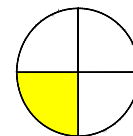


Board of Directors Policy



Policy Type: Board – Executive Director Relationship

Policy #: BEDR7

Policy Name: Executive Director Compensation

Page #: 1 of 2

Creation Date: March 17, 2003

Effective Date: February 27, 2017

Monitoring: October

The Board of Directors will establish and sustain a competitive compensation package in order to attract and retain a highly qualified Executive Director. The compensation package has three key elements:

- All forms of cash compensation such as base salary, car allowances, incentive pay and any other forms of cash compensation;
- insured and funded benefits such as medical, dental, life insurance, disability, pension and other related benefits;
- perquisites such as a company car, special vacation eligibility, professional fees, seminars and course reimbursement for professional development.

The package will be reviewed no less than every two years to ensure that it does not deviate materially from the geographic or professional market for the skills required. Any changes in the compensation package will occur in accordance with the employment contract established by the Board for the Executive Director.

In this spirit, the Board will:

1. Establish an Executive Director Compensation Review Task Group to be responsible for ensuring a competitive compensation package for the Executive Director. The process may be conducted by a third party as directed by the Task Group.
2. In order to remain competitive, a target percentile i.e. P50, P60, for the compensation level will be established in relation to market comparators.
 - 2.1 The percentile represents where the compensation level should ideally fall along a distribution of other similar positions. Should it be determined that it should be at P60, then 60% of all other comparators would fall below the compensation level set.
 - 2.2 This target may be aspirational or serve as a benchmark to attain over the longer term.
 - 2.3 Deviations and flexibility may be warranted in extenuating circumstances such as where there are extra-ordinary market fluctuations but all exceptions must be supported by valid data.
 - 2.4 Information from the Cost of Living Index may also be considered when determining competitiveness.
3. The Task Group will oversee an external market comparison.
 - 3.1 Comparisons will be made with compensation levels for executive level positions from within the Broader Public Sector that are deemed to be similar in scope and responsibility, organization size and budget. Other non-profit or family service sector executive director level position would be suitable comparators.
 - 3.2 Comparators may include local and/or provincial markets. The selected markets should reflect the geographic market from which you are likely to recruit from and may be adjusted due to market conditions.

3.3 If available, information may also be sourced from provincial listings of other non-profit executive level positions such as the Ontario Mental Health and Addictions Compensation Survey.

4. The Task Group will gather information from the Director of Business and Finance related to the current compensation package for the Executive Director.
5. The Task Group will make a recommendation to the Board of Directors taking into consideration the information from an external market comparison, the current compensation package, the target percentile, cost of living, financial condition and the performance review process.
6. Recommendations approved by the Board of Directors will be incorporated into the renewal of the Employment Contract for the Executive Director.