# EXECUTIVE COMPENSATION POLICY

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| Approved by: | Board of Governors |
| Authorizer: | Governance Committee |
| Version: | V1 |
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## POLICY STATEMENT

The purpose of this policy is to establish a clear, consistent, and compliant framework governing executive compensation at the College.

This policy is intended to:

- Ensure compliance with applicable legislation, including the *Broader Public Sector Accountability Act, 2010* and the *Broader Public Sector Executive Compensation Act, 2014 (*“**BPSECA**”);
- Promote transparency, accountability, and sound stewardship of public funds;
- Support the Board in exercising effective oversight of executive compensation; and
- Ensure that executive compensation decisions are reasonable, defensible, and aligned with the College’s mandate and strategic objectives.

## SCOPE

This policy applies to all designated executives of the College, the Board, the Executive Committee and any individual at the College engaged in executive compensation decisions.

For the purposes of this policy, “designated executives” meet the criteria set forth under the BPSECA. At the College, the designated executives include the following positions:

- The President;
- Vice-Presidents; and
- The Chief Administrative Officer / Chief Financial Officer.

## DEFINITIONS

**Board**: The board of governors of the College.

**College**: The Conestoga College Institute of Technology and Advanced Learning.

**President**: The president of the College.

This policy shall be interpreted and applied in accordance with:

- The *Broader Public Sector Accountability Act, 2010* and associated directives;
- The *Broader Public Sector Executive Compensation Act, 2014*;
- The Compensation Framework Regulation (O. Reg. 406/18) (the "**Regulation**"); and
- Applicable Broader Public Sector directives.

In the event of any inconsistency, the applicable legislation, regulation, or directive shall prevail.

## PRINCIPLES OF EXECUTIVE COMPENSATION

The following principles shall guide all executive compensation decisions at the College:

1. **Compliance –** Compensation of designated executives shall meet all legislative requirements including, but not limited to *Broader Public Sector Accountability Act, Broader Public Sector Executive Compensation Act, Employment Standards Act, 2000* and *Pay Equity Act.*
2. **Accountability** – Compensation decisions must be justifiable, evidence-based, and capable of external review.
3. **Transparency** – Processes and decisions must be documented and subject to appropriate oversight.
4. **Alignment** – Compensation must align with institutional performance, strategic priorities, and public expectations.
5. **Comparability** – Compensation must be benchmarked against appropriate comparator organizations.
6. **Fiscal Responsibility** – Compensation must reflect prudent management of public resources.

## POLICY

### Responsibilities

The Board is responsible for the following:

1. Approving this policy and any amendments;
2. Approving the compensation of the President;
3. Approving the executive compensation framework and any material changes; and
4. Providing oversight of executive compensation governance and compliance, including an annual review of designated executive compensation.

### Executive Committee

The Executive Committees is responsible for the following:

1. Developing and administering the executive compensation framework and program;

2. Reviewing and recommending executive compensation matters to the Board, as required and in accordance with the executive compensation framework and applicable law;
3. Conducting an annual review of the designated executive compensation program;
4. Ensuring that appropriate analysis and documentation support all recommendations; and
5. Reviewing executive performance evaluation outcomes where compensation is affected.

**President/Senior Management**

Management is responsible for:

1. Administering executive compensation in accordance with this policy and approved frameworks;
2. Ensuring that all compensation decisions are supported by appropriate documentation and analysis; and
3. Bringing forward any compensation matters requiring Board or Executive Committee approval.

## EXECUTIVE COMPENSATION PROGRAM

The College shall maintain an Executive Compensation Program (the "**Program**") in compliance with applicable legislation, framework (Regulation) and directives.

The Program shall describe the way the College provides compensation to executive and shall include information on the following:

- Designated executive positions;
- Salary and performance-related pay caps;
- Comparator selection and benchmarking methodology;
- Total compensation envelope; and
- Any other elements of compensation provided to designated executives

## EXECUTIVE COMPENSATION

New and existing designated executives will be subject to the terms of the Regulation and Program.

1.1 Salary and Performance-Related Pay

The salary cap for a designated executive position shall be determined in a manner that is compliant with the Regulation and approved annually by the Executive Committee and/or Board.

Neither salary nor performance-related pay for each designated executive position shall exceed the established **salary cap** established under the Program. Minimum salary and performance-related pay available to each designated executive of class of designated executives shall be included in the Program.

The total performance-related pay for all designated executives in a pay year shall be less than or equal to the College's performance-related pay envelope. The College's performance-related pay envelope shall be determined in a manner compliant with the Regulation.

Performance-related pay, where permitted, shall:

- Be based on **pre-established performance objectives**;
- Be supported by a documented performance evaluation; and
- Comply with all applicable legislative restrictions and caps.

The linkage between performance outcomes and compensation decisions shall be clearly documented and retained.

1.2 Other Compensation

The cap for an element of compensation other than salary and performance-related pay for a designated executive position shall be set in accordance with the Regulation.

The College shall not include any element of compensation for a designated executive position proscribed by the Regulation.

## EXECUTIVE COMPENSATION CHANGES

Changes to compensation provided for designated executives must be made in accordance with the framework and Program.

Any new designated executive position or executive compensation change arising from restructuring shall:

- Require **prior approval** from the appropriate governing body (Executive Committee and/or Board);
- Be supported by a documented analysis the purpose and scope of restructuring or change, as well as an analysis of the role before and after restructuring; and
- Include an assessment of whether the restructuring is bona fide and compliant with legislative requirements, including but not limited to addressing the compensation elements affected and whether the resulting compensation remains within the framework and Program.

Any required approvals under the Regulation shall be documented and all decision records, including the approval, shall be retained.

## ANNUAL EXECUTIVE COMPENSATION GOVERNANCE CYCLE

The College shall maintain a **standardized annual governance cycle** for executive compensation.

The annual cycle shall include:

- Establishment of performance objectives;
- Performance evaluation;
- Review and recommendation of compensation outcomes; and
- Board and/or Executive Committee approval, as required.

All executive compensation matters presented to the Board or Executive Committee shall:

- Clearly indicate whether the item is for information, discussion, recommendation, or approval; and
- Be supported by consistent briefing materials.

## DOCUMENTATION AND RECORD RETENTION

The College shall maintain complete and accurate records of all executive compensation decision records, including those made by the Executive Committee and/or Board, and any required under the Regulation.

Records shall include:

- Materials presented to the Board or Executive Committee;
- Supporting analysis and rationale;
- Minutes and resolutions; and
- Final decisions and approvals.

A complete governance record shall be retained for each annual executive compensation cycle.

## TRANSPARENCY AND PUBLIC DISCLOSURE

The College shall comply with all public disclosure obligations, including:

- Posting its Program, as required;
- Conducting public consultation where required; and

- Complying with applicable salary disclosure legislation.

## MONITORING AND COMPLIANCE

The Board shall oversee compliance with this policy.

The College shall cooperate with any audits or compliance reviews conducted by the Province.

This policy shall be reviewed periodically and updated as required to reflect legislative and regulatory changes.

## RELATED DOCUMENTS

- President Evaluation Policy