

## **Board of Directors' Meeting of December 10, 2007 Website Summary**

### **President and CEO Compensation – Annual Market Review Process**

#### **Decision**

The Board of Directors approved an enhanced process for the annual review of compensation for the President and CEO.

#### **Rationale**

In June 2007, the final report of the Institute of Corporate Directors Blue Ribbon Commission on the Governance of Executive Compensation in Canada was released. The report outlined the need for organizations to provide transparency and independence regarding executive compensation and suggests, as a best practice, the appointment of an independent executive compensation consultant. To this end, the WCB-Alberta undertook a rigorous process in 2007 that culminated with the Human Resource and Compensation Committee at its September 18, 2007 meeting approving Towers Perrin as its independent executive compensation consultant.

Towers Perrin has completed its review respecting compensation for the President and CEO, using market comparator data approved by the Human Resource and Compensation Committee on September 18, 2007.

The newly developed President and CEO compensation review process will serve the organization into the future by ensuring complete transparency and independence of the annual executive compensation review process. This process will be replicated for the annual review of Vice President compensation.

### **President and CEO Compensation – 2008 Annual Review**

#### **Decision**

The Board of Directors approved a compensation structure for the position of President and CEO which sets the midpoint at 5% above the market median, and makes adjustments to the base salary and benefit plan effective January 1, 2008.

#### **Rationale**

The Board of Directors adopted the recommendations of the review conducted by independent executive compensation consultant Towers Perrin, based on market comparator data.