REMUNERATION OF THE CHAIRPERSON OF THE BOARD OF DIRECTORS

TO:	Board of Directors Governance & Nominating Committee
MEETING:	September 25-26, 2012
FROM:	Maryse Bertrand, Vice-President, Real Estate Services, Legal Services, and General Counsel
DECISION SOUGHT:	Formal approval of the Chairperson's remuneration as per existing practice and in accordance with Government Guidelines
NEXT STEPS:	N/A
DATE:	2012-09-11

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A1. CONTEXT

- The *Broadcasting Act* provides that the Governor in Council (i.e., the Government, via an Order in Council) establishes the Chairperson's remuneration (retainer and *per diem* rates payable).
- The Government's *Remuneration Guidelines for Part-time Governor in Council Appointees in Crown Corporations* (see Appendix 2) apply to the Chairperson of the Board of Directors.
- Based on past practice, Board Chairpersons have been remunerated for attending meetings of the Board and its committees, meeting with the President and the Senior Executive Team, and attending events as an official representative of CBC\Radio-Canada and its Board of Directors.
- The Chair of the Audit Committee approves all retainers, *per diem* and expenses relating to the Chairperson's responsibilities.

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A2. KEY DECISION ELEMENTS

- Full *per diem*:
  - for attendance at an in-person meeting of the Board or its committees;
  - when total travel time to attend a meeting of the Board or its committees exceeds 3 hours;
- ¼ *per diem* for participating at conference call meetings of the Board or its committees;
- Full *per diem* (or ½ *per diem* if activity is 4 hours or less) for all other executive, analytical or representational responsibilities, such as:
  - attending, and preparing for, substantive briefing sessions and meetings with government officials or CBC\Radio-Canada personnel;
  - speaking at events as an official spokesperson of CBC\Radio-Canada or its Board of Directors;
  - attending official workshops related to the Chairperson's functions;
  - attending official functions hosted by CBC\Radio-Canada for which an invitation has been received to attend as a representative of CBC\Radio-Canada or its Board of Directors.

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A3. KEY BENEFITS, IMPACTS & RISKS

- Formalizes an existing practice;
- Ensures consistent payment of fees;
- Clearly and deliberately aligns the Chairperson's remuneration with the Government's Guidelines;
- Implements a sound governance practice.

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A4. OTHER OPTIONS CONSIDERED

- No fees are paid to the Chairperson for his special executive, analytical or representational responsibilities.

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A5. SUCCESS MEASURES

- Appropriate *per diem* payments and expense claims are issued to the Chairperson;
- The Chair of the Audit Committee has a formal basis from which to assess Board Chairperson's claims for payments;
- The results of the Auditor General's audits of payments issued to the Chairperson of the Board are favourable.

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A6. RESOLUTION

That the Governance and Nominating Committee recommend to the Board that the Resolution Regarding the Remuneration of the Chairperson of the Board (see Appendix 1) be approved.

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APPENDICES

1. Resolution re: The Remuneration of the Chairperson of the Board.
2. Remuneration Guidelines for Part-time Governor in Council Appointees in Crown Corporations (Effective October 1, 2000).

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Appendix 1

RESOLUTION REGARDING THE REMUNERATION OF THE CHAIRPERSON OF THE BOARD OF DIRECTORS OF CBC\RADIO-CANADA

1. That, pursuant to the *Remuneration Guidelines for Part-time Governor in Council Appointees in Crown Corporations* (effective October 1, 2000), the Chairperson of the Board of Directors shall be paid a *per diem*:

   a) for attending (in person, by videoconference or by other electronic means) regular meetings of the Board or its committees;

   b) for participating at four meetings of the Board or its committees conducted by telephone, teleconference or other similar facility;

   c) for travelling time to attend meetings of the Board or its committees if the time required to travel between the meeting place and the normal place of residence exceeds three hours;

   d) for special executive, analytical or representational responsibilities, including, without limitation:

      i) attending, and preparing for, substantive briefing sessions and meetings with government officials, members of the Corporation's Senior Executive Team, or their representatives;

      ii) speaking at events as an official spokesperson of CBC\Radio-Canada or its Board of Directors;

      iii) attending official workshops related to the Chairperson's functions and duties; and

      iv) attending official functions hosted by CBC\Radio-Canada or its Board of Directors or for which an invitation has been received to attend as a representative of CBC\Radio-Canada or its Board of Directors;

   provided that:

   a) the *per diem* rate payable shall be in the amount specified in the Order in Council establishing the Chairperson's remuneration;

   b) except for the attendance or participation at meetings of the Board and its committees and for the travel time required to attend such meetings, only half of the per diem rate shall be payable for periods of four hours or less; and

   c) not more than one full-day *per diem* be payable in respect of a twenty-four hour calendar day; and

2. That, further to the *Remuneration Guidelines for Part-time Governor in Council Appointees in Crown Corporations* (effective October 1, 2000), the annual retainer provided for in the Order in Council establishing the remuneration of the Chairperson of the Board of Directors shall be payable on a pro-rated quarterly basis.

Appendix 2
Remuneration Guidelines
for Part-time Governor in Council Appointees in Crown Corporations
Effective October 1, 2000

Introduction

These guidelines set out the form, amounts and conditions of payment for the part-time services of persons appointed to office by the Governor in Council (GiC). They are not an authority in themselves. They set out what can be recommended routinely and without substantiation for the approval of the GiC. Each organization must obtain its own Order in Council for authority to pay.

Authority

For most parent Crown corporations, section 108 of the *Financial Administration Act* requires the GiC to fix the rate of remuneration for directors, chairs and chief executive officers. For some, the statute that creates the organization specifies the authority to fix remuneration for GiC appointees.

Application

These guidelines apply to all persons appointed to part-time positions in Crown corporations for which the GiC has the authority to fix the rate of remuneration.

They do not apply to full-time employees or appointees of a Canadian government organization because they are not eligible to receive additional remuneration for a part-time GiC appointment.

Principles

The Canadian government's compensation policy recognizes the need to attract and retain well-qualified appointees.

Service to the public and not adherence to market rates influences the remuneration of the highest executive levels. This principle also influences remuneration for part-time service which, for most appointees, is incidental and additional to their regular vocation.

Form, Amounts and Conditions of Payment

The schedule of per diem rates and annual retainers that follows specifies the maximum rates that may be submitted for GiC approval on a routine basis.

The annual retainer paid to vice-chair positions or to positions of chair of one of the Board's committees may be fixed at a higher rate by the Governor in Council to acknowledge the additional responsibility.

Submissions requesting rates that exceed those of the schedule must include justification for exceptional consideration by the GiC.

When a statute by which an organization is created limits payment to a particular circumstance such as for attending meetings, no per diem payment may be made for any other reason.

Only one per diem payment shall be made in respect of a twenty-four hour calendar day.

A per diem rate is normally payable for the following:

- physical attendance at meetings of the board and of recognized committees or sub-committees of the board (including appointees' participation by electronic means);
- four meetings conducted among a quorum of the board or its committees or sub-committees, by telephone or other similar facility;
- travelling time, if the time required to travel between the meeting place and the normal place of residence exceeds three hours; and
- special executive, analytical or representational responsibilities explicitly designated by the governing members of the organization.

Schedule

Group	Per Diem Ranges	Annual Retainer Ranges	
	Directors & Chairs	Directors	Chairs
1	$160 - $250	$2,600 - $3,000	$5,100 - $6,000
2	$220 - $260	$2,900 - $3,400	$5,700 - $6,700
3	$200 - $300	$3,200 - $3,800	$6,400 - $7,500
4	$275 - $325	$3,600 - $4,200	$7,100 - $8,400
5	$310 - $375	$4,000 - $4,700	$8,000 - $9,400
6	$360 - $420	$4,600 - $5,400	$9,200 - $10,800
7	$410 - $485	$5,300 - $6,200	$10,500 - $12,400
8	$470 - $555	$6,100 - $7,200	$12,200 - $14,300
9	**$565 - $665**	**$7,300 - $8,600**	**$14,500 - $17,100**
10	$680 - $800	$8,800 - $10,300	$17,400 - $20,500

Note: See Annex A for the allocation of Crown corporations to groups.

Annex A - Crown Corporations Groupings

Group 1
Atlantic Pilotage Authority
Great Lakes Pilotage Authority

Group 2
Canadian Race Relations Foundation
Cape Breton Growth Fund Corporation
Enterprise Cape Breton Corporation
Laurentian Pilotage Authority
Pacific Pilotage Authority
Ridley Terminals Inc.

Group 3
Defence Construction (1951) Limited
Federal Bridge Corporation Limited
Freshwater Fish Marketing Corporation
Standards Council of Canada

Group 4
Canadian Museum of Nature
National Gallery of Canada
National Museum of Science and Technology

Group 5
Canada Council
Canada Lands Company Limited
Canadian Commercial Corporation
Canadian Museum of Civilization
Canadian Tourism Commission
Marine Atlantic Inc.
National Capital Commission

Group 6
Canada Deposit Insurance Corporation
Cape Breton Development Corporation
Farm Credit Corporation
International Development Research Centre

Group 7
Business Development Bank of Canada
Export Development Corporation
Royal Canadian Mint
VIA Rail Canada Inc.

Group 8
Atomic Energy of Canada Limited
Canada Mortgage and Housing Corporation

Group 9
Bank of Canada (fees fixed by by-law with approval of GiC)
Canadian Broadcasting Corporation (Chairperson's remuneration fixed by GiC)

Group 10
Canada Post Corporation