



DIRECTOR COMPENSATION (CLARIFICATION)

TO:	Human Resources & Governance Committee / Board of Directors
MEETING:	2014-08-21
FROM:	Maryse Bertrand
DECISION SOUGHT:	Amendment to Schedule K (Director Compensation) of the Bylaws to clarify the compensation for meetings by video-conference
NEXT STEPS:	Seek the Minister's approval
DATE:	2014-05-30



A1. CONTEXT

- In March 2013, the Board approved, subject to the Minister's approval, changes to the Director Compensation scheme (Schedule K of the Bylaws) that sought to simplify the per diem rate as follows:
 - \$2000 per Board or Committee meeting (attendance in person or by video-conference)
 - \$500 per conference call meeting
 - \$250 extra for Committee Chairs
 - \$300 extra for Audit Committee meetings
- The Minister did not approve the proposed changes since the government guidelines that had been used to establish equivalent amounts in Schedule K have not been amended. She indicated that she would consider changes if and when the guidelines are amended.
- During the 2013-14 Financial Statements Audit, the Office of the Auditor General observed that Schedule K lacks clarity as to how meetings by video-conference ought to be compensated.



A1. CONTEXT

- To date, Corporate Secretariat has been applying the following principles in determining amounts payable for video-conferences:
 - Since the attendance of members at a CBC\Radio-Canada facility is required, meetings by video-conference should be compensated at the same rate as in-person meetings
 - Whether by phone or video, “attendance” (which requires members to be physically present at a designated location) is seen as being different than “participation” (which can be from any location at each member’s convenience)
- 12.5% of the meetings in 2013-14 were by video-conference (4 out of 32)
- In 2013-14, 8.85% of the compensation paid to Directors (other than the Chairperson and the CEO) was for meetings by video-conference (approx. \$14,000 out of \$157,500)



A2. KEY DECISION ELEMENTS

- Clarify the language in Schedule K of the Bylaws to reflect that the compensation paid for “attendance” at meetings applies to both in person and by video-conference meetings.



A3. KEY BENEFITS, IMPACTS & RISKS

- Equitable compensation for meetings requiring the members' attendance at designated locations (i.e., equitable treatment of in-person meetings and meetings by video-conference)
- No changes to the per rates



A4. OTHER OPTIONS CONSIDERED

- Compensate Board and Committee meetings by video-conference at the conference call rates (i., e. \$250/day)
 - Under this scheme, \$4,000 would have been paid as Director compensation for meetings by video-conference in 2013-14 (28.7% less than what was actually paid)



A5. SUCCESS MEASURES

■ N/A

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A6. RESOLUTION

- That, subject to the Minister’s approval, Schedule K of the Bylaws be amended by inserting the words “, in person or by video-conference,” after the first occurrence of the word “attendance” in subparagraphs 2 a), b) and c).



APPENDIX

The current compensation scheme can be summarized as follows:

Meetings		Board of Directors	Audit Committee	Other Committees
Regular Meetings	For attendance	For the first 6 regular meeting days: <ul style="list-style-type: none"> • \$2000/day Thereafter: <ul style="list-style-type: none"> • \$625/day 	For the first 6 regular meeting days: <ul style="list-style-type: none"> • \$1300/day for members • \$1550 for the Chair Thereafter: <ul style="list-style-type: none"> • \$625/day 	For the first 4 regular meeting days: <ul style="list-style-type: none"> • \$1000/day for members • \$1250 for the Chair Thereafter: <ul style="list-style-type: none"> • \$625/day
	For participation by telephone	\$625/day or \$312.50/half-day	\$250/day	\$250/day
Conference Call Meetings		\$250/day	\$250/day	\$250/day