

## **SUMMARY EXPLANATION TO MEMBERS**

### **PROPOSAL FOR CONSIDERATION AT THE 2016 ANNUAL GENERAL MEETING**

ICCRC received one Proposal from a Member and a statement in support of the Proposal from that Member, for consideration at the 2016 Annual General Meeting (the "AGM").

In accordance with the Bylaw of ICCRC, ICCRC has reproduced, and included with the Notice of Annual General Meeting, the text of the Proposal and the supporting statement, and the identity of the Member who made the Proposal.

The Board of Directors of ICCRC has addressed its view of the Proposal, immediately following the text of the Proposal, supporting statement and identity of the Member who submitted the Proposal.

## **PROPOSAL**

### 1. **Proposal:**

Proposal to reduce compensation of the Board of Directors.

**BE IT RESOLVED THAT** the Membership of ICCRC vote to reduce the compensation of the Board of Directors to 50% of its current levels.

### 2. **Statement in Support of the Proposal by the Member:**

**WHEREAS** in Canada, the participation as a Director or Officer on a not-for-profit Board of Directors is intended as an act of civic generosity to contribute to a cause, and not an opportunity to supplement income;

**WHEREAS** the role of this Board of Directors that oversees an organization with approximately 25 full-time staff should expressly be executive oversight and not time-consuming operational involvement;

**WHEREAS** the level of compensation of the Board of Directors of ICCRC exceeds the compensation levels of Boards of Directors of larger and more financially secure regulatory bodies and not-for-profit organizations;

**WHEREAS** the level of compensation of the Board of Directors of ICCRC exceeds the compensation levels of the Canadian Museum of Immigration;

**WHEREAS** a member of the Board of Directors of ICCRC is compensated at a rate of \$1,500 per meeting that exceeds one hour;

**WHEREAS** the average rate of lost revenues Board due to commitment to the Board would be less than \$1,500 per hour;

**WHEREAS** the reputation of the regulatory body could be put into disrepute if the rate of compensation of the ICCRC Board of Directors were made public;

### 3. **Proposal Received from the Following Member:**

Date Received:	August 8, 2016
Member ID Number:	RCIC 515535
City:	Vancouver
Province:	British Columbia
Country:	Canada
First Name:	Gabrielle
Last Name:	Fortin
Email:	gabriellefortin@avisimmigration.com
Telephone:	

### 4. **Response to the Proposal by ICCRC Board of Directors:**

The Board of Directors of ICCRC agrees with the Member who has submitted this Proposal that the subject of Director compensation is an important matter. In fact, it is a matter which the

Board of Directors of ICCRC, as part of its continuing duty to act in the best interests of ICCRC, has already addressed in 2016 as will be described below.

However, before addressing the new compensation structure for the members of the Board of Directors of ICCRC, the Board wishes to address the following inaccurate statements made by the Member in her Proposal:

1. *“WHEREAS in Canada, the participation as a Director or Officer on a not-for-profit Board of Directors is intended as an act of civic generosity to contribute to a cause, and not an opportunity to supplement income;”*

This statement is very misleading. While the Directors of certain charitable not-for-profit corporations are not compensated, this is not the case with most non-charitable not-for-profit corporations which are regulatory bodies, such as ICCRC.

2. *“WHEREAS the average rate of lost revenues Board due to commitment to the Board would be less than \$1,500 per hour;”(sic).*

Board Members are not paid \$1,500 per hour as is stated. Rather, the prior compensation for Directors of ICCRC was \$1,500 for a full days meeting and since 2014, the Board decided to reduce the compensation for its regularly scheduled two day meetings to a fee of \$1,500.

The Governance and Nominating Committee of ICCRC was asked to research compensation for directors of non-profit organizations, particularly those with regulatory responsibilities. The membership of this Committee includes four RCICs who spent several months earlier this year to complete their task. Their recommendations for a new compensation system would change from a fixed-fee of \$1500 for attending a Board meeting of any duration exceeding one hour, to an hourly rate of \$80 for attending a Board meeting of any duration. On August 23, 2016, the Board accepted and approved this new compensation system, considering it to be fair and reasonable for the professional knowledge, skills and experience required of a Director. Beyond attending Board meetings, Directors must come fully prepared, having reviewed all materials for the meeting, considered and formulated responses for decision making, and drafted and submitted reports. As well, each Director carries an additional work load as a Chair or Vice Chair of a committee or task force of ICCRC and may serve on more than one.

In adopting the new compensation system, the Board acknowledged that a Director's livelihood from their immigration practice or employment is affected as they spend time to competently and completely fulfill their fiduciary responsibilities as a Director. The compensation of \$80 per hour for attendance at Board meetings does not reward a Director for serving nor is it an incentive, but rather it is given in recognition for their contribution on behalf of their peers in the immigration consulting profession.

Since the Board of Directors of ICCRC has put into place a new compensation plan for Directors which is both fair and reasonable based on the review of comparable board compensation plans undertaken by the Governance and Nomination Committee, it would not be appropriate to reduce this new compensation structure by 50% as proposed by the Member in her Proposal.

**THE BOARD OF DIRECTORS RECOMMENDS THAT THE MEMBERS VOTE AGAINST THIS PROPOSAL.**