and the Chief of Staff.
 - 2.4. The CEO shall also maintain, and make available to the Board upon request, succession plans for all members of the Senior Leadership team¹.
3. Planned Absences²
 - 3.1. For Brief Absences³ and after notice to the Board Chairperson, the CEO shall ensure that all appropriate delegations are in place to allow the Senior Leadership team to maintain the effectiveness of MHS during the Brief Absence.
 - 3.2. For Extended Absences⁴, the Board Chairperson shall convene the Executive Committee, who shall, after consultation with the CEO, appoint a member of the Senior Leadership team to the role of Acting CEO during the CEO's Absence.
4. Unplanned Absences⁶
 - 4.1. The Chief of Staff or the General Counsel shall immediately inform the Board Chairperson of any Unplanned Absence of the CEO.
 - 4.2. Within 7 days of the notification of an Unplanned Absence :
 - 4.2.1. The Board Chairperson shall, in consultation with the Executive Committee, evaluate the level and expected duration of the CEO's unavailability; and
 - 4.2.2. The Executive Committee shall assess the need for the immediate appointment of an Acting CEO and/or any other action to ensure the continued effectiveness of MHS.

5. Appointment, Authority, and Oversight of an Acting CEO
 - 5.1. If the Executive Committee determines that the appointment of an Acting CEO is warranted, the Executive Committee may elect to follow a recommended order of succession (prepared by the CEO and maintained by the General Counsel) or appoint any member of the Senior Leadership team to the role of Acting CEO during the CEO's Absence.
 - 5.1.1. Within 48 hours after an Acting CEO is appointed, the Board Chair and the Acting CEO shall meet to develop a communications plan including the scope of the information that will be shared regarding the CEO's Absence and the role of the Acting CEO, and with whom.
 - 5.1.2. The Executive Committee shall give immediate consideration, in consultation with the Acting CEO, to temporarily filling the management position left vacant by the Acting CEO, or reassigning priority responsibilities where help is needed to other staff. This is in recognition that, for a term of 90 days or more, it may not be reasonable to expect the Acting CEO to carry out the duties of both positions.
 - 5.1.3. The Executive Committee shall consider whether the Acting CEO should receive additional compensation, such as a salary adjustment to equate to 50% difference between current position base salary and that of the CEO. Any additional compensation shall be effective 30 days after the Acting CEO is appointed.
 - 5.2. The Acting CEO shall report to an ad-hoc committee of the Board comprised of the Board Officers (Oversight Committee).
 - 5.2.1. Within 30 days of the appointment of an Acting CEO, the Board Chair shall convene a meeting of the Board to affirm the procedures prescribed in this plan or to modify them if necessary.
 - 5.2.2. The Board Chair, in conjunction with the Chief Human Resources Officer, shall be responsible for gathering input from staff and other constituencies and providing formal performance feedback to the Acting CEO, at least every 90 days.
 - 5.3. The Acting CEO shall have the same authority for day-to-day decision making and independent action as the CEO, including authority delegated to the CEO by Board resolutions, except that the Oversight Committee shall be required to approve the Acting CEO's recommendation:
 - 5.3.1. To hire or terminate any members of the Senior Leadership Team or Vice Presidents;
 - 5.3.2. For any proposed spend greater than \$1,000,000;
 - 5.3.3. To take on substantial new projects; or
 - 5.3.4. To issue major public policy positions on behalf of MHS.
 - 5.4. The Acting CEO shall have access to all Critical Organizational Information⁷ necessary for the Acting CEO to be able to carry out the essential functions of the position. The General Counsel and Chief Financial Officer are responsible for ensuring the Acting CEO's access to Critical Organizational Information.

Endnotes

- ¹ The Senior Leadership team includes Executive Vice Presidents and Senior Vice Presidents who report directly to the CEO.
- ² A Planned Absence includes any scheduled and approved Absence, such as vacation, sabbatical and/or sick leave.
- ³ A Brief Absence is a Planned Absence lasting 14 to 30 consecutive days, at the end of which the CEO is expected to return to his/her position and duties.
- ⁴ An Extended Absence is a Planned Absence lasting more than 30 consecutive days, at the end of which the CEO is expected to return to his/her position and duties.
- ⁶ An Unplanned Absence includes any unexpected or unscheduled Absence of any length, such as an illness that results in temporary incapacity of the CEO.
- ⁷ Critical Organizational Information includes, but is not limited to: Legal Documents (bylaws, Board minutes, mission statement, insurance vendors and policies, legal counsel, etc.); Financial Information (employer identification number, audited financial statements, auditor contacts, tax returns, vendor records, banking information, investments, check authorities, etc.); Human Resources Information (employee records, payroll information, benefits policies/vendors, etc.); and Facilities Information (leases, building management, security system, etc.).