

November 16, 2015

SET BENCHMARKING AND COMPENSATION REVIEW

This proposal was initially discussed at the June 22, 2015 Human Resources and Governance Committee meeting and then at the June 23, 2015 Board meeting.

❖ On the Committee's recommendation, the Board approved

– (#4) the title changes of two SET members.

❖ Following subsequent discussions at the HRGC,

REVISED KEY DECISION ELEMENTS:

1.

2.

3.

RESOLUTION:

That the Human Resources and Governance Committee recommend to the Board of Directors that

s.19(1)
s.18(b)
s.18(d)
s.21(1)(a)
s.21(1)(d)

s.19(1)
s.18(b)
s.18(d)
s.21(1)(a)
s.21(1)(d)



PROXY PEER GROUP

s.18(b)
s.18(d)
s.21(1)(a)
s.21(1)(d)



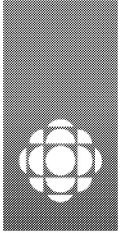
SURVEY PEER GROUP

s.18(b)
s.18(d)
s.21(1)(a)
s.21(1)(d)



SET BENCHMARKING AND COMPENSATION REVIEW

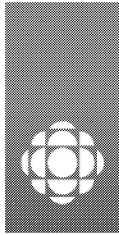
TO:	Board of Directors Human Resources and Governance Committee
MEETING:	June 22 – 23, 2015
FROM:	Monique Marcotte, Acting Vice-President, People and Culture
DECISION SOUGHT:	Approval of SET Compensation Recommendations
NEXT STEPS:	Implement and communicate
DATE:	June 18, 2015



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.
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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)

s.18(b)
s.18(d)
s.21(1)(a)
s.21(1)(d)

SET Compensation Review

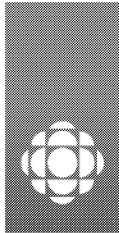
- The organizational design has redefined the corporate structure and has prompted review of accountabilities and compensation for members of SET.
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CONTEXT (CONT'D)

s.18(b)
s.18(d)
s.19(1)
s.21(1)(a)
s.21(1)(d)



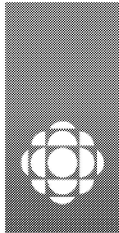


KEY DECISION ELEMENTS

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s.21(1)(d)

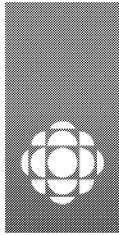
1.





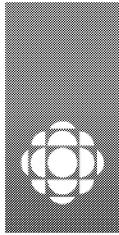
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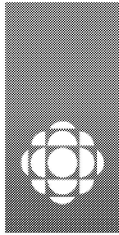


KEY DECISION ELEMENTS (CONT'D)

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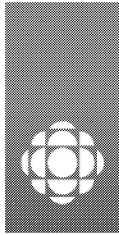
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RECOMMENDATION –



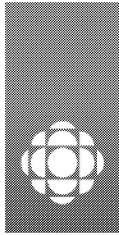
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RECOMMENDATION –



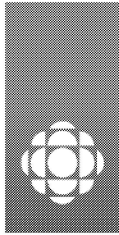
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RECOMMENDATION –



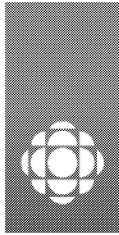
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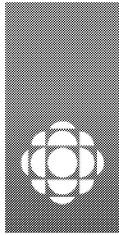
RECOMMENDATION –



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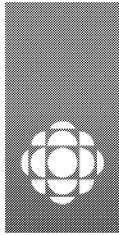


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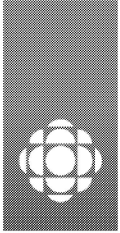


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s.21(1)(a)
s.21(1)(d)





s.18(b)
s.18(d)
s.19(1)
s.21(1)(a)
s.21(1)(d)



SUCCESS MEASURES

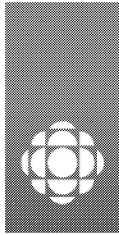
- Compensation framework motivates superior performance.
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- Overall pay mix is more appropriately aligned with the market.



RESOLUTION

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

s.18(b)
s.18(d)
s.21(1)(a)
s.21(1)(d)



APPENDIX 1 – CURRENT SET COMPENSATION ELEMENTS (INCLUDING STIP)

s.18(b)
s.18(d)
s.19(1)
s.21(1)(a)
s.21(1)(d)

CURRENT SET COMPENSATION ELEMENT	EVP	VP
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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

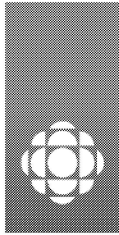
s.18(b)
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s.21(1)(a)
s.21(1)(d)

Survey Compensation Elements

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Statistical Terms

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APPENDIX 3 – MARKET COMPARATORS

MERCER BENCHMARK DATABASE (MBD) AND PROXY DATA

s.18(b)
 s.18(d)
 s.19(1)
 s.21(1)(a)
 s.21(1)(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					Benefits (% 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	CBC	P25	P50	P75	% of P50					



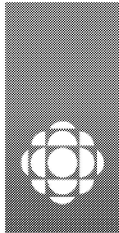
APPENDIX 3 – MARKET COMPARATORS

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

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s.18(d)
s.19(1)
s.21(1)(a)
s.21(1)(d)

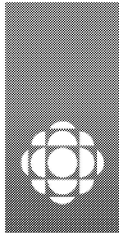
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APPENDIX 4 – PROXY PEER GROUP

s.18(b)
s.18(d)
s.21(1)(a)
s.21(1)(d)



APPENDIX 5 – SURVEY PEER GROUP

s.18(b)
s.18(d)
s.21(1)(a)
s.21(1)(d)



APPENDIX 6 – SHORT LIST OF ALTERNATIVES CONSIDERED

s.18(b)
s.18(d)
s.21(1)(a)
s.21(1)(d)

Option 1:

Option 2:

Option 3:

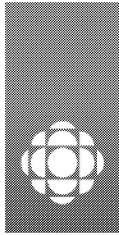


APPENDIX 7 – LONG LIST OF ALTERNATIVES REVIEWED

s.18(b)
s.18(d)
s.21(1)(a)
s.21(1)(d)



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



APPENDIX 8 –



s.18(b)
s.18(d)
s.21(1)(a)
s.21(1)(d)