

## **Compensation Discussion and Analysis**

For the fiscal year 2009/10

### **Compensation Philosophy**

Compensation is comprised of a base salary, incentive plan and benefits including vacation, vacation payout and pension. It is designed to compensate and reward achievement of the goals as outlined in the organization's Service Plan and as may also be identified by the Human Resources Committee of the Board of Directors in its Corporate Performance Goals. A vehicle allowance is provided to the CEO and the Executive Lead, Strategic Initiatives to reimburse the cost of the use of a personal vehicle for business purposes.

The base salary, benefits and incentive target is benchmarked at least every three years using comparators that include public, private and not-for-profit organizations. The comparators are intended to position the organization to be reflective of the environment in which the organization operates. The Board approves the comparator organizations for the CEO position. The HR Committee of the Board and CEO approve the comparator organizations for all other positions in the organization. Levels are set at the market median. The market compensation survey is administered by an independent, global, full service, Human Resource organization using best practices identified by the consultant.

### **Incentive Plan Performance Targets**

Incentive Plan goals are renewable annually, approved by the *Human Resources Committee of the Board of Directors*, and calculated using quantifiable measures. The goals are preset, weighted performance goals within an incentive range of 0 – 20% for each specific goal (total target level is 10%). In 2009/10 the incentive plan compensation paid for 2008/2009 was 6.38%. The incentive plan target in 2009/10 was reduced by 50% and payout in 2010/11 for 2009/10 will be 3.08%

### **Leaves**

The organization provides vacation and sick leave to employees as well as other leaves required under Employment Standards (e.g. Family Responsibility Leave).

**Summary Compensation table 2009/2010**

<b>Name &amp; Position</b>	<b>Salary</b>	<b>Incentive Plan Compensation</b>	<b>Pension</b>	<b>All Other Compensation</b>	<b>Total</b>
Kevin Evans CEO	\$173,910	\$23,339	\$17,127	Car allowance, Benefits, Difference in cash flow and performance in regard to change in pension benefit from RRSP to PSPP:  \$29,242	<b>\$243,618</b>
Sue Thomas, Executive Lead Finance & Corporate Services	\$129,287	\$12,029	\$12,556	Benefits, Additional Vacation Days:  \$11,885	<b>\$165,757</b>
Lance Blanco, Chief Operating Officer (Base annual salary \$125,970)	\$31,493	n/a	\$ 2,765	Benefits: \$4,125 Signing Bonus: \$10,000	<b>\$48,383</b>
Sandy Steward, Executive Lead, Strategic Initiatives	\$125,970	\$12,036	\$12,227	Car allowance, Benefits, RSP in lieu, Healthy Employee, Additional Vacation Days:  \$22,142	<b>\$172,375</b>
Jeff Nugent, Executive Lead, Strategy and Policy	\$125,494	\$11,071	\$12,150	Benefits:  \$ 6,742	<b>\$155,457</b>

Note 1 Amounts in the table reflect payments made between April 1, 2009 and March 31, 2010

Note 2 Pension amounts include the employer share of contributions for PSPP

Note 3 All other Compensation amounts include vacation pay out, car allowance, MSP, Life Insurance, Health, Dental, CPP and EI.

**Summary Compensation table 2008/2009**

<b>Name &amp; Position</b>	<b>Salary</b>	<b>Incentive Plan Compensation</b>	<b>Pension</b>	<b>All Other Compensation</b>	<b>Total</b>
Kevin Evans, CEO	\$158,925	\$15,831	\$25,315	\$30,059	\$230,130
Geoff Stevens, Executive Lead, Operations and ITO	\$134,275	\$20,145	\$12,916	\$18,819	\$186,155

**Summary Compensation table 2007/2008**

<b>Name &amp; Position</b>	<b>Salary</b>	<b>Incentive Plan Compensation</b>	<b>Pension</b>	<b>All Other Compensation</b>	<b>Total</b>
Brian Clewes, CEO	\$84,193	\$57,108	\$12,856	\$18,959	\$173,116
Kevin Evans COO	\$70,000	\$11,750	\$9,619	\$13,065	\$104,434
CEO	\$75,000		\$10,306	\$13,998	\$99,304
Geoff Stevens, VP, Industry Relations	\$131,000	\$17,293	\$12,615	\$20,845	\$181,753

I attest that the compensation provided was within approved compensation plans. Reviewed and signed on behalf of Board of Directors



\_\_\_\_\_  
Frank Pasacrete, Board Chair

\_\_\_\_\_  
June 3, 2010

Date

# Corporate Goals

Updated: April 23, 2009

Fiscal 2008/09

Goal	Goal Weighting	Goal as portion of target	Minimum 0% of Earnings	Target 10% of Earnings	Maximum 20% of Earnings	Actual	Bonus as % of Target	Weighted Bonus % Payment
ITO Service Plan Performance	20%	2%	ITO service plans <b>not met</b>	ITO service plans <b>fully met</b>	ITO service plans <b>exceeded</b>	4 of 6	67%	1.3%
Number of apprentices covered by ITOs	5%	0.5%	88%	93%	95%	94.2%	160%	0.8%
Cost per participant trained	10%	1%	\$3,883	\$3,766	\$3,656	<b>\$3,610</b>	200%	2%
% of apprentices waiting in excess of 12 months for technical training	10%	1%	< 6.6%	< 5%	< 4%	6.2%	25%	0.25%
<b># of participants in updated programs</b>	<b>10%</b>	<b>1%</b>	<b>70%</b>	<b>92%</b>	<b>95%</b>	<b>82%</b>		
Supply of Skilled Labour: Aboriginal	10%	1%	Work plans <b>partially met</b>	Work plans <b>fully met</b>	Work plans <b>exceeded</b>	Fully met	100%	1%
Supply of Skilled Labour: Flexible Learning	5%	0.5%	Work plans <b>partially met</b>	Work plans <b>fully met</b>	Work plans <b>exceeded</b>	Fully met	100%	0.5%
Supply of Skilled Labour: MAP	5%	0.5%	Work plans <b>partially met</b>	Work plans <b>fully met</b>	Work plans <b>exceeded</b>	Fully met	100%	0.5%
Stakeholder Index	10%	1%	66	68	70	65	0%	0%
Customer Satisfaction Index	15%	1.5%	76	81	83	76	0%	0%
<b>TOTAL</b>	<b>100%</b>	<b>10%</b>				<b>TOTAL Bonus Payment</b>		<b>6.38%</b>

Bonus rate	20%	12.77%
Bonus rate	15%	9.58%
Bonus rate	10%	6.38%
Bonus rate	7.5%	4.79%
Bonus rate	5%	3.19%