

**STATEMENT OF EXECUTIVE COMPENSATION  
ROYAL BC MUSEUM CORPORATION**

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**Royal BC Museum Corporation - Compensation Philosophy**

The RBCM's Management Compensation Program is based on a process which recognizes these fundamental determinants of salary:

- a. the duties to be performed;
- b. the employee's performance/potential; and
- c. the salaries paid for comparable positions in the external job market.

Subject to the legislative and fiscal constraints placed upon it, it is the objective of the Board of Directors of the RBCM to pay its Chief Executive Officer a salary that is sufficiently competitive in the job market.

**Responsibility for Determining Compensation**

The responsibility for determining base salary compensation for the Chief Executive Officer rests with the Board of Directors pursuant to the *Museum Act*. The base salary is set within the maximum total compensation guidelines as established by Cabinet and Treasury Board and as approved by the Minister of Tourism, Sport and the Arts. During fiscal year 2008/09, the total compensation for the Chief Executive Officer may not exceed \$200,000.00.

**Compensation Principles**

The Royal BC Museum Corporation's Compensation Program introduces contemporary compensation practices to support the following principles:

- Financial expenditures for management salaries will be controlled and managed through an approved financial control model, as approved by the RBCM Board of Directors;
- The overall salaries are controlled through the annual budget process;
- Funding for management salaries will be found from within the overall annual salary budget;
- Compensation decisions should have the flexibility to address market competitiveness;
- Base pay should not exceed the maximum required to build a compensation package to recruit and retain employees as established through market comparison research;
- Compensation program must support the long-term strategy to link pay and performance;
- Market competitiveness should balance with internal relativity; and
- Executive Team have the flexibility to respond to evolving business needs.

**2008/09 Compensation Discussion**

The CEO's current contract was renewed in April 1, 2008 and the base salary was adjusted effective April 1, 2007 to \$165,000.00 per annum, which is in keeping with the direction received by the Minister of Tourism, Sport and the Arts. The re-earnable bonus and car allowance was removed in FY 2007/08. The total compensation for the CEO remains within the total compensation allowable of a maximum of \$200,000.00 per annum.

The base salary for the CEO position of the Royal BC Museum Corporation is currently \$165,000.00 plus 21.08% in additional benefits (including pension), and does not exceed \$200,000.00 total compensation as established within the total compensation salary cap.

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This base salary as established for this CEO position is currently below market for similar positions across Canada. The Royal BC Museum Corporation participated in detailed national salary surveys and received copies of the results. The salary surveys are available for review and have been prepared by external third parties (e.g., Deloitte Touche) but were not commissioned by the RBCM. The average base salary for CEO positions in similar organizations across Canada is \$198,000 per annum (not including a re-earnable bonus or benefits).

No other positions in the Royal BC Museum Corporation have a minimum base salary of \$125,000.

The following table outlines the current salary for the CEO (Fiscal Year 2008/09) and the total compensation for the previous two fiscal years as outlined in the previous contract. Benefits (pension and all other compensation) for 2006/07 and 2007/08 are calculated at 21.14948% of annual salary. Benefits for 2008/09 are calculated at 21.07818%

<b>Name and Principal Position</b>	<b>Salary 2008/09 (\$)</b>	<b>Bonus (\$)</b>	<b>Car allowance available under contract (\$)</b>	<b>Pension (\$) (8.51% of salary)</b>	<b>All Other Compensation (\$)<sup>1</sup></b>	<b>Total Compensation payable (\$)</b>	<b>Previous 2 Years Totals</b>
<b>CEO</b>	<b>\$165,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,041.50</b>	<b>\$20,737.50</b>	<b>\$199,779.00</b>	<b>n/a</b>
	\$149,710	\$14,971	\$0	\$12,740.32	\$18,922.57	\$196,343.89	2007/08
	\$142,802	\$14,280	\$6980	\$12,152.45	\$18,049.43	\$194,254.08	2006/07

This Statement of Executive Compensation has been prepared in accordance with the guidelines as established by the Public Sector Employers Council and the *Public Sector Employers Act* and the reporting requirements contained in the *Financial Information Act*.

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<sup>1</sup> "all other compensation" includes: CPP (3.42%), Death and retirement benefit (0.32%), extended health and dental (3.31%), group life insurance (0.25%), medical services plan (0.69818%), long term disability benefit (2.35%), employment insurance (1.49%) worker's compensation (0.66%), and employee and family assistance (0.07%).