



## Policy on Board & Committee Remuneration

Approval Authority:	Board of Directors
Responsible Manager:	Manager, Board Operations
Approval Date:	18 June 2020
Effective Date:	1 September 2020
Revised/Restarted:	
Review Date:	March 2023

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### I. Purpose and Interpretation

1. This Policy establishes the basis on which members of the Board and others serving on Advisory Committees, Board Committees, Registrar’s Committees, Statutory Committees and Sub-Committees are compensated for their time and service to RECO.

2. In this Policy, the following terms shall have the following meanings:

“Act” means the *Real Estate and Business Brokers Act, 2002*, S.O. 2002, c. 30, Sch. C., as amended, and the regulations passed pursuant to that statute.

“Administrative Agreement” means the administrative agreement between RECO and Her Majesty the Queen in Right of Ontario, dated 5 February 2013.

“Advisory Committee” means any committee or advisory group established by RECO to advise the Board or management on designated topics or issues, excluding Board Committees, Sub-Committees, Registrar’s Committees and Statutory Committees.

“ARFI” means the Audit, Risk, Finance & Insurance Committee of the Board.

“Board” means RECO’s Board of Directors.

“Board Committee” means a standing or ad hoc committee of the Board, established by the Board pursuant to the Policy on Committees of the Board of Directors.

“Bylaw” means RECO’s corporate bylaw #1.

“CEO” means RECO’s chief executive officer.



“Chair” means the chair of the Board, duly appointed to that position pursuant to the Policy on Appointment of the Chair & Vice-Chair.

“Committees” means collectively Advisory Committees, Board Committees, Registrar’s Committees, Statutory Committees and Sub-Committees.

“Hearing” means a hearing conducted under the auspices of a Statutory Committee, and specifically includes a pre-hearing at which a Member is required to attend as chair.

“Industry Director” has the meaning ascribed to that term in the Bylaw.

“Manager” means RECO’s Manager, Board Operations.

“Meeting” means a formally scheduled meeting or Hearing of the Board, a Committee or RECO Members, whether the meeting or Hearing is held in person or by teleconference, for which an agenda has been prepared and distributed, proper notice has been given, and a record of proceedings has been or is to be kept, and the term specifically includes events related to whole Board development pursuant to the Policy on Director Orientation & Development.

“Member” means a member of the Board or a Committee, and the term specifically excludes RECO employees and contractors.

“Ministerial Director” has the meaning ascribed to that term in the Bylaw.

“RECO Members” means members of RECO as a corporation as defined in the Bylaw.

“Registrar” means the registrar appointed under the Act.

“Registrar’s Committee” means any committee established by the Registrar for advisory purposes.

“Remuneration” means any amount to which a Member is entitled pursuant to this Policy.

“SMG” means RECO’s senior management group as appointed by the CEO.

“Statutory Committee” means any committee required to be established by RECO by virtue of the Act.

“Sub-Committee” means any sub-committee of a Board Committee or a Registrar’s Committee established by that Board Committee or Registrar’s Committee.

3. By virtue of the resolution of the Board by which this Policy is enacted, the policy of the Board known as the “Director & Committee Remuneration Policy” approved by the Board on 17 May 2018 is repealed in its entirety.



4. The information appearing in Table 1 to this Policy forms no part of this Policy. It is attached for convenience of reference only. In the case of any inconsistency or ambiguity between information in Table 1 and the text of this Policy, the text of this Policy shall prevail.
5. All values stated in this Policy are stated in Canadian dollars.

## **II. Scope and Responsibilities**

1. Pursuant to the Bylaw, RECO Members approve the Remuneration to be paid to Industry Directors.
2. Pursuant to the Bylaw and subject to the Administrative Agreement, the Board sets the Remuneration of all Members other than Industry Directors.
3. ARFI shall generally oversee the administration of this Policy, and it shall make such reports and recommendations to the Board as it shall deem necessary from time to time or as may be requested by the Board.
4. SMG shall report to ARFI on the administration of this Policy as it shall deem necessary or as may be requested by ARFI, and in that connection it shall make such recommendations to ARFI as it shall deem appropriate.
5. The Manager shall be responsible for the administration of this Policy. The Manager shall make such reports and recommendations to SMG as may be requested by SMG from time to time, or as may be deemed necessary by the Manager.

## **III. LEGAL and POLICY CONTEXT**

This Policy shall be read and interpreted in a manner consistent with the following legal and policy framework, it being intended that the Policy shall be compliant with relevant law and policy.

*Canada Not-for-Profit Corporations Act, S.C. 2009, c.23, as amended*

*Income Tax Act, R.S.C. 1985, c.2 (5th Supp)*

*Public Service of Ontario Act, 2006, S.O. 2006, c. 35, Sch. A, as amended*

*Real Estate and Business Brokers Act, 2002, S.O. 2002, c.30, Sch. C, as amended*

*Safety and Consumer Statutes Administration Act, 1996, S.O. 1996, c.19, as amended*

The Administrative Agreement between RECO and Her Majesty the Queen in Right of Ontario, dated 5 February 2013

RECO's Corporate By-Law #1



RECO's Policy on Appointment of the Chair & Vice-Chair  
RECO's Policy on Board, Committee & Other Assessments  
RECO's Policy on Committees of the Board of Directors  
RECO's Policy on Director Orientation & Development  
RECO's Policy on Organizational Planning & Performance

#### **IV. Introduction**

1. To compensate Members for their time and service to RECO, Members shall receive such Remuneration as may be contemplated by this Policy.

#### **V. Principles**

1. RECO is accountable for the funds it receives through its administration of the Act, and it must ensure that those funds are expended only in a manner consistent with good stewardship in the public interest.
2. The bases on which Remuneration is established and paid shall be fair, equitable, uniform and transparent.
3. Remuneration is intended to assist RECO in attracting and meaningfully engaging Members. While Members are intended to contribute their unique competencies in service of RECO's vision and mission, an element of public service is implied in their work, such that Remuneration is not intended to be competitive in the ordinary marketplace.
4. Public servants employed under Part III of the Public Service of Ontario Act, 2006 are not permitted to be paid or accept any Remuneration in respect of a government appointment other than their salaries as public servants.

#### **VI. Remuneration - General**

1. Subject to this Policy and consistent with the Bylaw, Industry Directors shall be entitled to Remuneration as approved by RECO Members at a general meeting of RECO Members. Such Remuneration shall be applicable to the service of Industry Directors on the Board or any Committee.
2. Subject to this Policy and consistent with the Bylaw, Members other than Industry Directors shall be entitled to Remuneration as approved by the Board. Such Remuneration shall be applicable to the service of Members (other than Industry Directors) on the Board or any Committee.
3. Subject to sections VI.4, VI.6, VI.7 and VI.8, Members shall be entitled to Remuneration only for Meetings.



4. In addition to the Remuneration to which Members are entitled pursuant to section VI.3, Members (other than Members of Statutory Committees) may be entitled to Remuneration in the following circumstances:
  - (i) Industry Directors and Ministerial Directors other than the Chair are entitled to Remuneration for activities other than Meetings, provided approval of that Remuneration is obtained by the Industry Director or Ministerial Director either (a) from the Chair prior to participation in any activity related to the Board, a Board Committee or a Sub-Committee of a Board Committee, (b) from the Registrar prior to participation in any activity related to a Registrar's Committee or a Sub-Committee of a Registrar's Committee, or (c) from the CEO prior to participation in any activity related to an Advisory Committee.
  - (ii) The Chair is entitled to Remuneration for activities other than Meetings, provided approval of that Remuneration is obtained by the Chair either (a) from the chair of ARFI prior to participation in any activity related to the Board, a Board Committee or a Sub-Committee of a Board Committee, (b) from the Registrar prior to participation in any activity related to a Registrar's Committee or a Sub-Committee of a Registrar's Committee, or (c) from the CEO prior to participation in any activity related to an Advisory Committee.
  - (iii) Members of Board Committees or Sub-Committees of Board Committees, other than Industry Directors and Ministerial Directors, are entitled to Remuneration for activities other than Meetings, provided approval of that Remuneration is obtained by the Member from the Chair prior to participation in that activity.
  - (iv) Members of Registrar's Committees or Sub-Committees of Registrar's Committees, other than Industry Directors and Ministerial Directors, are entitled to Remuneration for activities other than Meetings, provided approval of that Remuneration is obtained by the Member from the Registrar prior to participation in that activity.
  - (v) Members of Advisory Committees other than Industry Directors and Ministerial Directors are entitled to Remuneration for activities other than Meetings, provided approval of that Remuneration is obtained by the Member from the CEO prior to participation in that activity.
5. Any decision reached pursuant to section VI.4 by the Chair, the chair of ARFI, the CEO or the Registrar, as the case may be, shall be final.
6. In addition to the Remuneration to which an Industry Director or a Ministerial Director may be entitled pursuant to either of sections VI.3 or VI.4, Industry Directors and Ministerial Directors shall be entitled to Remuneration for their participation in individual director development events as contemplated by the Policy on Director Orientation & Development, but strictly subject to the terms and conditions as set out in that policy.



7. In addition to the Remuneration to which a Member of a Statutory Committee may be entitled pursuant to section VI.3, (i) the chair of any Hearing shall be entitled to Remuneration for preparing and issuing the final reasons for any decision of the Statutory Committee, except where the matter proceeds by way of an agreed statement of fact and penalty, and (ii) the chair of a Statutory Committee shall be entitled to Remuneration for finalizing the reasons for any decision of the Statutory Committee which has proceeded by way of an agreed statement of fact and penalty.
8. In addition to the Remuneration to which a Member of a Statutory Committee may be entitled pursuant to either of sections VI.3 or VI.7, a Member of a Statutory Committee shall be entitled to Remuneration (i) for attendance at any orientation session conducted by RECO to assist in the performance of their responsibilities, and (ii) for attendance at any continuing professional development events required by RECO to support the performance of their duties.

## **VII. Remuneration – Specifics**

1. The Remuneration referred to in this Article VII has been approved by the RECO Members or the Board, as required by sections VI.1 and VI.2. This Policy will be updated as required from time to time as Remuneration is changed by RECO Members or the Board, as the case may be.
2. Remuneration is paid on a per diem basis.
3. Subject to sections VII.4, VII.5, VII.6, VII.7 and VII.8, Members are paid Remuneration at a per diem rate of \$500.
4. In the case of Remuneration to which a Member is entitled pursuant to either of sections VI.3, VI. 4, VI.6 or VI.8:
  - (i) For any Meeting or other activity scheduled for three hours or less, and which concludes in three hours or less, Members shall be paid \$250.
  - (ii) For any Meeting or other activity scheduled for longer than three hours, and for any Meeting or other activity scheduled for three hours or less but which takes longer than three hours to conclude, Members shall be paid \$500.
  - (iii) For any Meeting or other activity taking place without a scheduled timeframe, Members shall be paid \$250 if the Meeting or other activity concludes in three hours or less, and \$500 if the Meeting or other activity concludes in longer than three hours.
5. The Chair shall be entitled to a per diem rate of \$750 for chairing any Meeting of the Board or RECO Members that is scheduled for longer than three hours, or which is scheduled for three hours or less but which takes longer than three hours to conclude. For any Meeting of the Board or RECO Members that is scheduled for less than three hours and concludes in less than three hours, the Chair shall be entitled to



Remuneration of \$375. In all other cases, the Chair shall be entitled to Remuneration according to section VII.4.

6. The chair of any Hearing shall be entitled to a per diem rate of \$750 for chairing any Hearing that is scheduled for longer than three hours, or which is scheduled for three hours or less but which takes longer than three hours to conclude. For any Hearing that is scheduled for less than three hours and concludes in less than three hours, the chair of that Hearing shall be entitled to Remuneration of \$375.
7. The chair of any Hearing shall be entitled to Remuneration of \$1000 for preparing and issuing the reasons for the final decision of the Statutory Committee, except where the matter proceeds by way of an agreed statement of fact and penalty.
8. The chair of any Statutory Committee shall be entitled to Remuneration of \$250 for finalizing the reasons for any decision of the Statutory Committee which has proceeded by way of an agreed statement of fact and penalty.

### **VIII. Remuneration - Process**

1. Remuneration under Section VI.3. In the case of Remuneration to which a Member is entitled pursuant to section VI.3, payment shall be made following confirmation in writing by the chair of the Meeting, countersigned by the secretary of the Meeting, of attendance by the Member at the Meeting.
2. Remuneration under Section VI.4. In the case of Remuneration to which a Member is entitled pursuant to section VI.4, payment shall be made following submission by the Member of confirmation of attendance at the activity in question, together with a statement by the Member as to the duration of the activity. The information provided by the Member pursuant to this section VIII.2 shall be satisfactory to the Chair, the chair of ARFI, the Registrar or the CEO, as the case may be.
3. Remuneration under Section VI.6. In the case of Remuneration to which a Member is entitled pursuant to section VI.6, payment shall be made following procedures in place pursuant to the Policy on Director Orientation & Development.
4. Remuneration under Sections VI.7 and VI.8. In the case of Remuneration to which a Member is entitled pursuant to section VI.7, payment shall be made following procedures in place for the relevant Statutory Committee.
5. Prior to any Member receiving Remuneration, the Member shall supply to RECO's Department of Human Resources their social insurance number and a completed TD1. Payment of all Remuneration is made on a recurring bi-weekly basis, and it shall be subject to appropriate deductions including (without limitation) income tax and contributions to the Canada pension plan.



## **IX. General**

1. At the direction of the Board, RECO shall publish on its publicly facing web site the names of Members receiving Remuneration, and the amounts and reasons for payment of that Remuneration.
2. This Policy will be reviewed by the Board in the first instance during the third year after its initial approval, or sooner if warranted by internal or external changes or events. Following its first review, this Policy will be reviewed by the Board every fifth year, or sooner if warranted by internal or external changes or events. Any failure to review this Policy by the Board when scheduled shall not invalidate this Policy, it being understood that this Policy shall remain in full force and effect despite any failure to review.





**Table 1**

<b>Category</b>	<b>Remuneration Amounts</b>	<b>Remuneration Amounts</b>
<b>Meetings</b>	<b>Scheduled for and concluding in 3 hours or less, or with no stated duration but concluding in 3 hours or less</b>	<b>Scheduled for 3 hours or less and concluding in more than 3 hours, scheduled for longer than 3 hours, or with no stated duration but concluding in longer than 3 hours</b>
Chair, for chairing any Board meeting or RECO Members' meeting	\$375	\$750
Chair of any Hearing	\$375	\$750
Industry Directors	\$250	\$500
Members other than Industry Directors	\$250	\$500
<b>Activities other than meetings</b>	<b>For activities scheduled for and concluding in 3 hours or less, or with no stated duration but concluding in 3 hours or less</b>	<b>For activities scheduled for 3 hours or less and concluding in more than 3 hours, scheduled for longer than 3 hours, or with no stated duration but concluding in longer than 3 hours</b>
	<b>(subject to the Policy on Director Orientation &amp; Development, if applicable)</b>	
All members of the Board, including the Chair, and others serving on Advisory Committees, Board Committees, Registrar's Committees, Statutory Committees and Sub-Committees	\$250	\$500
<b>Reasons for any decision</b>	<b>For preparing and issuing final reasons for any decision except where the matter proceeds by way of agreed statement of fact and penalty</b>	<b>For finalizing the reasons for any decision where the matter proceeds by way of agreed statement of fact and penalty</b>
Chair of a Hearing or Statutory Committee	\$1,000	\$250