

LEGAL SERVICES CORPORATION

750 First Street, N.E.
Washington, D.C. 20002

Board of Directors

Procedure for the Annual Evaluation by the Board of the President or the Inspector General of the Corporation

[Resolution # 98-006]

1. The Board shall, at least annually, evaluate the performance of the President and the Inspector General.
 - a. The annual evaluation period shall correspond to the fiscal year in order to facilitate coordination of the individual performance plans with the Corporation's strategic planning and budget cycle and to minimize the reporting burden on the incumbents. These procedures may be modified as necessary to accommodate new or departing incumbents.
 - b. The performance of the President and the Inspector General shall be rated either "Pass" or "Fail," and either rating may be further modified as "qualified," with an explanation for the qualification.
 - c. The Board should, annually, appoint a review committee to oversee and coordinate activities related to the conduct of the evaluation of the President and the Inspector General, and to prepare and report to the Board the recommended evaluation with supporting commentary.
2. The President and the Inspector General should, prior to the start of any evaluation period, have an occupational profile for their respective positions which is approved by the Board. Once approved, the occupational profile shall remain in effect until superseded by action of the Board. Changes or modifications to the occupational profile should be made in consultation with the incumbent and the Board or its designated committee, and approved by the Board.
3. The President and the Inspector General should, prior to the start of any evaluation period, have critical elements for their respective positions and performance standards for each critical element which are approved by the Board. Once approved, the critical elements and related performance standards shall remain in effect until superseded by action of the Board.
 - a. The critical elements for the position should be identified based on the Board-approved occupational profile for the President and the Inspector General. For each critical element, the performance standard should

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define the performance level required to obtain a rating of "Pass," considering factors such as the quality and quantity of the work, timeliness, initiative, and the exercise of judgment.

- b. The President and/or the Inspector General may submit draft critical elements and related performance standards, or changes or modifications to existing critical elements or performance standards, to the Board or its designated committee. Final critical elements and related performance standards or changes thereto shall be determined in consultation with the incumbent and the Board or its designated committee, and approved by the Board.
 - c. Changes or modifications to Board-approved critical elements and performance standards should be developed in concert with the incumbent and approved by the Board prior to the start of the evaluation period, or as soon thereafter as is practicable. Later-approved changes or modifications should, generally, take effect at the start of the next evaluation period, unless the Board and the incumbent agree to have the modified standards be effective for some or all of the current evaluation period.
4. Annually, the President and the Inspector General should submit an individual performance plan to the Board for its approval.
- a. The individual performance plan shall be based on the performance standards for the President and the Inspector General and shall detail their individual responsibilities in achieving the goals set forth in the annual performance plans for their respective organizations developed in conjunction with the Corporation's strategic planning and budget process.
 - b. The individual performance plans for a given evaluation period should be submitted by the President and the Inspector General to the Board at the same time as the annual performance plans for their respective organizations for the corresponding fiscal year. The final individual performance plan shall be determined in consultation with the incumbent and the Board or its designated committee, and approved by the Board.
 - c. The President and/or the Inspector General may submit for Board approval modifications to their respective individual performance plans which are necessitated by budgetary or other changes. Generally, such modifications should be submitted on or before the September 1 preceding the start of the evaluation period to permit consultation with and action by the Board on the requested modification prior to the start of the evaluation period.

5. The annual review process should proceed as follows:
 - a. The review committee should, on or before September 1, circulate to each Board member a copy of the performance standards and individual performance plan approved for the President and the Inspector General for the current evaluation period. Any Board member may request that specific performance-related information which is not in the individual performance plan be provided in writing by the President or the Inspector General. Requests for such information should be submitted to the review committee in such time as the committee may direct to permit it to consolidate and forward such requests to the President and/or the Inspector General by September 30.
 - b. On or before October 31 following the end of the evaluation period, the President and the Inspector General shall submit to the review committee a written report on the activities and accomplishments under their respective individual performance plans. The written report shall also include any other information that the incumbent deems relevant to his or her performance during the evaluation period and shall respond to specific requests for additional performance-related information from the review committee. Requests for information received from the Board or its designated committee, after September 30, should be responded to by the President and the Inspector General as soon as is practicable.
 - c. The review committee shall promptly circulate to each Board member a copy of the President's and the Inspector General's annual written performance report, together with an appraisal form. Board members may provide the review committee with their evaluation of the performance of President and the Inspector General, and supporting commentary, by returning the appraisal form. Alternatively, Board members may wish to attend the interview with the incumbents, as set forth in (d) below, prior to completing the appraisal form. Board members not participating in the interview may provide the review committee with any performance-related matters which they would like to have raised during the interview with the incumbent.
 - d. The review committee, together with any other Board members that wish to be present, shall conduct separate oral interviews with the President and the Inspector General to discuss their respective performances during the evaluation period. The interview shall be conducted in executive session. The interview should be conducted in November or early December. Board members attending the interview, if they have not done so already, should submit completed appraisal forms to the review committee as soon

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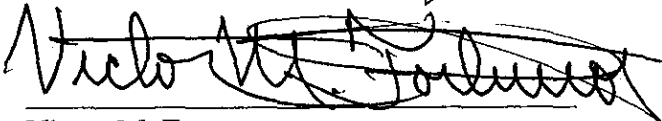
thereafter as is practicable.

6. The review committee shall prepare a draft evaluation of the President and the Inspector General. The review committee shall be responsible for compiling and, as necessary reconciling, the views of Board members who have returned completed appraisal forms or otherwise have made their views known. The draft evaluation shall consist of a rating of "Pass" or "Fail" for each element of performance and an overall rating, with supporting commentary. In addition, the review committee shall prepare a report to present its recommended action to the Board. The review committee shall circulate its draft evaluation with supporting commentary to all Board members for comment, and shall act on such comments as it deems appropriate.
7. Upon completion of a final draft based on comment from members of the Board, the review committee shall provide its draft evaluation with supporting commentary to the President and the Inspector General. The President and the Inspector General shall be provided an opportunity, if they so desire, to meet with the review committee concerning the draft materials in advance of the presentation to the full Board, as set forth below.
8. Annually, by January 31, the review committee should, in the presence of the President and the Inspector General, report to the Board its recommended performance evaluation with supporting commentary. The Board shall take such action as it deems appropriate. A Board-approved evaluation and commentary shall, thereafter, be maintained in the personnel files of the President and the Inspector General.

**Adopted by the Board of Directors
on September 12, 1998**



Douglas S. Eakeley, Chair
Board of Directors



Victor M. Fortunato
General Counsel & Corporate Secretary