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Charter of the Compensation Committee of the board

- developed from various sources

Purpose

The Compensation Committee of the board shall assist and advise the board regarding its responsibility for oversight of the agency's compensation policy.

In particular, the Committee shall study and evaluate appropriate compensation mechanisms and criteria, and make recommendations to the full board regarding the establishment of policies and practices for compensating officers of the corporation appointed in accordance with [agency name] Bylaws.

All determinations on officer compensation will be subject to review and approval by the full board as required under the Bylaws.

Scope

The Committee shall recommend an overall compensation philosophy for the agency consistent with the agency's public status, global employee base and overall mission, recommend appropriate base and performance compensation ranges for officers appointed in accordance with the Bylaws, and ensure that the compensation structure of the corporation establishes appropriate performance targets for senior management.

The Committee will provide advice to the Chief Executive Officer regarding the implementation of a compensation philosophy and on the compensation structure for the other officers that report directly to the board.

Composition

Size – The size of the Committee shall be determined annually by resolution of the full board upon recommendation by the board's Governance Committee, but shall have at least [X] members.

Qualification – Each Committee member shall be independent and free from any relationships or conflicts of interest with respect to the agency or agency staff that may impair, or appear to impair, the board member's ability to make independent judgments regarding compensation policies.

In addition, desirable qualifications for Committee members include experience in business management, executive compensation, employee benefits, and human resources, as well as the achievement of diversity in experience, culture and viewpoints among Committee members.

Appointment and Removal – The board shall select Committee members and designate the Committee Chair based on recommendations of the board Governance Committee. Each Committee member will serve at the pleasure of the board for such term as the board may decide or until such Committee member is no longer a board member.

Duties and Responsibilities

The duties and responsibilities of the Committee shall include the following:

1. **Overall philosophy** – The Committee shall be responsible for developing an overall philosophy for the agency's compensation programs applicable to officers, and employees generally as appropriate. To achieve this, the Committee may seek advisement and counsel from professionals with expertise in compensation.
2. **Develop strategy for Executive Management compensation policies and programs** – The Committee will develop appropriate strategy and processes for agency's policies and practices regarding compensation of executive management. The Committee will work with the Chief Executive Officer regarding the officers that are his or her direct reports.
3. **Recommend target goals for Executive Management salary and performance based compensation** – The Committee will strategize upon, and recommend at least annually, corporate goals and objectives relevant to the compensation of the Chief Executive Officer, and each other officer of [agency name]. The Committee will, at the end of each year, evaluate the performance of the Chief Executive Officer in relationship to those corporate goals and objectives. The Chief Executive Officer shall be responsible for evaluating the performance of officers other than himself or herself, and shall share the results of such evaluation with the Committee and the full board as appropriate. The Committee shall also, following consideration of such evaluations, recommend appropriate compensation levels for officers for the following year consistent with agency's fiscal budget, based on those evaluations and any other factors as it deems appropriate, including the advice of outside consultants. In recommending performance based compensation targets each year for the Chief Executive Officer, and each other officer of the [agency name], the Committee will consider appropriate performance measures in the achievement of the [agency name's] mission and core values, as well as any specific management objectives set by the board. The Committee will document each year the basis for the Committee's recommendations and conclusions for the benefit of the full board.
4. **Recommend appropriate elements of compensation** – The Committee will evaluate, consider and recommend to the board appropriate elements of individual compensation arrangements, taking into account [agency name's] mandate. Elements of compensation in addition to base salary and performance based compensation may include benefits under qualified plans, perquisites and incidental benefits, and also offsetting payments for higher medical costs and risks of currency exchange rate fluctuations. In addition, the cost benefit analysis of certain types of compensation under local laws shall be considered.
5. **Oversee regulatory compliance** – The Committee will, in consultation with [agency name] staff, review annually all elements of officer compensation and recommend documentation and approval by the full board in a manner that is designed to qualify for the presumption of reasonableness under laws and regulations applicable to the [agency name] as a public agency.

6. **Assemble and evaluate comparative data** – The Committee shall, at least biannually, obtain, review and assimilate comparable compensation data with respect to officer-level compensation policies for entities comparable to [agency name] in size, geographic location, mandate, industry and other relevant factors. Such comparative data shall be shared with and discussed by the full board.
7. **Review employment agreements and severance arrangements** – The Committee will review and advise the full board on any proposed employment agreement with, and any proposed severance or retention plans or agreements applicable to, any officer of the agency. In addition, the Committee shall review and advise with respect to any severance or other termination payments proposed to be made to any officer of the agency.
8. **Board reports and Board approval of Executive Management compensation** – The Committee will report its activities to the board in such manner and at such times as the Committee or the board deem appropriate.
9. **Other delegated duties or responsibilities** – The Committee will perform any other duties or responsibilities delegated to the Committee by the board from time to time.

Meetings

The Committee will meet as frequently as necessary to carry out its responsibilities under this Charter.

The Committee Chair will, in consultation with the other members of the Committee and appropriate executive management of the agency, establish the agenda for each Committee meeting.

The Committee Chair or a majority of the Committee members may call a meeting of the Committee. Any individual whose performance or compensation is to be discussed at a Committee meeting shall not attend such meeting unless specifically invited by the Committee. Specifically, the Chief Executive Officer may not be present while the Committee is considering recommendations with respect to the Chief Executive Officer's compensation; however the Chief Executive Officer may participate in discussions and advise the Committee regarding the compensation of other officers of the agency.

As appropriate, the Committee should engage in a dialogue with an individual officer with respect to any issues of concern relating to or impacting their compensation review and recommendation.

Resources and Authority

The Committee shall have appropriate resources and authority to discharge its responsibilities, including, for example, appropriate funding, in such amounts as the board deems necessary, to compensate any consultants or any other advisors retained by the Committee. Any consultants retained shall be independent and have appropriate expertise regarding compensation arrangements for public agencies.

Chair
[Agency Name]

Date

Chair
Compensation Committee

Date