

# Cree Nation Government Board of Compensation

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PRESENTATION ON COMPENSATION POLICY FOR  
BOARD MEMBERS


JULY 2017



# Compensation Policies

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The Cree Nation Government **Board of Compensation** conferred a contract to Towers Watson to **review and recommend compensation policies** for the Board of Directors BOC/CREECO.



# Compensation Committee Creation

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The Cree Nation Government Board of Compensation has created a **Compensation Committee** in order to establish and recommend compensation policies for the Board of Directors BOC/CREECO.



# Rationale


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To separate the preparation of the policy from the members who would benefit from its results, the Board selected non Board members with experience in HR, Administration, and with Public company experience

# Composition of the Compensation Committee

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The following were the independent members appointed to the committee:

- Paul Gull, Chairman
  - Brenda Bull
  - Ronald Singer
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# Mandate of the Committee

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Recommend compensation policies for the Board of Directors of the Board of Compensation and help to design a compensation structure for CREECO.



## Documents Reviewed


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The Compensation Committee was provided with the Towers Watson compensation study, as well as various legal opinions obtained by BOC and by the Cree Nation Government



# Towers Watson presented to the Executive Committee of the Board of Compensation

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- Highlights of the report include a number of listed public companies that were used as comparators and separated into quartiles;
  - Introduction of an Annual Fee for Directors;
  - Adjustment in the daily meeting fee for Directors to bring closer to market rates for operations of comparable size to BOC/CCO;
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# **Committee's Comments on Towers Watson Report**

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The Towers Watson's report was based upon public market benchmarks. The committee recommended levels of compensation which were below the indicated market levels due to the public nature of the Board of Compensation and CREECO.

**Considering this, the Committee agreed to use Towers recommendations as one term of reference.**




## Committee Recommendations

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In December 2015, a second Compensation Committee report was submitted.

Board asked the Committee to convert their report into Policy form.


Policies were developed and presented to the Board of Directors in 2016.



# **BOC/CREECO Compensation Philosophy**

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The philosophy behind BOC and CREECO's compensation policy is to create a program that supports their stated mission and values. The compensation program is a management tool that when aligned with an effective communication plan is designed to support, reinforce and align the values and goals of profitability, longevity, stability, self-sufficiency and leadership.



# Board Retainer

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A retainer is intended to compensate directors for time spent preparing for Board meetings, discussing Board matters at the community level, to compensate for attending board meetings which exceed normal working hours.

Non-employee members of the Board of Directors (the “Board”) of BOC/CREECO shall be eligible to receive a retainer.

Non-Employee Director has the option to decline the receipt of such compensation by written notice to the BOC/CREECO.

Employee Board member (ex: Chairman) does **not** receive retainer




# BOC/CREECO Directors Compensation

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**Annual Retainers:** Each Director shall be eligible to receive an annual retainer of **five thousand dollars (\$5,000)** for service on the Board.

A Director is also entitled to receive a matching annual retainer for representing the Board of Directors of CREECO.




# BOC/CREECO Meeting Fees

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For in-person Board or Committee meetings, each Director in attendance shall receive \$750. The meeting fees shall be paid only to the Director who attended the Board or Committee meeting. No meeting fees shall be paid to a Director who did not attend the Board or Committee meeting.

For any conference call Board or Committee meetings, each Director in attendance shall receive \$100 per hour up to a maximum of a total of \$750. A minimum of one hour should be paid for any conference call Board or Committee meeting. The meeting fees shall be paid only to the Director who attended the conference call.

Chairman is considered an employee and is **not** eligible to receive board meeting fees



# BOARD Travel Expenses

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Travel allowances are reimbursement for travel expenses and are not considered as pay.

BOARD MEMBER COMPENSATION	CURRENT	TOWERS RECOMMENDATION	PROPOSED BY THE COMMITTEE
Travel Allowance	\$0.60 - \$0.70/km	Continue policy	Continue, but use Air Creebec when possible