



## BOARD MANUAL

### POLICY

<b>SECTION:</b>	<b>Administration - General</b>	<b>NUMBER:</b>	<b>BD 4-8</b>
<b>APPROVED:</b>	<b>Board of Directors</b>	<b>DATE APPROVED:</b>	<b>May 21, 2014</b>

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### EXECUTIVE COMPENSATION FRAMEWORK

Refer to: 4-4, 4-9

#### 1. COMPENSATION STRATEGY

St. Joseph's Care Group is committed to ensure all employees are appropriately compensated for the work performed within the framework of government policy and legislation related to compensation for executive staff within the broader public sector.

St. Joseph's Care Group believes that competitive pay is a key element in recruiting, retaining, and rewarding the type of employees that are needed to fulfill the Care Group's mission now and in the future. SJCG is committed to paying salaries that are competitive in the various labour markets in which it recruits.

A "market" comparison is conducted every three years and SJCG will compare its executive compensation to a group of organizations from which it recruits and tends to lose employees, and also will compare to larger public sector institutions in Northwestern Ontario.

In addition to monitoring salary scales for the President & CEO and Leadership Team regularly to ensure they reflect reasonably with comparable positions in the private and public sector, an assessment will be conducted to ensure that a reasonable salary differential exists between supervisory personnel and the workers they co-ordinate.

Non-unionized, supervisory and management employee salary scales will be reviewed to ensure they are competitive relative to similar positions in the private and public sectors.

An Ad Hoc Performance Review/Compensation Committee will be established to assist the Board in fulfilling its obligations related to performance review of the President & CEO, and executive compensation.

## 2. AD HOC PERFORMANCE REVIEW/COMPENSATION COMMITTEE

The Ad Hoc Performance Review/Compensation Committee reports to the Executive/Strategic Planning Committee of the Board. Its membership will consist of:

- The Chair
- The Vice Chair
- The Past Chair
- The Chair of the Finance Committee
- The Catholic Health Corporation of Ontario (CHCO) Representative to the Board, and
- One additional board member

### **Purpose**

The purpose of the Ad Hoc Performance Review/Compensation Committee is to assist the Board in fulfilling its obligations related to performance review of the President & CEO, and executive compensation.

### **Mandate**

The mandate of the Ad Hoc Performance Review/Compensation Committee is as follows:

#### *Relating to the President & CEO:*

To annually consult with the President & CEO concerning the performance objectives and to recommend these to the Executive/Strategic Planning Committee of the Board;

To annually evaluate the performance of the President & CEO, based on agreed-upon annual performance objectives and to provide an in camera report to the Board;

To comply with the Excellent Care for All Act (ECFAA) by ensuring that a portion of the President & CEO salary is held at risk annually in relation to Board approved components of the SJCG Quality Improvement Plan;

Where legislation does not prohibit increases, to annually recommend to the Board the compensation of the President & CEO, including base pay, benefits and perquisites in compliance with ECFAA, the Broader Public Sector Perquisites Directive and in accordance with the Compensation Policy approved by the Board; and,

To review the President & CEO's multi-rater performance evaluation every two years.

#### *Relating to the Vice Presidents:*

To comply with ECFAA by ensuring that a portion of VP salaries are individually held at risk annually in relation to Board-approved components of the SJCG Quality Improvement Plan;

Where legislation does not prohibit increases, to annually review the recommendation of the President & CEO concerning the compensation of the members of the Leadership Team, and,

To approve exceptions to the Compensation Policy if these are recommended by the President & CEO.

*Respecting the Compensation Strategy:*

To review executive compensation levels annually; and

To periodically (no less than every three years) review the Compensation Strategy and recommend changes, as required, to the Board.

*Respecting a Communication Plan:*

To ensure that there is a communication plan to address issues related to executive compensation. The chief spokesperson on executive compensation matters shall be the Chair of the Board as required.