



Homeowner
Protection Office

EXECUTIVE COMPENSATION REPORT | MARCH 31, 2009

(EMPLOYEES EARNING MORE THAN \$125,000 BASE SALARY PER YEAR)

HOMEOWNER PROTECTION OFFICE

FISCAL YEAR 2008-2009

(EMPLOYEES EARNING MORE THAN \$125,000 BASE SALARY PER YEAR)

CHIEF EXECUTIVE OFFICER (CEO) EXECUTIVE COMPENSATION PHILOSOPHY

The Board of Directors of the HPO periodically reviews the CEO Compensation package in order to ensure that the HPO maintains a compensation regime that is competitive at least with the median of the targeted comparison market, recognizing that the HPO is not a compensation leader.

The HPO goes out to the market place to survey comparable organizations to determine its position in the market place utilizing the services of an independent compensation agency.

The CEO Compensation package is a performance-based pay plan with a base salary and a re-earnable incentive plan of up to a total of 20%. The re-earnable incentive plan is based on annual objectives agreed upon between the CEO and the Governance Committee of the Board of Directors. The CEO's annual objectives are derived from and support the HPO's mandate and are aligned to the organization's goals, objectives and performance measures (see attachment 1).

The Governance Committee of the Board meets with the CEO on a monthly basis to review and evaluate the progress on meeting the objectives. A portion of the re-earnable incentive plan up to a maximum of 10% may be awarded. Upon conclusion of the fiscal year end, the Governance Committee of the Board conducts an annual evaluation and an amount up to a further 10% may be awarded.

The Executive Compensation package is consistent with the Public Sector Employers' Council (PSEC) compensation guidelines and has received approval of PSEC.

CHIEF OPERATING OFFICER (COO) GENERAL COMPENSATION PHILOSOPHY

The HPO's general compensation philosophy and guidelines apply to all regular employees including the COO. The general compensation structure is reviewed periodically to maintain a regime that is competitive at least with the median range of the total compensation relative to that paid by the HPO's comparison organizations. Salary adjustments are performance-based and awarded on the basis of an annual evaluation of performance plans. Employees may earn a one-time performance award for exceptional performance. The CEO approves all salary adjustments and performance awards.

The general compensation package is consistent with the Public Sector Employers' Council (PSEC) compensation guidelines and has received approval of PSEC.

Summary Compensation Table for period ending March 31st

Name and principal position	2008-09 Salary \$	2008-09 Bonus \$	2008-09 Incentive Plan Compensation Paid \$	2008-09 Pension \$	2008-09 All Other Compensation \$	2008-09 Total \$	2007-08 Total \$
Cameron, Ken CEO	165,610(*)	-	46,318(**)	16,022	14,681	242,631	185,438
Maling, Bob COO	127,590	-	-	12,283	17,684	157,557	146,339

(*) Includes a retroactive payment in the amount of \$20,124 covering the period April 1, 2006 to March 31, 2008 arising from a compensation update and paid in 2008-2009.

(**) Includes a retroactive payment in the amount of \$17,221 covering the period April 1, 2006 to March 31, 2008 arising from a compensation update and paid in 2008-2009.

Summary of HPO Mission, Goals, Objectives and Performance Measures

Mission Statement	Protect buyers of new homes from undue risk and assist the residential construction industry to mitigate that risk.				
	1	2	3	4	5
Goals	Professionalization of the residential construction sector	Informed and protected consumers	Continued viability of the home warranty insurance system	Provide effective research and education programs that benefit the residential construction industry and consumers	An aligned, focused and capable organization
Objectives	<ul style="list-style-type: none"> “Raise the bar” for Licensed Residential Builders Address black-market building Implement administrative penalties and compliance orders Better perform gate-keeping duties Enhance public registry 	<ul style="list-style-type: none"> Increase communications and education initiatives Established standard of information for consumers Owners of water-damaged homes do not have to lose their homes 	<ul style="list-style-type: none"> Ensure the availability, affordability and effectiveness of home warranty insurance Ensure home warranty is in place where coverage is required 	<ul style="list-style-type: none"> Conduct and disseminate results on research related to continuous improvement in the quality of residential construction Facilitate the use of research in the development and applications of best practices 	<ul style="list-style-type: none"> Ensure the HPO remains lean, agile, rigorous and resourced
Performance Measures	<ul style="list-style-type: none"> Builder satisfaction with the licensing system Builders’ rating of the effectiveness of the HPO’s compliance efforts to monitor and enforce licensing and home warranty insurance requirements and the owner builder exemption 	<ul style="list-style-type: none"> Homebuyer awareness of consumer protections under the <i>Homeowner Protection Act</i> Homeowner satisfaction with home warranty insurance on their home Homeowner satisfaction with the quality of home construction Homeowner satisfaction with the building process Reconstruction loan default rate 	<ul style="list-style-type: none"> Percentage of home warranty insurance claims that have been resolved by the builder or warranty provider Builder rating of their overall relationship with their warranty provider Homeowner satisfaction with the home warranty insurance on their home 	<ul style="list-style-type: none"> Research results and best practices disseminated through symposiums, seminars or workshops Research results incorporated into building standards and best practices Resources leveraged by the HPO through other funding partners 	<ul style="list-style-type: none"> Timeliness of decisions on completed license applications Timeliness of decisions on completed homeowner applications for the Reconstruction Program Timeliness of license renewal decisions Timeliness of decisions on Owner Builder Authorizations