

	Bylaw Amendment - Director Remuneration
TO:	Human Resources and Governance Committee and Board of Directors
MEETING:	2013-05-14/15
FROM:	Maryse Bertrand, Vice-President, Real Estate, Legal Services and General Counsel
PURPOSE:	Approve amendments to Schedule K of the Bylaws
NEXT STEPS:	Submit amendments to the Minister for approval
DATE:	2013-05-02

CONTEXT:

In order to arrive at a specific recommendation for actual per diem amounts, a more detailed analysis was carried out using actual 2012-13 meeting data (meeting schedules, types and duration of meetings, and attendance records).

- The total amount of fees paid in 2012-2013 was \$ 189k (or an average of \$21k per member), of which 70% was attributable to Board meetings and 30% to committee meetings; yet, out of a total of 44 hours of meetings, only 45% of the time was devoted to Board meetings while 55% of the time was for committee meetings.
- Currently, conference calls are paid only at 1/8 of the per diem for board meetings (the government scheme is 1/4) and committee attendance is remunerated at 1/2 of the board fee (the government scheme does not have a lower rate for committee meetings). Also, Board and committee meetings in excess of a specified number (4 or 6 meetings) are remunerated at a reduced fee (the government scheme does not reduce the rate after a specified number of meetings).
- Streamlining the fee schedule to harmonize it with the government scheme (by providing for a full per diem for committee meetings, setting conference calls at 1/4 of the per diem fee, and eliminating the reduced amounts for extra meetings) will increase the total envelope by 34% and provide an average fee per member of \$28k.
- A fee increase based on the rate of inflation since 2001 (representing a 27.6% increase), coupled with the streamlining of the fee schedule, will result in an envelope increase of 75% and an average fee per member of \$36k.
- Any increase in fees payable to Board members will require an equivalent increase in the budget to which Board meeting fees and expenses are charged to.

Meeting Fees

Fees	Actual Amount	Inflation increase (27.6%)	Fees with Inflation	Fees with Inflation & Simplification
Board Meetings	2000	550	2550	2550
Committee Meetings	1000	280	1280	2550
Extra Meetings (after 4 or 6 meetings)	625	175	800	N/A
Additional amount for Committee Chairs	250	70	320	320
Additional amount for Audit Committee members	300	80	380	380
Conference Calls	250	70	320	640
Total Paid in 2012-13	*210 k	58 k	268 k	359 k

*adjusted to reflect a full board

RESOLUTION:

That the Human Resources and Governance Committee recommend to the Board that Schedule "K" of the Bylaws be amended by:

(a) Replacing Sections 1, 2 and 4 with the following:

"1. Pursuant to Sub-section 51(1)(a) of the Broadcasting Act, the per diem fee payable to directors, other than the Chairperson of the Board and the President, for the attendance (including participation by video-conference) at meetings of the Board and its committees, shall be \$....., provided that:

- (a) Only an amount equivalent to one-fourth of the per diem fee shall be payable when a meeting is held by conference call;
- (b) Committee Chairpersons shall receive an additional amount of \$..... for each Committee meeting chaired;
- (c) Audit Committee members shall receive an additional amount of \$..... for each Audit Committee meeting attended;
- (d) The fees above shall be increased annually on April 1st by an amount equivalent to the increase in the Consumer Price Index from the previous calendar year; and
- (e) All calculated amounts shall be rounded to the nearest \$10."; and

(b) Renumbering the other sections accordingly.

APPENDIX 1:

- Current Schedule "K" of the Bylaws

APPENDIX 1

SCHEDULE "K" – DIRECTOR COMPENSATION

Current Revision: March 31, 2006

(The Resolution amends the underlined text)

- 1) The fees set out in this schedule apply to Governor-in-Council part-time appointees.
- 2) Subject to section 3, each Director shall be paid a fee of
 - a) \$2000.00 per day for attendance at each regularly scheduled Board meeting (to a maximum of six in any fiscal year), and \$625.00 per day for attendance at any additional Board meetings;
 - b) \$1300.00 per day (\$1550.00 for the Committee Chair) for attendance at any regularly scheduled Audit Committee meeting (scheduled independently from the board meetings and to a maximum of six in any fiscal year) and \$625.00 per day for attendance at any additional Audit Committee meetings scheduled independently from the Board meeting;
 - c) \$1000.00 per day (\$1250.00 for the Committee Chair) for attendance at any regularly scheduled Committee meeting other than the Audit Committee (to a maximum of four days in any fiscal year) and \$625.00 per day for attendance at any additional Committee meetings;
- 3) A Director is entitled to be paid only one meeting fee for each day (24 hour period), even if the Director attends more than one meeting during that day.
- 4) Each Director shall be paid a fee of \$250.00 each time he or she participates in a meeting by means of telephone or other communication facility as authorized by Section 50(3) of the Broadcasting Act, provided that if a meeting in which he or she so participates is a regularly scheduled meeting of the Board at which other Directors are personally present, the Director shall be paid a fee of \$625.00 per day or \$312.50 per half day while he or she so participates.
- 5) Each Director shall be paid out-of-pocket expenses each time that he/she is required by the Corporation to be its representative at a social or other function.
- 6) Each Director shall be paid either a per diem at the approved CBC daily allowance rate to cover incidental expenses incurred while attending a meeting of the Board, one of its committees, or otherwise engaged on the business of the Corporation; or the actual reasonable expenses incurred.
- 7) Each Director shall be reimbursed for all transportation costs (including travel costs to and from an airport) while attending a meeting of the Board, its committees, or otherwise engaged on the business of the Corporation.
- 8) The Chairperson is entitled to be paid reasonable travel and living expenses incurred by him/her while engaged on the business of the Corporation at any place other than his/her normal place of residence.