



SET BENCHMARKING AND COMPENSATION REVIEW

TO:	Board of Directors Human Resources and Governance Committee
MEETING:	June 22 – 23, 2015
FROM:	Monique Marcotte, Acting Vice-President, People and Culture
DECISION SOUGHT:	Approval of SET Compensation Recommendations
NEXT STEPS:	Implement and communicate
DATE:	June 18, 2015



CONTEXT

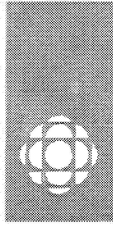
Compensation Strategy

- CBC/Radio-Canada faces the challenge of attracting and retaining talent within a vibrant competitive private sector, while also operating as a federal Crown corporation.
 - Our compensation philosophy is to provide a total compensation package that supports our ability to attract, develop, motivate and retain the talent required to enable the Corporation to deliver on its strategic objectives.
 - We target our total compensation offering around the median (P50) of a group of external peer companies, while taking into account our need for internal equity and long-term affordability.
 - Our program includes a base salary, benefits, and a defined-benefit pension plan in addition to eligibility to participate in performance-based programs such as our Short-Term Incentive Plan (STIP). (See Appendix 1)
 - Plans such as STIP align all parts of the business around organizational objectives, and drive desired behaviours and superior business performance, supported by metrics and thresholds.



CONTEXT (CONT'D)

- To ensure that our compensation remains fair, we regularly benchmark both executive and non-executive positions with the market using a third-party consultant.
 - This enables us to compare our offering to that of a group of peer and proxy companies from the Canadian entertainment, publishing, and telecommunications industry, as well as a selection of Crown corporations and federally-regulated transportation companies. (See Appendices 2 to 5)

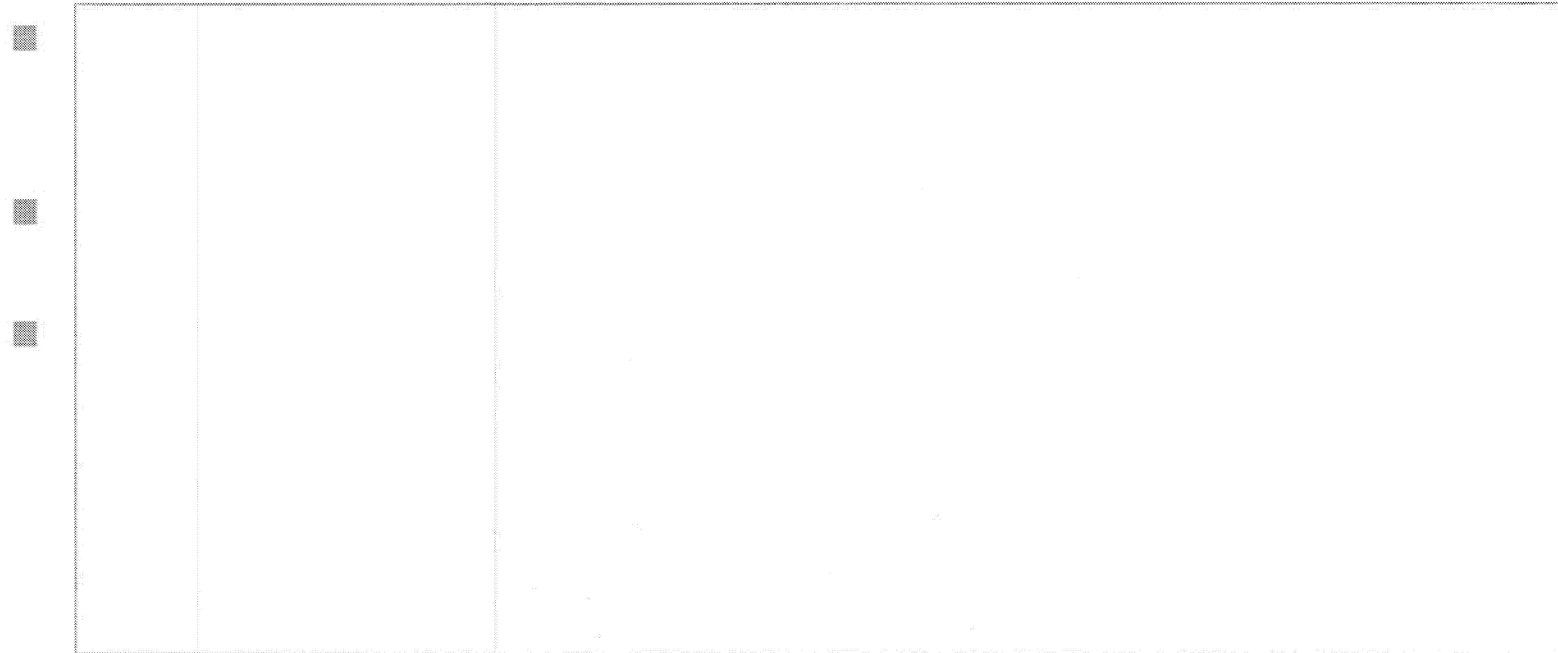


CONTEXT (CONT'D)

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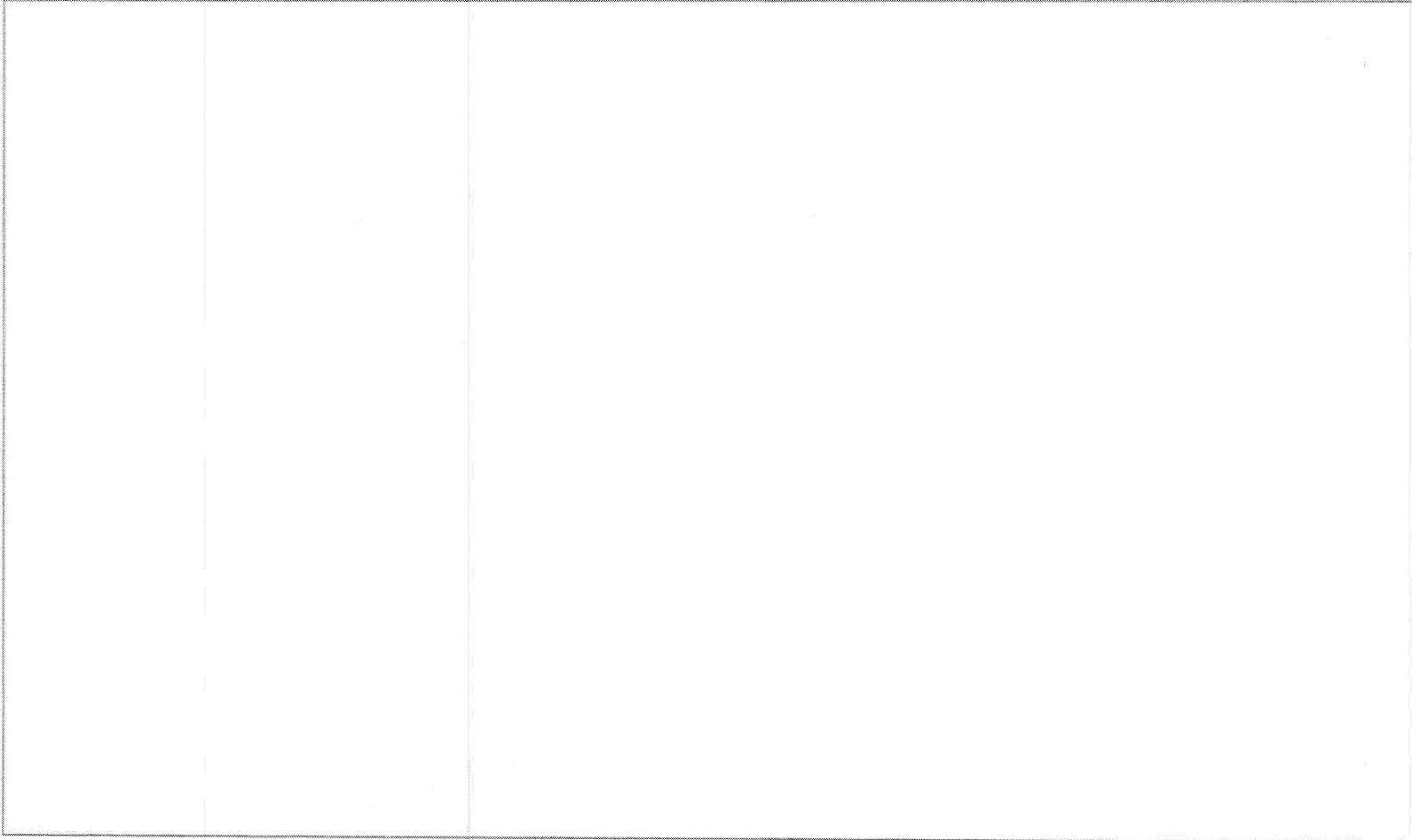
SET Compensation Review

- The organizational design has redefined the corporate structure and has prompted review of accountabilities and compensation for members of SET.

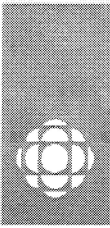




CONTEXT (CONT'D)



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KEY DECISION ELEMENTS

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KEY DECISION ELEMENTS

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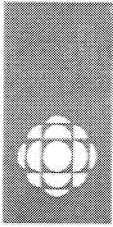
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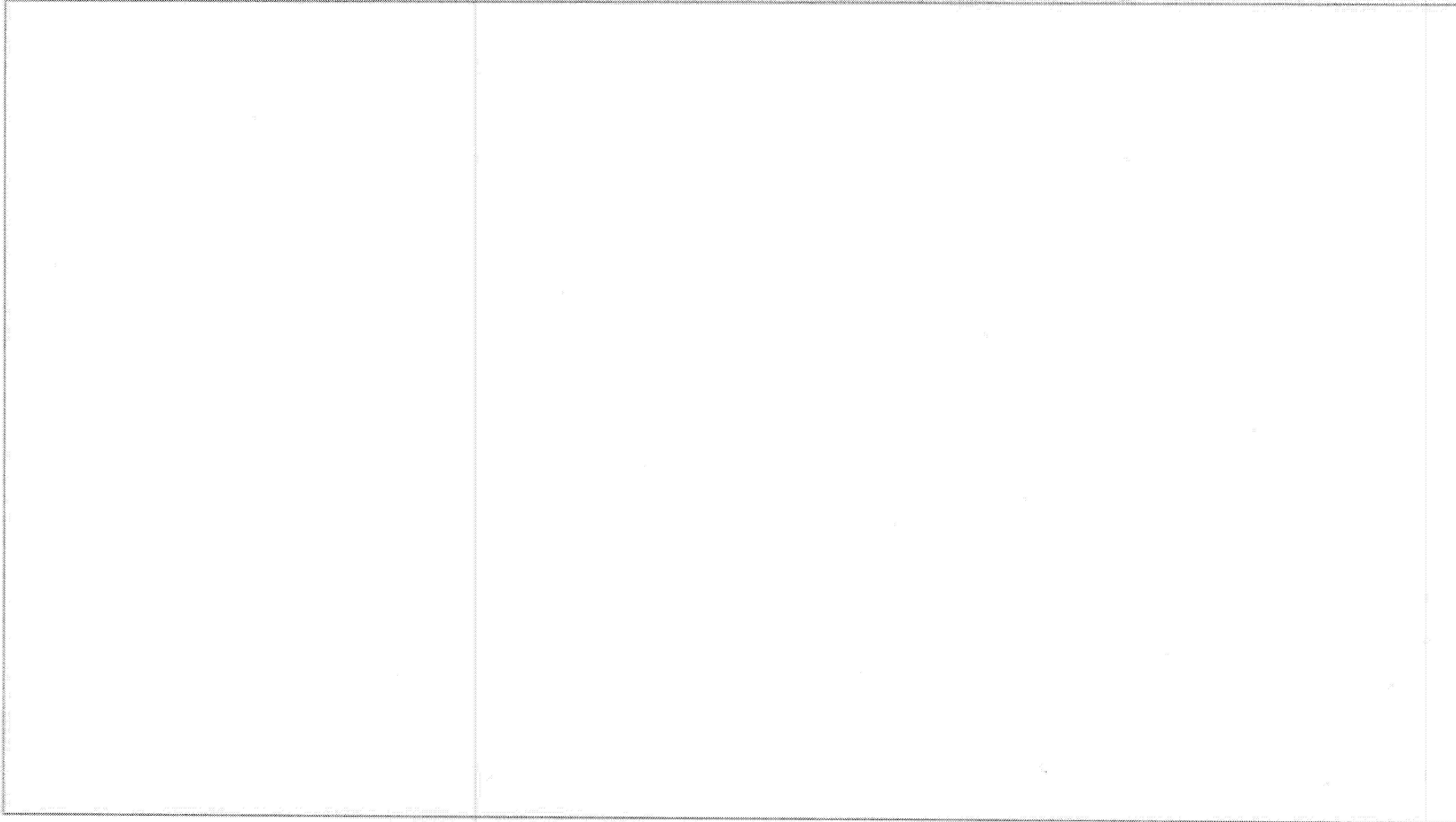
KEY DECISION ELEMENTS (CONT'D)

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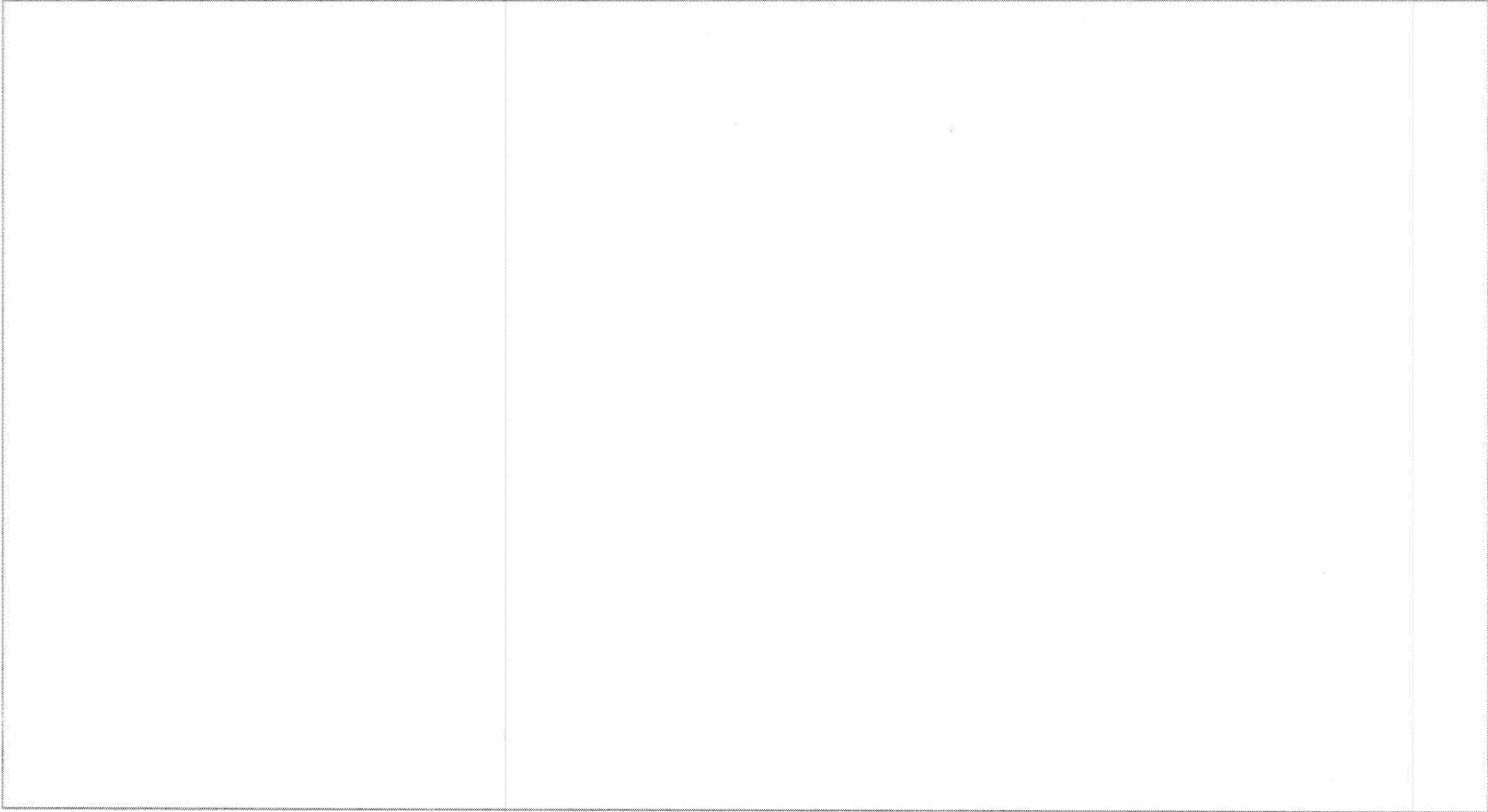


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RECOMMENDATION -



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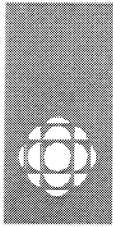
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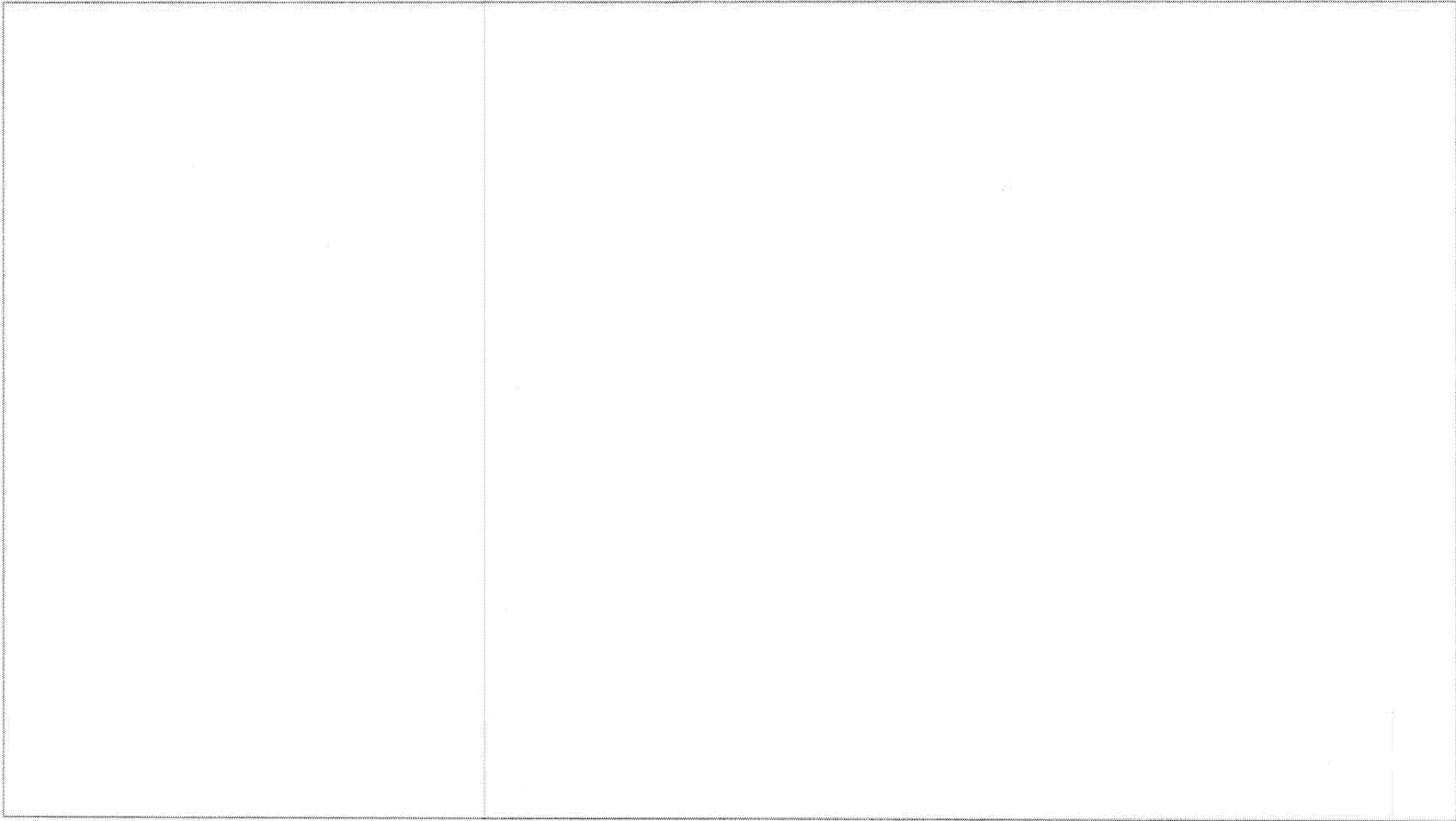
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RECOMMENDATION

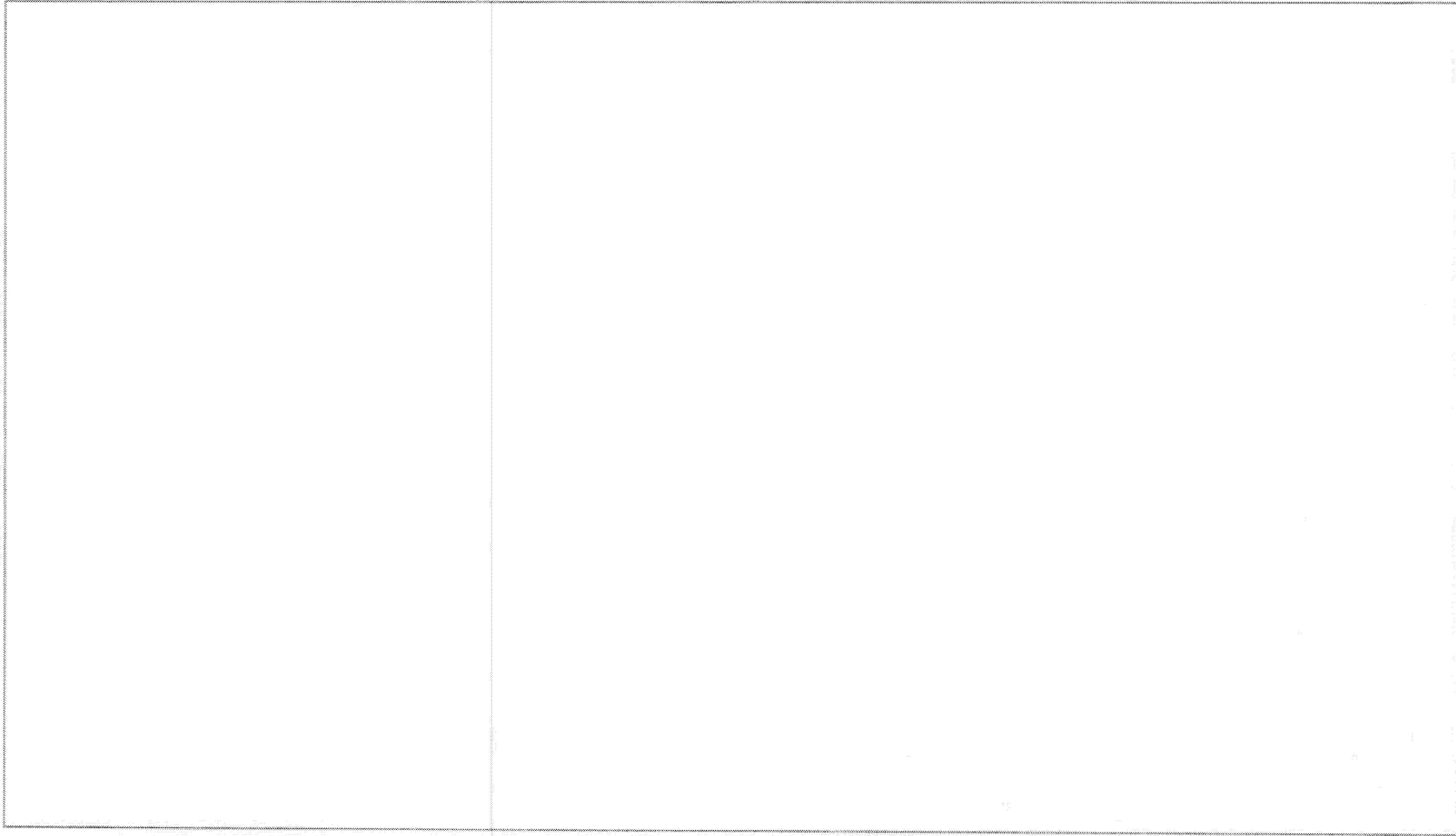
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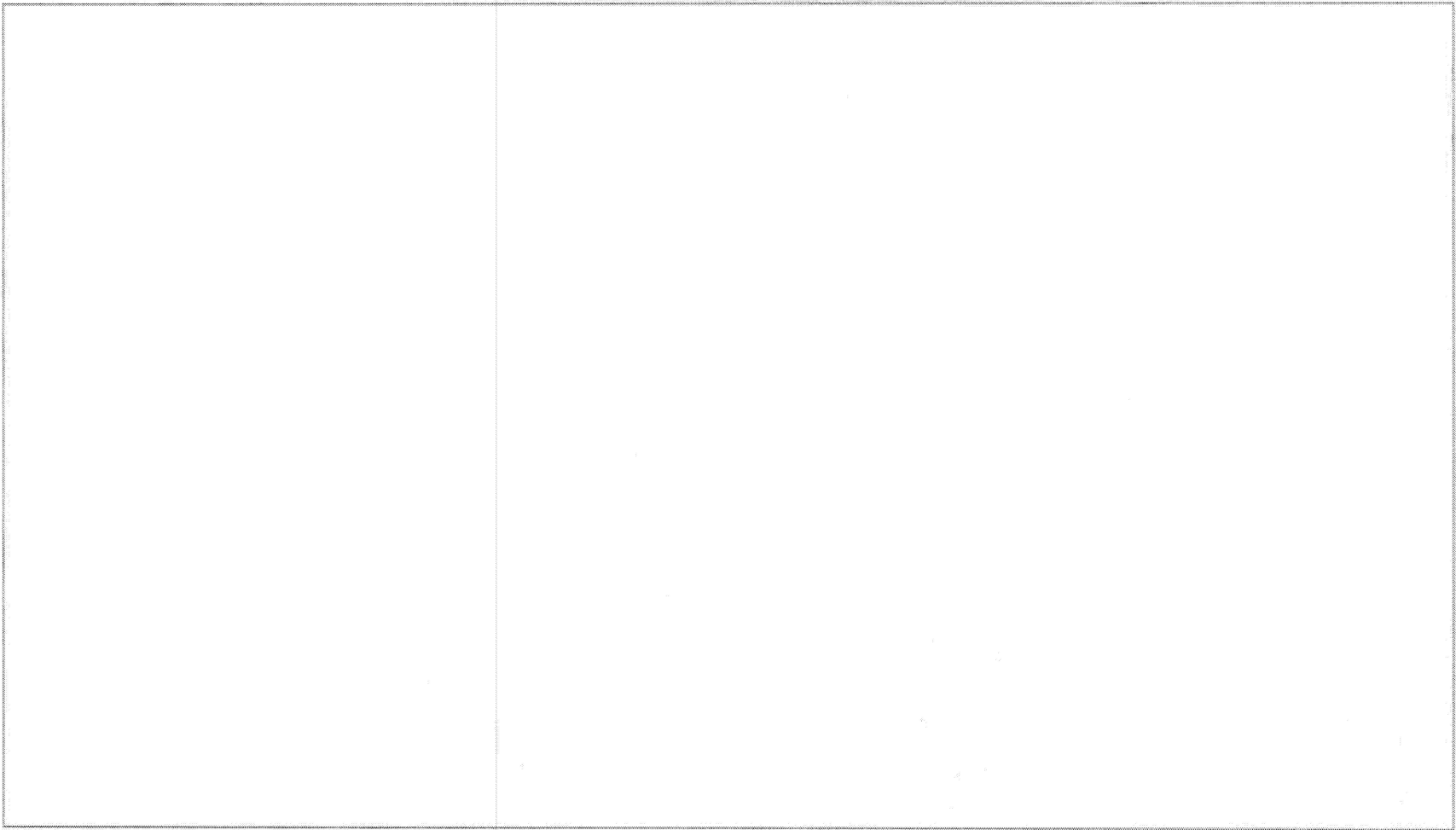


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s.18(b)
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SUCCESS MEASURES

- Compensation framework motivates superior performance.
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- Overall pay mix is more appropriately aligned with the market.



RESOLUTION

- That the Human Resources and Governance Committee recommend to the Board that the following be approved:

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APPENDIX 1 – CURRENT SET COMPENSATION ELEMENTS (INCLUDING STIP)

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CURRENT SET COMPENSATION ELEMENT	EVP	VP

STIP FRAMEWORK 2015-16

Incentive Element	Metrics	SET
CBC/RC		
Component		
Individual		
Total		

* Non-media components: average of two Media component results



APPENDIX 2 – DEFINITIONS

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Survey Compensation Elements

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Statistical Terms

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APPENDIX 3 – MARKET COMPARATORS

MERCER BENCHMARK DATABASE (MBD) AND PROXY DATA

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All data presented in CAD 000s

CBC/Radio-Canada Position Title	Benchmark Position Title	Source	Base Salary					Target Short-Term Incentive (% Base Salary)					Target Total Cash Compensation					Target Total Direct Compensation ¹					Benefits (% Base Salary)				Pension (% Base Salary)				Perquisites (% Base Salary)				Target Total Compensation ²				
			CBC	P25	P50	P75	% of P50	CBC	P25	P50	P75	CBC	P25	P50	P75	% of P50	CBC	P25	P50	P75	% of P50	CBC	P25	P50	P75	CBC	P25	P50	P75	CBC	P25	P50	P75	CBC	P25	P50	P75	% of P50	



APPENDIX 3 – MARKET COMPARATORS

MERCER BENCHMARK DATABASE (MBD) AND PROXY DATA (CONT'D)

All data presented in CAD 000s

CBC/Radio-Canada Position Title	Benchmark Position Title	Source	Base Salary				Target Short-Term Incentive (% Base Salary)				Target Total Cash Compensation ¹				Target Total Direct Compensation ²				Benefit (% Base Salary)				Pension (% Base Salary)				Perquisites (% Base Salary)				Target Total Compensation ³			
			CBC	P25	P50	P75	% of P50	CBC	P25	P50	P75	CBC	P25	P50	P75	% of P50	CBC	P25	P50	P75	% of P50	CBC	P25	P50	P75	CBC	P25	P50	P75	% of P50	CBC	P25	P50	P75



APPENDIX 4 – PROXY PEER GROUP

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APPENDIX 5 – SURVEY PEER GROUP

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APPENDIX 6 – SHORT LIST OF ALTERNATIVES CONSIDERED

Option 1:

Option 2:

Option 3:

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APPENDIX 7 – LONG LIST OF ALTERNATIVES REVIEWED

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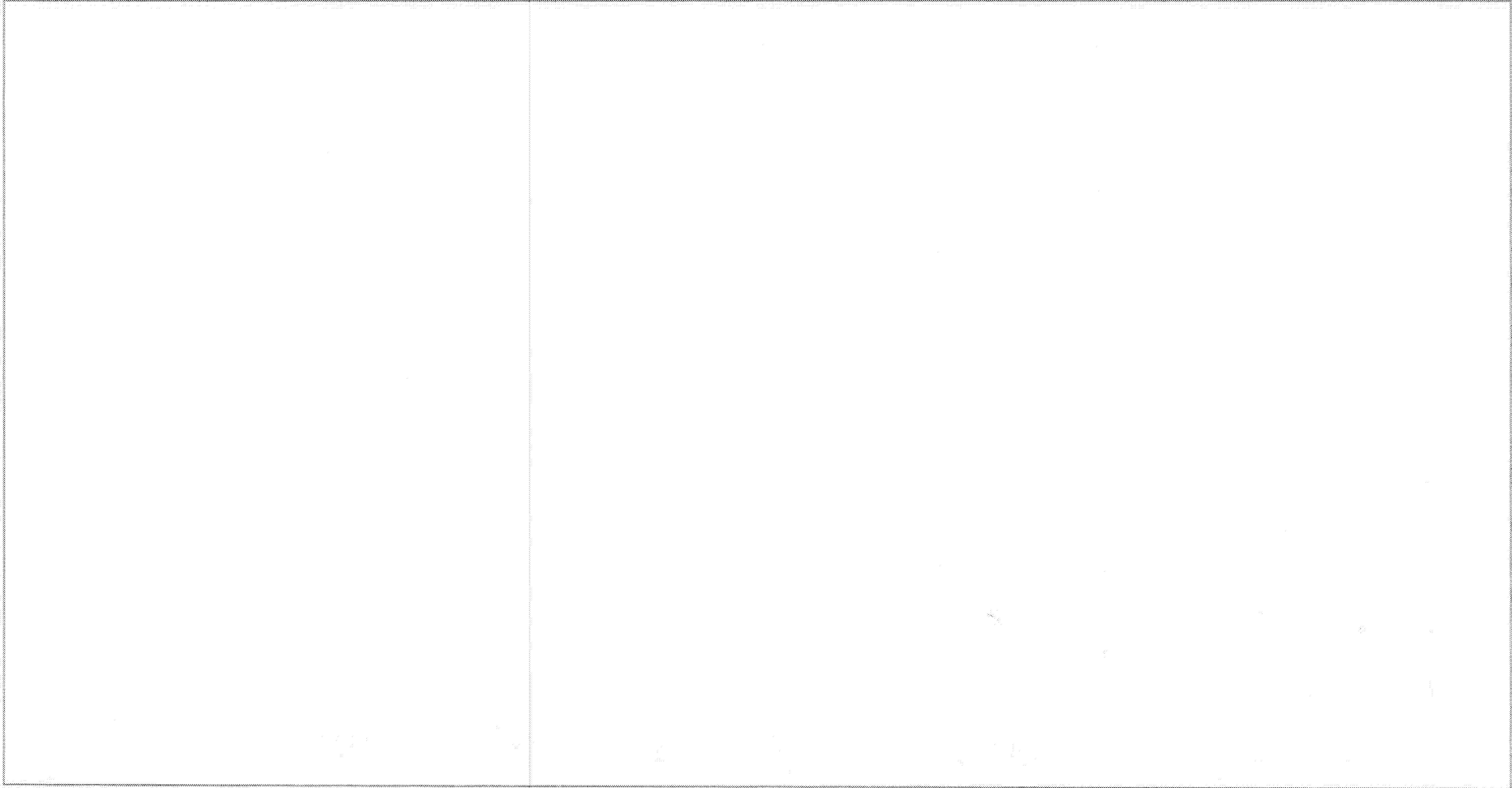


APPENDIX 7 – LONG LIST OF ALTERNATIVES REVIEWED (CONT'D)

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APPENDIX 8 -



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