

**Performance Incentive Matrix 2006 - 2009**

Objective Performance Measure	Weight	Performance Goals / Percent Earned			Actual Performance	% Earned <sup>1</sup>	Weighted % Earned <sup>2</sup>
		Minimum 25%	Target 100%	Maximum 150%			
<b>Quality of Education</b>							
Strengthen UCF's reputation by improving SAT scores of entering freshman Average over the period 2006-09	10%	1180	1185	1190			
Strengthen UCF's reputation by improving graduation rate for first-time-in-college students Average of 4 year and 6 year Average Annual Graduation Rates over the period 2006-09	10%	42.0%	43.0%	44.0%			
Strengthen UCF's recognition by increasing the number of new National Merit Scholars Average number of National Merit Scholars enrolled over the period 2006-09	10%	29	30	32			
Strengthen UCF's prestige through the addition of a national academy fellow to our faculty by Fall of 2008 Progress versus plan	10%	Approve recruiting plan by 1/1/07	Secure commitment for funding by 1/1/08	Secure a signed contract by 9/1/08			
<b>Institutional Growth</b>							
Strengthen UCF's reputation by expanding total enrollment Fall 2008 headcount	10%	47,500 headcount; (30,000 FTE)	48,500 headcount; (31,300 FTE)	49,500 headcount; (32,651 FTE)			
Strengthen UCF's prestige by establishing, accrediting and opening the UCF medical college Progress versus plan	20%	By 12/31/06 complete master plan for implementation subject to legislative approval	Secure legislative approval during 2007 session	Medical college enrolls first class by Fall of 2009			
<b>Fundraising</b>							
Strengthen UCF's prestige by securing extramural grants and contracts Total extramural grants over period 2006-09	15%	\$250 million	\$290 million	\$330 million			
Strengthen UCF's reputation by increasing Foundation fundraising to provide additional resources to strategic programs and activities at UCF Total fundraising over period 2006-09	15%	\$103 million	\$119 million	\$135 million			

Performance  
Percentage Earned

# University of Central Florida

## PERFORMANCE UNIT PLAN FOR PRESIDENT AND OTHER SENIOR OFFICERS

### SECTION 1

#### Purpose of Plan

The purpose of this Performance Unit Plan is to attract talented, diverse, competent and resourceful Senior Officers to the University and to provide a strong incentive for such Senior Officers to remain with the University for a period of time in order to meet certain performance goals for the University. The Plan is intended to provide incentive compensation related to the long-range success of the University.

### SECTION 2

#### Definitions

- (a) "**Award**" shall mean the determination by the Committee, and approved by the Board, that a Participant should receive a given number of Performance Units, as evidenced by an Award Notification Letter given a Participant at the time of such determination.
- (b) "**Award Notification Letter**" shall mean a writing executed by either the Chair of the Committee or the Chair of the Board addressed to a Participant advising that Participant as to the number of Performance Units which have been awarded to that Participant for a Performance Period and other matters relating thereto, in form and substance as is acceptable to the Committee. The general form of said Letter for an individual Participant is attached hereto as **Exhibit "A"** and for Group Participants is attached hereto as **Exhibit "B"**.
- (c) "**Board**" shall mean the University of Central Florida Board of Trustees.
- (d) "**Committee**" shall mean the Compensation and Assessment Committee of the University's Board of Trustees, or such alternate or successor committee as may be determined by the Board from time to time.
- (e) "**Group**" shall mean those Participants in the Plan (other than the President) who are treated in the aggregate and as a single Participant in the Plan, as provided under Section 4(b) below. This provides as an alternative to treating each Senior Officer as an individual Participant, for the President to recommend and the Committee to approve the treatment of all the Senior Officers (who may be so recommended by the President) as a single Group and a single Participant under the Plan. If the Senior Officers are so treated as a Group, then other Definitions and provisions of this Plan will be appropriately modified as determined by the Committee. For example, in the event of a Group, the Performance Units awarded shall be deemed to be awarded to the Group in the aggregate.
- (f) "**Involuntary Condition or Event**" shall mean any of Involuntary Termination, Long Term Disability, Permitted Retirement, Reassignment or death. The date of each event shall be (i) in the event of Involuntary Termination, the date of termination, (ii) in the event of Long Term Disability, the date said disability effectively precludes the Participant from substantially fulfilling his/her duties, as reasonably determined by the Committee, (iii) in the event of Permitted Retirement, the date that the Participant

- (p) "**Plan**" shall mean this Performance Unit Plan, as recommended by the Committee and approved by the Board, as the same may be amended or modified from time to time.
- (q) "**President**" shall mean the President of the University.
- (r) "**Pro Rata Share**" (or similar phrase such as "**Pro Rata Basis**") shall mean the portion of an Award that would otherwise have been paid to the Participant, but for the occurrence of an Involuntary Condition or Event during the Performance Period, as set forth in Section 10 below.
- (s) "**Reassignment**" shall mean a change of Participant's position with the University which results in a material change in the duties and responsibilities of that Participant to contribute towards the successful meeting of the Performance Criteria.
- (t) "**Senior Officers**" shall mean those senior officers of the University other than the President whose duties and responsibilities are relevant to and supportive of the Performance Criteria established for the President under this Plan, as recommended by the President and approved by the Committee.
- (u) "**University**" shall mean the University of Central Florida.

### **SECTION 3**

#### **Participation in Plan**

(a) Participation in the Plan shall not be a matter of right and shall be solely in the discretion of the Committee and approval by the Board. In the case of Senior Officers, participation in the Plan shall further be solely at the discretion of and upon the recommendation of the President, subject to approval by the Committee and the Board.

(b) Participation in the Plan for any Performance Period shall be evidenced by an Award Notification Letter. Such Award Notification Letter shall comply with and be subject to the terms and conditions of this Plan.

(c) Participation in the Plan for one Performance Period shall not guarantee continuing participation in any subsequent Performance Period or if continuing, shall not guarantee any continuing basis as to the number of Performance Units to be given to any Participant, it being in the discretion of the Committee, as approved by the Board, as to the continuing participation in the Plan by any person and, if so, the Performance Criteria and the number of Performance Units to a Participant during any particular Performance Period.

### **SECTION 4**

#### **Granting of Performance Units**

The procedure for the granting of Performance Units shall be as follows:

(a) Annually, and generally after each August 1, the Committee shall meet and, for the applicable Performance Period, determine for recommendation to the Board (i) the persons who will be Participants in the Plan, (ii) Performance Criteria applicable to each Participant, and (iii) the Performance Units for each Participant. As a part of said review, the President shall submit to the Committee his/her recommendations as to those Senior Officers of the University to participate in the Plan, along with the related Performance Criteria and Performance Units for each such recommended Senior Officer, and whether or not the Senior Officers are to be treated as a Group for that applicable Performance Period. There shall be furnished to the Committee such information as the Committee may determine is necessary for the Committee to make said findings and determinations.

## SECTION 5

### University Performance

The Performance Criteria with respect to each Award shall provide the standard by which the University's performance may be measured during the Performance Period specified in the Award. Actual University performance during the Performance Period shall determine the amount of payment to be received by each Participant at the Payment Date. Actual University performance during the Performance Period shall be reviewed and certified as accurate by the University Audit office, but the decision of the Board as to said performance shall be final during any Performance Period. The payment value of the Performance Units shall be adjusted to reflect the actual University performance during the Performance Period, within lower and upper limits established by the Board at the time of the Award.

## SECTION 6

### Payment

(a) The amount payable with respect to each Performance Unit shall be contingent upon the attainment of Performance Criteria as established in the Award during the specified Performance Period and, subject to Section 10 below, the continued employment of the Participant for the entire Performance Period as defined in Section 8 hereof.

(b) Amounts payable with respect to Performance Units under this Plan may, upon a suitable and timely election by the Participant, be paid into a deferred compensation account which is credited to the Participant. Any such deferred compensation accounts must be to a State or University deferred compensation plan as approved by the State or the Board, as appropriate, and may not result in any adverse affect to the University.

(c) A Participant shall obtain no absolute rights under any Award under this Plan until the conclusion of the applicable Performance Period and the attainment of the applicable Performance Criteria, except as expressly otherwise provided hereof. Thus, except as set forth in Section 10, the Participant must remain employed by the University in the position so designated in the Award Notification Letter during the entire three-year Performance Period.

(d) For good cause shown, the Committee may, in its absolute discretion, modify any of the above provisions, but this provision shall not grant any right to any Participant to any waiver or modification of any of the foregoing provisions.

## SECTION 7

### Administration

The Plan shall be administered under the supervision and direction of the Committee. In administering the Plan, while the Board will determine the number of Performance Units to be granted to the President and the Senior Officers, and establish appropriate Performance Periods and Performance Criteria as bases for payments under the Plan, the Committee will determine the Payment Date and methods and procedures for payment of Awards under the Plan. The Committee may establish procedures deemed appropriate for its administration and make any and all other determinations not herein specifically authorized which may be necessary or advisable for its effective administration. For example, if the President should elect to treat the Senior Officers as a Group, then the Committee may modify provisions of this Plan to reflect that recommendation. The director of Human Resources for the University will assist the Committee in administering the Plan. Further, it may be necessary from time to time to change or waive requirements of the Plan, or outstanding Performance Units, to conform to the law, to meet

(b) The Committee may for good cause, review a retirement other than a Permitted Retirement before it is taken and determine whether or not the Participant shall be entitled to continue to participate in the Plan and, if so, the terms of said Participation. The Committee may, for example, permit the Participant to participate in the Plan notwithstanding said non-Permitted Retirement and, if so, the terms of said participation. However, absent any such action by the Committee, any non-Permitted Retirement by a Participant shall be deemed to be equivalent to the voluntary termination of employment by the Participant, which would cause the Participant to no longer be able to participate in and thus lose any rights (whether vested or otherwise) under the Plan for said Performance Period.

## SECTION 10

### Involuntary Condition or Event

(a) If a Participant during any Performance Period is unable to continue the performance of his/her relevant duties due to an Involuntary Condition or Event, then, in that event, such Involuntary Condition or Event shall not affect any rights of the Participant under any Performance Unit grants received by such Participant during such applicable Performance Period; **provided, however**, such Performance Units will, unless otherwise determined by the Committee, be paid on a pro rata basis as follows:

(i) At the end of the applicable Performance Period, the Committee will determine the amount that would be payable to the Participant for such Performance Period, based upon the assumption that said Involuntary Condition or Event had not occurred. Said amount is referred to as the "**Qualified Amount**".

(ii) The Participant shall be paid a pro rata share of the Qualified Amount, which will be equal to:

(1) the amount of the Qualified Amount, multiplied by:

(2) a fraction, the numerator of which is the number of days that the Participant was so employed (which will be the number of days from the beginning of said Performance Period to the date of the Involuntary Condition or Event), and the denominator of which is 1,095 days (the number of days in the Performance Period).

The resulting amount shall be referred to as the "**Reduced Payment Amount**".

(iii) The Reduced Payment Amount shall be paid to the Participant on the Payment Date.

Thus, said Participant shall not be entitled to payment at the time of said Involuntary Condition or Event, and said Participant must wait until the end of the Performance Period to determine if and to what extent any Award is so earned.

(b) In the event of a Group Award, if a Group Participant should suffer or undergo an Involuntary Condition or Event during the Performance Period, then, for that Participant:

(i) A determination shall first be made after the end of the Performance Period, whether the Group achieved the Group Performance Criteria and, if so, the amount of the Award to be made to the Group in the aggregate.

(ii) That Award will then be allocated (but not yet paid) among the Group Participants on the basis that all the Participants (including the Participant involved in

## SECTION 12

### Withdrawal, Amendment or Termination of the Plan

The term of the Plan shall be indefinite and the Plan shall continue in full force and effect indefinitely until terminated at any time by action of the Board. Any such termination shall not adversely affect Awards theretofore granted.

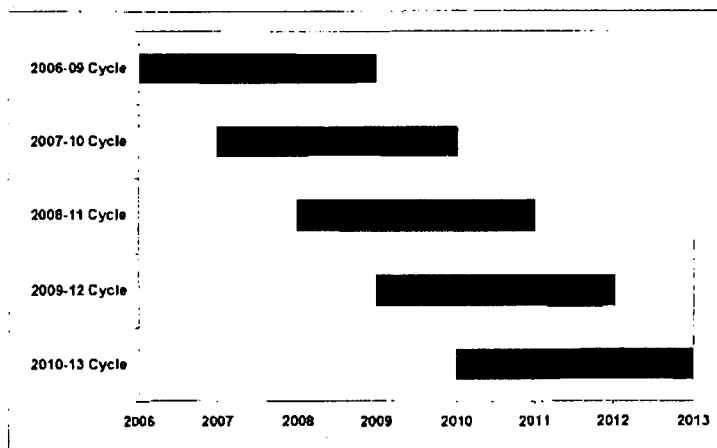
The Board may at any time withdraw or amend the Plan, except that there shall be no withdrawal or amendment which shall adversely affect Awards theretofore granted.



### Exhibit "C"

#### Notes:

1. This is a three-year performance unit Plan and is intended to reward sustained and long term performance over the term of each three year cycle. A new three year award cycle will begin each July 1<sup>st</sup> and end three years hence on June 30<sup>th</sup>.



2. Effective June 30, 2009, and each June 30<sup>th</sup> thereafter, unless terminated by the Board, a three-year performance cycle ends with the possibility of incentive payments being authorized as the University's performance dictates for the appropriate three year period. Thus, each Participant will be eligible for an incentive award annually for the prior three-year period, which amount will be determined by the Committee subsequent to the end of the award cycle.
3. The units awarded do not vary during a performance cycle. However, the units awarded for subsequent three-year cycles may vary in the discretion of the Committee and the Board.
4. The determination of the Performance Unit values is prorated if the goal achievement falls between the minimum goal and maximum goal, while any achievements below the minimum goal level are assigned zero value and not prorated.
5. Each year, the Committee in consultation with the President, shall recommend to the Board appropriate three-year goals for the next Performance Period (always beginning July 1<sup>st</sup> and ending three years later on June 30<sup>th</sup>).
6. At the conclusion of each three-year award cycle, the Committee is responsible to certify the University accomplishments and report to the Board the amount of any award in accordance with the Plan.
7. For a Participant to be paid for any Award, a Participant must remain in that position and be employed by the University during the entire Performance Period, except for extenuating circumstances such as death, long term disability, or discharge without cause by the University. In such and other cases, the Committee, with Board approval, may in its discretion modify any Award.

**Exhibit "D"**

**PAYMENTS MATRIX**

Eligible For

<b>Actions</b>	<b>Normal Payments</b>	<b>Pro-Rated Payments</b>	<b>No Payments</b>	<b>Committee Discretion</b>
<b>For Cause Termination</b>			XXX	
<b>No Cause Termination</b>		XXX		
<b>Reassignment</b>		XXX		
<b>Long Term Disability</b>		XXX		
<b>Permitted Retirement</b>		XXX		
<b>Other Retirement</b>				XXX
<b>Death</b>		XXX		
<b>Resignation</b>			XXX	

\*This matrix is NOT intended to be comprehensive but rather illustrative of typical actions and the resulting payment methodology of the Performance Unit Plan. The matrix is intended to be a simplified illustration of payments made under the Plan and does NOT limit the Committee or Board from exercising their absolute discretion in accordance with the Plan. The Plan shall always supercede should there be any incongruencies between Plan language and this simplified illustration.

Contract Approved