



June 16, 2011

Paul Straszak
President & CEO
Public Sector Employers' Council Secretariat
PO Box 9400 STN PROV GOVT
Victoria, BC V8W 9V1

Dear Sir:

Re: Public Sector Executive Compensation – March 31, 2011

I am pleased to present the Public Sector Executive Compensation schedule for B.C. Pavilion Corporation (PavCo) for the year ended March 31, 2011.

I confirm that the Board of PavCo is aware of the compensation paid to the Executive for the year ended. I also confirm that the compensation provided to the Executive was within the approved compensation plan for PavCo.

Yours truly,

B.C. PAVILION CORPORATION

A handwritten signature in blue ink that reads "David Podmore".

David Podmore
Chair, Board of Directors

COMPENSATION DISCUSSION AND ANALYSIS

PavCo operates BC Place Stadium and Vancouver Convention Centre ("Convention Centre"). The expansion of the Convention Centre is complete, and BC Place is undertaking major renovation projects, including replacement of the roof. Vancouver Convention Centre is the Province's flagship convention centre and BC Place is the largest trade and consumer show facility in BC. Both facilities were major venues for the 2010 Olympic and Paralympic Winter Games.

Through their activities, the facilities provide significant employment and economic benefits each year to the Province and Metro Vancouver. The renovations to BC Place when complete will make it one of the premier facilities of its kind in North America.

PavCo continues to market and promote its facilities to ensure maximum occupancy of the facilities and benefit to British Columbia. To achieve the maximum effectiveness of these campaigns and to continue to provide exemplary service to clients and the best return to the Province, PavCo must employ fully experienced and qualified staff.

PavCo has a compensation program established in the early 1990s. The program includes base salaries, a performance-based bonus plan in which all employees participate, and employee benefits. Individual responsibilities and workloads have dramatically changed over the years, including shifting responsibilities from the corporate level to the facilities.

Compensation for the CEO is set by the Board of Directors, at market value and approved by the shareholder. Compensation for the NEOs is determined by the CEO within set guidelines. These guidelines include salary ranges approved by the Public Sector Employer's Council (PSEC). Salaries cannot be outside the ranges approved by PSEC.

Objective of the Compensation Program

The objectives of the Compensation Program are to ensure that PavCo can continue to employ qualified and experienced employees who are paid fairly in comparison to market, and to internal positions at the same level of responsibility and workload.

During Fiscal 2007/08 PavCo engaged the services of a consulting firm to determine where PavCo was situated in the marketplace. Subsequently the Board of Directors approved the establishment by PavCo of new salary ranges based on a compensation philosophy of setting total compensation levels at the 75th percentile relative to market. This was approved by PSEC.

Form of Compensation

Compensation at PavCo consists of base pay, benefits and a performance-based bonus plan.

1. Base Pay – PavCo has 11 salary ranges currently approved by PSEC. Positions are evaluated using a Job Evaluation System usually referred to as the "Aiken Plan". Positions are benchmarked and rated on 10 different factors that take into account knowledge & skill, effort, responsibility and working conditions. These include areas such as complexity/judgment, education, experience, initiative, physical/mental demands, result of errors, contacts and character/scope of supervision. An outside consultant along with the employee and their supervisor would have input into this system. The resulting Job Fact Sheet then goes to an Evaluation Committee for final rating and implementation.
2. Benefits – PavCo offers a standard benefit package including MSP, Extended Health, Dental, Life Insurance, Short Term and Long Term Disability, Vacation and Pension Plan. Benefits, where applicable, are extended to employee dependents.
3. Performance Based Bonus Plan – The distribution of bonus payments is at the discretion of the Board of Directors and is not guaranteed each year. The approval and distribution of the bonus plan depends on two criteria: 1) company and facility targets being met, and 2) the performance rating of the individual

employee. The formulae used for calculating the bonuses distributed under this plan have been approved by PSEC. The maximum amount that that can be distributed to any one employee, unless otherwise approved by PSEC is 27% of base pay depending on the performance rating of that individual. The performance criteria is set out and agreed to by the employee and PavCo each year.

The bonus payable to the CEO is determined by performance targets set out in the employment contract and is outside the above mentioned Bonus Plan. The CEO's targets are mutually agreed upon between the Board and the CEO.

The bonus payable to the GM, Vancouver Convention Centre is determined by performance targets mutually agreed upon between the CEO and GM. The bonus is approved by the Board and is outside the above mentioned Bonus Plan.

For the year ended March 31, 2011:

- Financial targets set for the Corporation as a whole, and for the individual facilities were exceed
- Economic impact generated through activities at the corporation's facilities exceeded target
- Construction at BC Place continued, with final completion expected by the target date, and within the budget allocation.

Public Sector Executive Compensation Reporting
Summary Compensation Table
 As at March 31, 2011

Name and Principal Position	Salary (\$)	Incentive Plan Compensation Paid (\$)	Pension (\$)	All Other Compensation (\$) ⁽¹⁾	Total (\$)	Two Previous Yr's Total ⁽²⁾
W. Buckley President/CEO	400,000	100,000	40,396	23,311	563,707	2009 586,639 2010 562,307
Ken Cretney GM Conv. Centre	212,180	100,000	21,088	18,870	352,138	2009 165,254 ⁽³⁾ 2010 335,347
John Harding CFO/Corp Secretary	212,180	42,970	21,088	20,251	296,489	2009 277,029 2010 290,369
Howard Crosley GM BC Place	175,047	47,730	17,206	14,389	254,372	2009 214,017 2010 215,283
Claire Smith VP Sales and Marketing Convention Centre	137,920	35,100	13,453	11,434	197,907	2009 137,807 ⁽⁴⁾ 2010 201,239
David Walker ⁽⁵⁾ Project Manager	-	-	-	-	-	2009 351,635 2010 0
Colin Smith ⁽⁶⁾ CFO (VCCEP division)	-	-	-	-	-	2009 187,320 2010 0
Barbara Maple ⁽⁷⁾ GM Conv. Centre	-	-	-	-	-	2009 180,399 2010 0

⁽¹⁾ "All Other Compensation" includes employer's contributions to: EI, CPP, Auto Allowances, Worksafe BC, dental, disability and medical plans.

⁽²⁾ The statement of previous year's earnings is prospective starting in Fiscal 2008/09.

⁽³⁾ The position commenced in October 2008.

⁽⁴⁾ The position commenced in July 2008.

⁽⁵⁾ This position held under Project Management Agreement contracted with an external company. Charge out rates are all-inclusive rates.

⁽⁶⁾ Position held through consulting contract with independent contractor.

⁽⁷⁾ Position ended in September 2009.

B.C. Pavilion Corporation amalgamated with Vancouver Convention Centre Expansion Project (VCCEP) effective April 1, 2008 to form a single organization, B.C. Pavilion Corporation (PavCo). Previous to the amalgamation, reporting was made separately by the predecessor organizations.