

1 **(Reference Executive Compensation Report by Korn-Ferry)**
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3 **Q. It is stated (page 5) “Each of the four NFP executive positions in scope has been**
4 **evaluated, and their job evaluation points (i.e., KF Hay Points)...”**

5 **a) Do Hay points adjust for the market dynamics, (e.g., the degree of competition,**
6 **volatility of input prices, volatility of sales, rapid technological change, diverse**
7 **ownership with shares traded in equity markets) in which business organizations**
8 **operate?**

9 **b) Would not the challenges associated with dynamic market conditions result in**
10 **more job pressure on executives with the same skillsets as executives in**
11 **organizations in a stable non-competitive market? And would additional skills**
12 **be needed to cope effectively under more dynamic market conditions?**

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14 **A. a) Korn Ferry Hay Points are based on the total job content as measured by Know-How,**
15 **Problem Solving and Accountability. Any factors that influence these three core Korn**
16 **Ferry Hay measures of the job will affect the evaluation results.**

17
18 **b) Assuming all other things being equal, it is generally true that dynamic market**
19 **conditions would require additional skillsets (Know-How), more thinking challenges**
20 **(Problem Solving) and more freedom to act (Accountability), and these factors are all**
21 **considered by the Korn Ferry Hay Method.**