

Crown Executive Compensation Plan

November 30, 2006



**Crown Investments Corporation
of Saskatchewan**

www.cicorp.sk.ca

Introduction

- Rationale for plan
- Framework
- Investment in leadership



Rationale for Plan

- First major overhaul since 1992
- Recruitment and retention
- Fairer and more equitable approach to compensation
- Tie pay to corporate performance

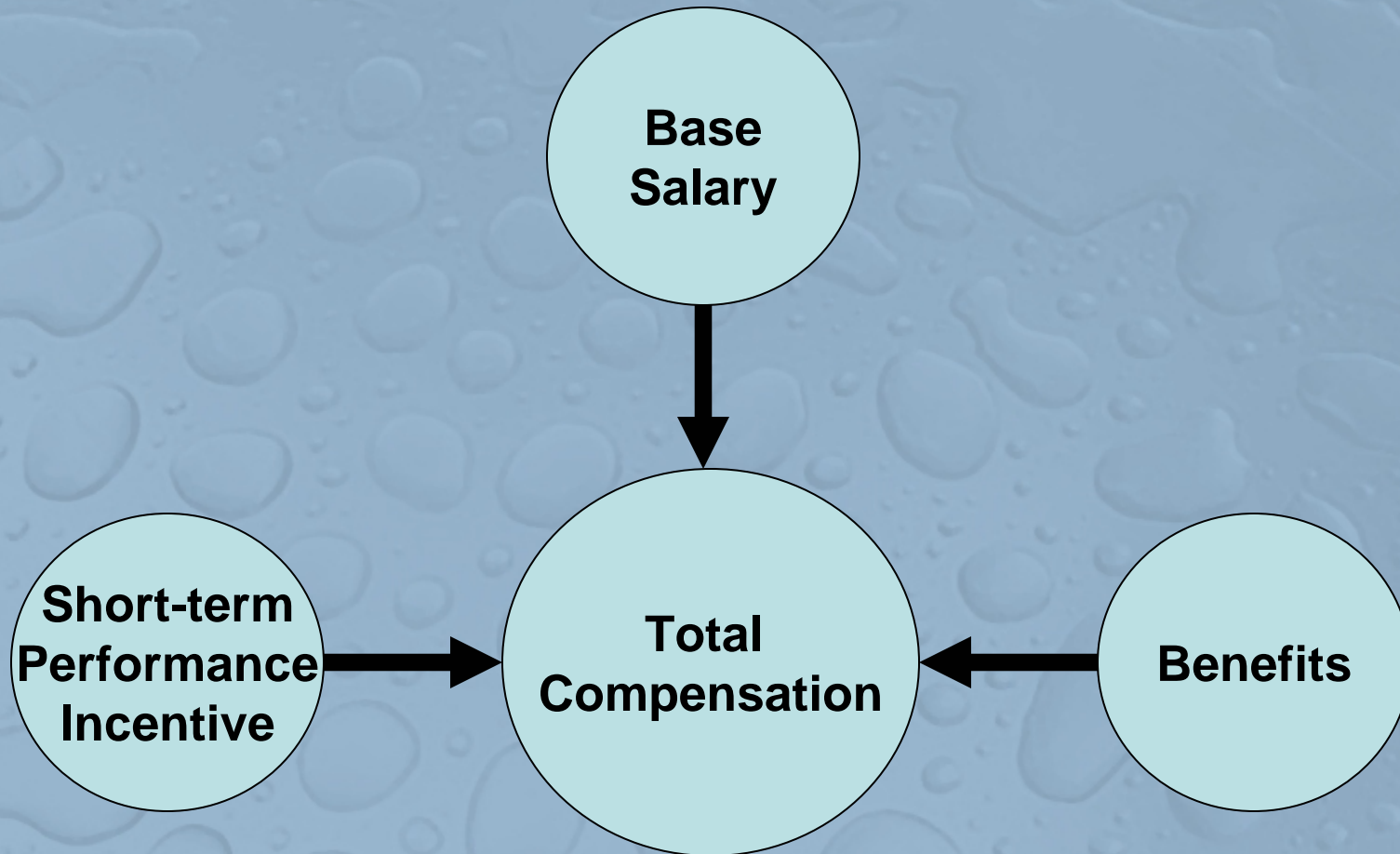


Total Compensation Approach

- *Looks at all the elements of a compensation package and how they work together to keep and attract high-quality Crown leadership.*



Total Compensation Approach



Positions Affected

- 64 positions, generally CEOs and Vice Presidents
- 59 positions currently occupied



Positions Affected

Crown	Positions Occupied	Vacancies	Total Positions
SaskTel	7	3	10
SaskPower	11		11
SGI	8		8
SaskEnergy	8		8
CIC	5		5
ISC	4	2	6
SaskWater	5		5
STC	5		5
SOCO	6		6
Total	59	5	64



Tier Structure

- Recognizes differences between the Crowns
- Three tiers based on:
 - *Revenue and operating costs*
 - *Income*
 - *Total value of assets*
 - *Number of employees*



Tier Structure

Tier 3	SaskPower, SaskTel, SGI, SaskEnergy, and CIC
Tier 2	ISC
Tier 1	STC, SOCO, SaskWater



Base Pay

- Base salary depends on position and Crown
- 5.5 per cent average increase, phased in over three years
- 20 individuals receive no base pay increase
- 22 individuals receive base pay increase of less than 5 per cent.



Base Pay Tier 3

(SaskTel, SaskPower, SGI, SaskEnergy, CIC)

Level	Base Salary Range	
	Minimum (\$)	Maximum (\$)
CEO	\$207,720	\$259,650
Executive 1	\$176,562	\$220,702
Executive 2	\$150,078	\$187,597



Base Pay Tier 2

(Information Services Corporation)

Level	Base Salary Range	
	Minimum (\$)	Maximum (\$)
CEO	\$138,838	\$173,547
Executive 1	\$118,012	\$147,515
Executive 2	\$100,310	\$125,388



Base Pay Tier 1

(SaskWater, Saskatchewan Transportation Company,
Saskatchewan Opportunities Corporation)

Level	Base Salary Range	
	Minimum (\$)	Maximum (\$)
CEO	\$119,240	\$149,050
Executive 1	\$101,354	\$126,692
Executive 2	\$86,151	\$107,688



Short-term Performance Incentives

- Ties individual performance to corporate objectives
- Merit-based
- Crowns more competitive
- Public and private sector norm



Short-term Performance Incentives

Tier 3

(SaskTel, SaskPower, SGI, SaskEnergy, CIC)

Level	Base Salary Range		Potential Short-term Performance Incentive
	Minimum (\$)	Maximum (\$)	
CEO	\$207,720	\$259,650	16.0%
Executive 1	\$176,562	\$220,702	12.0%
Executive 2	\$150,078	\$187,597	10.0%



Short-term Performance Incentives

Tier 2

(Information Services Corporation)

Level	Base Salary Range		Potential Short-term Performance Incentive
	Minimum (\$)	Maximum (\$)	
CEO	\$138,838	\$173,547	14.0%
Executive 1	\$118,012	\$147,515	12.0%
Executive 2	\$100,310	\$125,388	10.0%



Short-term Performance Incentives

Tier 1

(SaskWater, Saskatchewan Transportation Company,
Saskatchewan Opportunities Corporation)

Level	Base Salary Range		Potential Short-term Performance Incentive
	Minimum (\$)	Maximum (\$)	
CEO	\$119,240	\$149,050	14.0%
Executive 1	\$101,354	\$126,692	12.0%
Executive 2	\$86,151	\$107,688	10.0%



Benefits Package

- Total Compensation Approach used in determining benefits
- Target of 40 per cent of base pay
- Each Crown to achieve target to best meet operating needs



Implementation

- Phased in over three years
 - Base pay
 - Short-term performance incentives
 - Benefits
- Overall increase of 10 per cent
- Estimated additional cost of \$1.2 million annually
- Opportunity to opt out of plan



Investment in Leadership

- Retention and recruitment
- Ensures Crowns continue to provide high quality, affordable services
- Ties individual performance to corporate targets



Investment in Future

Questions

