



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.

Executive participate in BC Housing's Variable Incentive Pay ("VIP") 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 incentive awards of 35% and 25% of annual salary, respectively.

The performance measures used in the VIP Plan are 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. In addition, assuming the VIP Plan is funded, the allocation of individual awards is determined by an assessment of how the CEO or Executive contributed to the corporate and department results.

The levels of funding of the VIP Plan are determined in accordance with the following criteria:

Level of Performance Relative to Service Plan	Level of Funding of VIP Plan
Modest Stretch (Met Service Plan Targets)	33%
Stretch (Exceeded Service Plan Targets)	67%
Super-Stretch (Far Exceeded Service Plan Targets)	100%

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

VIP's 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 VIP	Maximum VIP as a percentage of Base Salary
Modest Stretch	25%	
Stretch	30%	
Super Stretch	<u>25%</u>	CEO 35%
	80%	Vice Presidents 25%
Personal Objectives	<u>20%</u>	
	100%	

This structure of the VIP 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 the group life insurance, medical, extended health and long term disability plans 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 fiscal 2010-11 and that the compensation provided was within our approved compensation plan.

 Brenda Eaton
 Chair, BC Housing

 Date

BC Housing
Executive Compensation Discussion & Analysis
2010/2011

Name	Position	Salary	Incentive Plan Compensation Paid *	Pension	Others**	Total	Previous 3 Years Totals
Shayne Ramsay	CEO	\$221,564	\$65,870	\$22,052	\$34,408	\$343,894	2007/08 = \$331,366 2008/09 = \$367,120 2009/10 = \$342,295

Dan Maxwell	VP, Corporate Services & CFO	\$184,872	\$39,219	\$18,297	\$12,191	\$254,579	2007/08 = \$231,445 2008/09 = \$243,869 2009/10 = \$254,723
Craig Crawford	VP, Development Services	\$170,135	\$34,079	\$16,782	\$10,289	\$231,285	2007/08 = \$214,562 2008/09 = \$222,981 2009/10 = \$230,530
Margaret McNeil	VP, Operations	\$164,743	*****	\$16,228	\$8,747	\$189,718	2007/08 = \$205,163 2008/09 = \$212,752 2009/10 = \$220,056
Michael Blaschuk	VP, Asset Strategies	\$163,340	\$32,725	\$16,054	\$13,691	\$225,810	2008/09 = \$84,061 2009/10 = \$213,320

* Deferred Variable Incentive Plan payment for 10/11

** Includes employer's cost of benefits

*** Includes vacation payout, retro payment on salary range adjustment for 2007/08 and 2008/09

**** Partial year commenced October 14, 2008

***** To be determined--submission will be revised once known

