



Royal Roads
UNIVERSITY

May 9, 2016

Ms. Christina Zacharuk
President & CEO
Public Sector Employers' Council Secretariat
Suite 210, 880 Douglas Street
Victoria, BC V8W 2B7

Dear Ms. Zacharuk,

On behalf of the Royal Roads University Board of Governors, I am pleased to confirm that I have reviewed and approved the university's 2015/16 Executive Compensation Disclosure. The RRU Board of Governors is aware of the executive compensation paid in the 2015/16 fiscal year.

The compensation information being disclosed in this report is accurate and reflects all compensation paid by Royal Roads University, including actual salaries, performance-based incentive payments, and statutory and non-statutory benefits, in accordance with approved compensation plans during the year ended March 31, 2016, and in compliance with government executive compensation guidelines.

There has been no compensation paid by the RRU Foundation and there are no university subsidiaries or any other organization related to or associated with Royal Roads University. There have been no pre- or post-employment payments made during the 12-month period before or after the term of employments.

Yours truly,

Wayne Strandlund
Chancellor and Board Chair
Royal Roads University



Public Sector Executive Compensation Reporting – Fiscal Year 2015/16

Preamble: 2015 BC Public-Sector Compensation Review

In June 2015, the Public Sector Employers' Council (PSEC) notified employers that a public-sector compensation review was underway with the objective of implementing a common approach to compensation philosophy, reflecting the following core principles of performance, differentiation, accountability and transparency.

These principles have long since been fully integrated in RRU's human resources strategy and compensation plan and approved by the university's Board of Governors. In keeping with this government review process, the university's philosophy statement was formally reviewed and approved by PSEC in December 2015.

Compensation Philosophy

Royal Roads University (RRU) has a unique mandate in the public post-secondary sector, focused on providing demand-driven, high-quality, effective education and research that contribute to economic prosperity, social advancement and environmental sustainability, and aligns with the labour market needs of British Columbia. RRU offers relevant applied and professional education, providing continuous opportunities to learn and transform lives and careers.

RRU is guided by a business model that ensures long-term financial sustainability. Consistent with this model the Board of Governors has set a financial framework that attempts to ensure that the university's cost structure does not exceed 95% of revenues in any given year.

The university's HR strategy is fully integrated with its business plans to ensure that RRU maintains an efficient, flexible and affordable workforce, taking a deliberate approach to organizational design so that it is structured, at both the managerial and business-unit levels, to achieve alignment and ensure outcomes and long-term objectives are met.

Through this strategy the university promotes an organizational culture of high-performance and customer focus, fosters an engaged and healthy workforce, and provides a transparent, equitable and affordable framework for its total rewards strategy.

Fundamental to both its business philosophy and its position on total rewards RRU strives to maintain its competitiveness in relation to the appropriate benchmarks in the external labour market, and link compensation to performance-based outcomes. Compensation decisions are informed by and framed

with Government policy and directives. Within this context RRU's compensation plans also consider financial performance and are evaluated on an annual basis ensuring that they are aligned with the university's long-term financial sustainability.

RRU's approach to compensation planning considers the composition of the university's entire workforce: non-unionized employees (who comprise more than 70% of the total workforce), Royal Roads University Faculty Association (RRUFA), numerous contracted associate faculty, the Canadian Union of Public Employees Local 3886 (CUPE), and other contractors. Specific compensation plans for RRUFA and CUPE are bounded by their respective collective agreements.

RRU compensation plans or substantive changes to existing compensation plans require university Board of Governors approval, University Public Sector Employers' Association (UPSEA) approval, and Public Sector Employers' Council (PSEC) approval prior to implementation.

RRU provides the same group benefit package to all its employees. Participation in the College Pension Plan is mandatory at RRU for senior administration/management employees and all academic staff. Similarly, all other regular employees must participate in the Municipal Pension Plan.

Executive Compensation

RRU has not paid any other compensation to the President or any senior executive other than as fully disclosed in the annual executive compensation reporting standards.

Compensation for all senior executives is currently frozen until reviewed by Government.

- **President**

The President's compensation, as reflected in contract extended to December 31, 2018, was approved by PSEC in February 2016 and remains in effect until reviewed by Government.

- **Executive**

Consistent with the terms and conditions set out in individual contracts, merit bonuses can be awarded to executives as re-earnable lump sum amounts based on the achievements of the university, combined with individual performance.

Academic leaves (sabbatical) are provided to executives responsible for the academic program at the successful completion of the initial five-year terms of employment. The executive shall be entitled to a six-month sabbatical to be paid at the maximum salary level of a full professor in effect at that time.

Summary Compensation Table at FISCAL, 2016

Name and Position (a)	Salary (b)	Holdback / Bonus / Incentive Plan Compensation (c)	Benefits (d)	Pension (e)	All Other Compensation (expanded below)	2015/16 Total	Previous Two Years Totals	
							2014/15	2013/14
Allan Cahoon, President & Vice Chancellor	\$ 263,735	\$ -	\$ 8,593	\$ 27,212	\$ -	\$ 299,541	\$ 300,412	\$ 299,730
Dan Tulip, Vice President & Chief Financial Officer	\$ 180,859	\$ 18,086	\$ 6,795	\$ 18,624	\$ 12,000	\$ 236,364	\$ 243,867	\$ 240,417
Steve Grundy, Vice President, Academic & Provost	\$ 178,000	\$ 17,800	\$ 14,325	\$ 18,324	\$ -	\$ 228,448	\$ 232,801	\$ 229,199
Pedro Marquez-Perez, Vice President, Marketing, Recruitment & Business Development	\$ 175,720	\$ 17,572	\$ 14,180	\$ 18,084	\$ -	\$ 225,556	\$ 225,243	\$ 215,518
Harrold Katharine, Vice President , Communications and Advancement	\$ 165,000	\$ -	\$ 17,124	\$ 16,623	\$ 3,157	\$ 201,904	\$ -	\$ -

Summary Other Compensation Table at FISCAL, 2016

Name and Position (a)	All Other Compensation	Severance (f)	Vacation payout (g)	Leave payout (h)	Vehicle / Transportation Allowance (i)	Perquisites / other Allowances (j)	Other (k)
Allan Cahoon, President & Vice Chancellor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dan Tulip, Vice President & Chief Financial Officer	\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000	\$ -	\$ -
Steve Grundy, Vice President, Academic & Provost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pedro Marquez-Perez, Vice President, Marketing, Recruitment & Business Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Harrold Katharine, Vice President , Communications and Advancement	\$ 3,157	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,157

Notes:

(1) Incentive payments in 2015/16 based on performance evaluation for fiscal year 2013/14

(2) Ms. Harrold joined RRU as VP Communications & Advancement on 30 March 2015. Other (k) is for housing taxable benefit