

## Executive Director Total Compensation Policy (2.12)

Policy:	ED Total Compensation	Effective Date:	June, 2024
Last Review Date:		Next Review Date:	February, 2027
Review Frequency:	Every 3 years	Related Supporting Documents:	ED Charter and Delegation of Authorities ED Performance Evaluation Policy

### Purpose

The purpose of this policy is to support the Council in providing a competitive total compensation package for the Executive Director (ED) to attract and retain the best possible talent to lead the organization.

### Policy

The Council establishes and approves a Total Compensation Package that is:

- competitive with the compensation of other comparable organizations
- reviewed and approved annually along with the budget allocation
- reflected in the Council-approved ED employment contract.

Components of the Total Compensation Package are not guaranteed from year to year.

### Policy Guidance

The ED's Total Compensation Package considers, but is not limited to, the following components:

- **Base salary:** A pay range approved by the Council to compensate for the knowledge, skill and ability that the ED must demonstrate to lead and sustain the success of the organization. Progression through the salary range is dependent on ED performance. Cost of living increases and other adjustments to the base salary may be approved by the Council.
- **Discretionary Incentive:** A lump sum, one-time payment based on performance results given at the discretion of the Council. The discretionary incentive is NOT added to base salary as it is not guaranteed and is dependent on the financial position of the organization.
- **Non-monetary benefits:** The suite of health, dental, extended health, disability insurance, vacation and other paid leave, etc.
- **Pension program:** The employer contributes as per the requirements of the pension program utilized by the CRNS.

- **Professional development allowance:** The ED is eligible for an annual allocation for classes, courses, conferences, tuition, coaching services and related travel expenses to help support achieving personal growth/professional development goals.

The Council may consider the following criteria when making changes to the Total Compensation Package:

- Attracting and retaining the best possible talent to lead the organization and drive success, i.e., the cost of retaining the current ED and hiring a replacement
- Current market rates/comparators with similar positions within comparable organizations (results of benchmarking surveys do not obligate the Council to adjust compensation)
- How the Council wishes to position the organization (brand, credibility and reputation)
- Cost of living as per the Consumer Price Index (CPI)
- Changes in ED responsibilities or requirements
- Changes in the complexity of the work (provincial & national)
- Financial health of the organization in the short and long term
- Internal equity, i.e. how does the ED's salary, and how it is set, compare to other salaries in the organization
- Other potential components, e.g. paid or unpaid leave, flexibility, education, etc.

## Roles and Responsibilities

### GOVERNANCE AND HR COMMITTEE

- Review the components of the Total Compensation Package and ensure that it is competitive, following reviews/benchmarking of total compensation programs in comparator organizations.
- Reviews/benchmarking of comparator organizations will take place every 3 years. (Compensation Review completed in 2024)
- In the years in which benchmarking does not take place, the Council will consider the ED's progress against the measurements listed in the performance evaluation policy. Consideration using the criteria above.
- Recommend to Council the components of the Total Compensation Package for possible adjustments, subject to the ED meeting performance expectations and within the limits of the overall budget approved by the Council.

### COUNCIL

- Annually approve changes to the ED's Total Compensation Package and budget allocation.

## APPENDIX

### PROCESSES

#### Registrar/ED Assessment Process (as noted in the above policy)

- May engage a third-party consultant to facilitate the assessment of the Registrar/ED's performance
- The Registrar/ED's performance will be appraised by the Council, the Leadership Team, and through self-assessment
- Performance criteria (based on the Registrar/ED Role Profile):
  - Results (70% weighting)
    - Key responsibilities and accountabilities
      - Board
      - Strategic
      - Operations
      - Stakeholder Relations
    - Specified performance goals, approved by Council
  - Competencies (30% weighting)
    - Leads self
    - Engages others
    - Achieves results
    - Develops coalitions
    - Systems transformation

Linking the Registrar/ED's Performance Appraisal Rating to an Annual Incentive.

*Note: the evaluation ratings below provide a guideline for the Council. The Council can make decisions that do not follow this guideline.*

<b>Performance Rating</b>	<b>Incentive Award</b>
< 3.0	No incentive/bonus paid
3.1 to 3.5	2.0%
3.6 to 4.0	2.5%
4.1 to 4.5	3.5%
≥ 4.6	5%

Governance Solutions CEO Evaluation Tool ratings:

5- outstanding, excellent, no improvement needed

4- better than satisfactory, less than completely outstanding

3- fully satisfactory, meeting the standard in this area

2- less than fully satisfactory, but not the lowest rating

1- improvement needed, not meeting standard, and/or developmental