



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.

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.

BC Housing is in compliance with the government policy respecting compensation for Crown Corporation Executives. Effective April 1, 2015 incentive pay is limited to a 10% holdback provision.

Executives participate in BC Housing's Salary Hold Back 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 hold back incentive awards of 10% of annual salary.

The performance measures used in the Hold Back Plan is 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. The allocation of individual awards is determined by an assessment of how the Executive contributed to the corporate and department results.

The Salary Hold Back Plan is one of the factors that contributes to defining Total Compensation, as outlined above, at the median or 50th percentile of comparable organizations.

Hold Backs 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 Hold Back
Modest Stretch	25%
Stretch	30%
Super Stretch	<u>25%</u>
	80%
Personal Objectives	<u>20%</u>
	100%

This structure of the Hold Back 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 similar group life insurance, medical, extended health and long term disability plans as 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 the prior fiscal year.

The Compensation information being disclosed is accurate and includes all compensation paid by the employer, foundations, subsidiaries, or any other organization related to or associated with the employer. It also includes the value of any pre or post-employment payments made during the 12 month period before or after the term of employment.

Compensation provided was within BC Housing's approved compensation plan and complies with the Public Sector Executive Compensation Reporting Guidelines of May 2014.



Judy Rogers
Chair, BC Housing Board of Commissioners

April 19, 2106

Date

Public Sector Executive Compensation Reporting
Statement of Executive Compensation
2015/2016

Name	Position	Salary	Holdback**	Benefits	Pension	*** All Other Compensation	Total	Previous Year Totals
Shayne Ramsay	CEO	\$261,024 *	\$29,806	\$10,795	\$27,706	\$28,140	\$357,471	2014/15 = \$356,465 2013/14 = \$341,120
Michael Flanigan	VP, Development & Asset Strategies	\$203,692	\$22,975	\$13,484	\$21,558		\$261,709	2014/15 = \$268,787 2013/14 = \$138,633****
Dan Maxwell	VP, Corporate Services & CFO	\$199,137 *	\$22,521	\$11,830	\$21,014		\$254,502	2014/15 = \$256,004 2013/14 = \$253,119
Craig Crawford	VP, Operations	\$183,689 *	\$19,550	\$10,409			\$213,648	2014/15 = 216,292 2013/14 = \$264,918*****
Agnes Ross	VP, Human Resources	\$175,076 *	\$19,623	\$8,209			\$202,908	2014/15 = \$205,607 2013/14 = \$202,155

* Increase due to VIP rolled into base salary

** Deferred Holdback payments for 2015/16

***Includes CEO car allowance, vacation topup and payout

**** Partial year commenced Sep 18/13

***** Includes retiring allowance payments