

May 23, 2012

Mr. Paul Straszak, President and CEO
Public Sector Employers' Council Secretariat
PO Box 9400, Stn. Prov. Govt.
Victoria, British Columbia
V8W 9V1

Dear Mr. Paul Straszak:

**Re: Public Sector Executive Compensation Reporting Guidelines – Bill 33
2011/12 Statement of Executive Compensation for BC Transit**

As requested, please find attached a completed copy of the 2011 statement of Executive Compensation for BC Transit as set out in the *Public Sector Employers Act*.

Included in this report is a detailed breakdown of all compensation provided to the President & CEO and the Named Executive Officers "NEOs" of the organization. They include Manuel Achadinha, President & CEO; Mike Davis, Vice President & COO; Brian Anderson, Vice President Business Development & CIO; Debbie Nussbaum, former Vice President Human Resources and Tony Sharp, retired Vice President & CFO.

Included is an explanation of BC Transit's executive compensation plan, discussion, analysis and philosophy and the Compensation Table detailing the CEO and "NEO" compensation as outlined in the Public Sector Executive Compensation Reporting Guidelines.

As the Chair for BC Transit, I confirm that the Board is aware of the executive compensation earned in fiscal year 2011/12 and verify that the compensation provided falls within the approved compensation plans.

If you have any questions regarding this statement, please contact Leanne Wick, Director-Human Resources at (250) 995-5724 for clarification on any of the information provided.

Sincerely,



Kevin Mahoney
Chair of BC Transit Board of Directors

Enclosure(s)

BC Transit Executive Compensation Disclosure 2011

BC Transit has a mandate to maximize the efficient and cost effective use of resources in the provision of safe, innovative and customer-oriented services to meet present and evolving market demands. BC Transit plan and deliver transit services that meets local land use and growth priorities, while furthering the development of safe, healthy communities and a sustainable environment. Compensation is an important tool used by BC Transit to attract, motivate and retain executives with the requisite skills, experience and commitment necessary to achieve the organization's strategic and business goals.

Compensation Philosophy

The goal of BC Transit is to provide a competitive, fair and equitable total compensation program for its executives with a focus on pay for performance. Compensation programs are designed to attract, retain and motivate executives while encouraging a results-oriented system where pay is linked to successful performance and the demonstration of leadership behaviors in support of the Corporation's strategic goals and organizational priorities.

The following principles guide executive compensation at BC Transit:

- x **Focus on Business:** All components of executive compensation programs must be consistent with BC Transit's strategic goals and organizational objectives while reflecting the financial realities and service delivery requirements of the Corporation;
- x **Pay for Performance:** Performance will be measured annually through the performance goals and management assessment system which is directly linked to the 3-year business strategy and the annual operating plan through key performance indicators determined by the Board of Directors;
- x **External Market Competitiveness:** Executive positions will be compensated at a level comparable to other Crown corporations with similar roles and of similar size and complexity and with consideration given to the broader relevant Canadian market. Pay levels will be set at the 50th percentile of the market, based on regular survey data;
- x **Internal Equity:** Salary ranges will be consistent with the relative internal value of each BC Transit executive position. Internal values are determined by an ongoing job evaluation analysis of the responsibilities and accountabilities of positions; and
- x **Governance:** The Executive compensation program and structure is approved by the Board of Directors. Annual remuneration for the Chief Executive Officer (CEO) is governed by the Board and based on the achievement of specified performance objectives and achievements. All other executive compensation is approved by the Board after recommendation by the (CEO).

BC Transit
PSEC - Summary of Executive Compensation
Fiscal Year: April 1, 2011 to March 31, 2012

Name and Principal Position (A)	Salary (B)	Bonus and/or Incentive Plan Compensation Paid (C)	Benefits (D)	Pension (E)	All Other Compensation (F)	Total (G)	Previous 2 Years' Totals (H)
Manuel Achadinha, President and CEO ⁽¹⁾	\$219,415.00	\$66,000	\$11,362	\$21,831.35	\$7,278.12 Other	\$325,886.47	2010/11 = \$327,061.91 2009/10 = \$351,252.91
Mike Davis, VP Operations and COO	\$164,575.00	-	\$11,270	\$16,191.85		\$192,036.85	2010/11 = \$183,542.85 2009/10 = \$186,333.32
Michael Kohl, VP Finance and CFO	\$150,207.91	-	\$11,371	\$14,642.41	\$1,871.59 Vacation \$990.00 Other	\$179,082.91	2010/11 = \$12,893.83 2009/10 = N/A
Brian Anderson, VP Business Development and CIO	\$157,273.80	-	\$10,800	\$15,419.99		\$183,493.79	2010/11 = \$65,854.38 2009/10 = N/A
Debbie Nussbaum, VP Human Resources	\$93,914.70	-	\$7,332	\$14,239.64	\$11,986.48 Vacation \$52,501.06 Severance	\$179,973.88	2010/11 = \$171,911.60 2009/10 = \$171,606.05
Tony Sharp, VP Finance and CFO ⁽²⁾	\$13,750.00	-	\$648.35	\$1,907.99	\$3,293.75 Vacation	\$19,600.09	2010/11 = \$190,207.72 2009/10 = \$189,946.27

(1) Manuel Achadinha received an incentive plan performance bonus.

(2) Tony Sharp retired on April 30, 2011.