



BC Housing

## **EXECUTIVE COMPENSATION DISCUSSION & ANALYSIS**

Compensation is an important tool used by BC Housing to attract, motivate and retain executives with the requisite skills, experience and commitment necessary to achieve the organization's strategic and business goals. The types and amounts of executive compensation provided are determined by the Board of Directors, with oversight provided by the Public Sector Employers' Council Secretariat. Independent compensation consultants are retained on a bi-annual basis to assist in the determination of executive compensation.

BC Housing's executive compensation program is based on three fairness criteria, including external equity, internal equity and individual equity. External equity is achieved through the organization's compensation philosophy of providing total compensation equal to the median (50<sup>th</sup> percentile) total compensation provided to comparable positions by relevant comparison organizations. Total Compensation includes base salary, incentive, perquisites, retirement and other benefits and all forms of paid time off.

The compensation plan for the CEO and Executive employees ensures that their compensation is reasonable and fair. One of the key objectives of the plan is to ensure that BC Housing is an accountable organization by strengthening the links between compensation, and organizational and individual performance measures.

Internal equity is maintained by ensuring that the salary ranges are consistent with the relative internal value of each BC Housing Executive position. Internal values are determined by an ongoing job evaluation analysis of the responsibilities and accountabilities of positions.

Annual Performance Plans and performance criteria are established for the CEO and the Executive each year in order to assess his or her performance. Individual equity is achieved by ensuring that the actual salary awarded within the respective salary range reflects increasing levels of competence and individual performance. It is BC Housing's belief that an executive's contribution and value increases as his or her competencies grow and performance objectives are achieved.

Executive participate in BC Housing's Variable Incentive Pay ("VIP") Plan. The objective of the plan is to challenge executives to achieve superior corporate/department/individual financial and operational results. The Chief Executive Officer and the Executive Officers are eligible for maximum incentive awards of 35% and 25% of annual salary, respectively.

The performance measures used in the VIP Plan are directly linked to BC Housing's Service Plan. Specific corporate performance targets must be achieved in order for the VIP Plan to be funded and able to pay incentive awards. In addition, assuming the VIP Plan is funded, the allocation of individual awards is determined by an assessment of how the CEO or Executive contributed to the corporate and department results.

The levels of funding of the VIP Plan are determined in accordance with the following criteria:

Level of Performance Relative to Service Plan	Level of Funding of VIP Plan
Modest Stretch (Met Service Plan Targets)	33%
Stretch (Exceeded Service Plan Targets)	67%
Super-Stretch (Far Exceeded Service Plan Targets)	100%

The Variable Incentive Pay Plan is one of the factors that contributes to defining Total Compensation, as outlined above, at the median or 50<sup>th</sup> percentile of comparable organizations.

VIP's are calculated by rating performance on Service Plan and Corporate Objectives (possible 80% of total rating) and Personal Performance Objects (possible 20% of total). For each level of corporate performance ie. modest, stretch and super stretch, performance outcomes are defined at increasingly high levels.

Service Plan Corporate Objectives	% of VIP	Maximum VIP as a percentage of Base Salary
Modest Stretch	25%	
Stretch	30%	
Super Stretch	25%	CEO 35%
	80%	Vice Presidents 25%
Personal Objectives	20%	
	100%	

This structure of the VIP Plan is designed to encourage the CEO and Executive to strive for performance that exceeds the achievement of base Service Plan Objectives. Incentives are awarded on a scale that differentiates levels of achievement and rewards superior performance.

BC Housing's executives participate in the BC Public Service Pension Plan, and are covered by the group life insurance, medical, extended health and long term disability plans provided for employees within BC's Public Service. Vacation provisions are the same as the Public Service.

**BC Housing Board Attestation**

As Board Chair I confirm that the BC Housing board is aware of the executive compensation paid in fiscal 2012-13 and that the compensation provided was within our approved compensation plan.

Judy Rogers  
 Judy Rogers  
 Chair, BC Housing Board of Commissioners

May 27, 2013  
 Date

Public Sector Executive Compensation  
Reporting  
Statement of Executive Compensation  
2012/2013

Name	Position	Salary	Incentive Plan Compensation Paid *	Benefits	Pension	All Other Compensation**	Total	Previous 2 Years Totals
Shayne Ramsay	CEO	\$221,563	\$70,900	\$11,173	\$23,450	\$51,029	\$378,115	2010/11 = \$343,894 2011/12 = \$346,604
Dan Maxwell	VP, Corporate Services & CFO	\$185,198	\$39,069	\$10,779	\$19,491		\$254,537	2010/11 = \$254,579 2011/12 = \$258,291
Craig Crawford	VP, Operations	\$169,744	\$33,949	\$9,818	\$17,802		\$231,313	2010/11 = \$231,285 2011/12 = \$236,662
Agnes Ross	VP, Human Resources	\$160,196	\$34,042	\$9,991			\$204,229	2010/11 = \$235,828 2011/12 = \$199,060
Armin Amrolia	Acting VP, Development Services	\$150,812	\$32,048	\$10,395	\$15,711		\$208,966	

\* Variable Incentive Plan payment for 12/13

\*\* Includes vacation payout