



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 (50th 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.

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

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 ("CEO") and the Named Executive Officers ("NEOs") 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 NEO 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%

Annual Performance Plans and performance criteria are established for the CEO and the NEOs each year in order to assess his or her performance. Assuming that the VIP Plan is fully funded (i.e.: BC Housing Far Exceeded It's Service Plan Targets), the executive's incentive awards as a percent of his or her respective maximum incentive opportunity would be:

Assessment of Executives' Performance Against Established Criteria	Percent of Maximum Incentive Opportunity Payable
Met Only Some	Nil
Met Most But Not All	70%
Met All	80%
Exceeded	100%

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
Public Sector Executive Compensation Reporting
Statement of Executive Compensation 2007/2008

<i>Name</i>	<i>Position</i>	<i>Salary</i>	<i>Pension</i>	<i>Others*</i>	<i>Bonus</i>	<i>Total</i>
Shayne Ramsay	CEO	\$204,867.00	\$20,079.46	\$39,375.97	\$67,043.51	\$331,365.94
Dan Maxwell	VP, Corporate Services & CFO	\$169,587.75	\$16,364.42	\$11,362.10	\$34,130.77	\$231,445.04
Craig Crawford	VP, Development Services	\$159,668.05	\$15,339.70	\$9,438.55	\$30,115.38	\$214,561.68
Margaret McNeil	VP, Operations	\$154,819.15	\$14,890.08	\$8,224.03	\$27,229.33	\$205,162.59
Agnes Ross	Executive Director, Human Resources	\$150,537.30	\$14,359.86	\$12,275.89	\$30,316.15	\$207,489.20

* Includes employer's cost of benefits