

May 25, 2012

Paul Straszak  
President and CEO,  
Public Sector Employers' Council

Further to the 2011-12 Public Sector Executive Compensation Reporting Guidelines, I am writing to confirm the following:

- The Board of Directors of UBC Investment Management Trust Inc. (IMANT) is aware of the executive compensation paid by IMANT in the 2011/12 fiscal year; and
- As Chair of the Board of UBC Investment Management Trust Inc., I verify such compensation was within approved compensation plans.

If you have any questions or comments, please do not hesitate to forward them to me through the IMANT offices at:

UBC Investment Management Trust Inc.  
#1188 – 1055 West Hastings Street  
Vancouver, B.C. V6E 2E9

Sincerely,



Dale Parker  
Chair, UBC Investment Management Trust Inc.

Cc: Jai Parihar  
President & CEO, UBC IMANT



UBC PROPERTIES TRUST

May 1, 2012

Mr. Paul Straszak  
President and CEO  
Public Section Employers' Council  
PO Box 9400 Stn Prov Govt  
Victoria, BC  
V8V 9V1

Dear Mr. Straszak:

Further to the 2011-12 Public Sector Compensation Reporting Guidelines, I am writing to confirm the following:

- The Compensation Committee of the Board of Directors is aware of the executive compensation paid by UBC Properties Trust in the 2011/12 fiscal year; and
- As Chair of the Board of Directors, I verify such compensation was within approved compensation plans.

If you have any questions or comments, please do not hesitate to forward them to me c/o Don Matheson, Vice President and CFO.

Yours truly,

**UBC PROPERTIES TRUST**

Randy Zien  
Chairman of the Board

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# U B C P R O P E R T I E S I N V E S T M E N T L T D

## Public Sector Executive Compensation Reporting – Fiscal Year 2011/12

### Compensation Philosophy of UBC Properties Trust Ltd



#### **[1] Material principles and underlying policies and decisions for compensation provided to the President and senior administrators for the most recently completed fiscal year**

UBC Properties Investments Ltd (subsidiary of UBC) is the trustee of UBC Properties Trust, with the mission to acquire, develop, and manage real estate assets for the benefit of the University. The trustee operates with a Board of Directors currently comprising ten outside directors and three members of the UBC Administration, including the President of UBC. The outside Directors are chosen to represent their respective areas of knowledge and expertise.

UBC Properties Investments Ltd reports to the UBC Board of Governors through UBC's Vice President Finance, Resources, and Operations. It employs approximately 30 staff, including a President and Chief Executive Officer ("the President").

#### **Compensation Philosophy**

The compensation of UBC Properties Investments Ltd is positioned based on the following:

- To recruit and retain staff with the skills, training, and knowledge required to acquire, develop, and manage property.
- To be competitive in relation to compensation in the sectors from which it recruits staff (i.e., real estate development market).
- To be inclusive of base salary, health care and insurance benefits, and pension benefits (RRSP). In addition, there is a bonus structure in place for senior project managers and executive team members earning over \$100,000, other than the President who is not eligible for the bonus structure.
- To pay slightly higher base salaries than the comparator market, but significantly lower bonuses.
- Development managers are tasked with a high level of risk management responsibility, employing Construction Management procurement to ensure highest and best value for money where applicable. Risk is retained by the Company throughout project duration and not transferred or converted to a fixed price contract.

# UBC PROPERTIES INVESTMENT LTD



## **Responsibility for Senior Administrator Compensation:**

- Compensation decisions for those earning over \$100,000 per annum are made by the Compensation Committee of the Board of Directors.
- All compensation decisions are based on industry standards (i.e., relevant comparator market) and performance.

## **[2] Changes Since Fiscal Year End**

- No new policies, actions, or decisions were made after the end of the most recently completed fiscal year that would affect a fair understanding of the compensation of the President and senior administrators for the last fiscal year.

## **[3] Incentive Plan Performance Targets and Objective Identifiable Measures Related to the Pursuit of Performance Targets**

- The annual bonus payment is up to a maximum 25% of base salary.
- The annual bonus payment is based on project performance (e.g., completion of projects on time and on budget, etc.).

## **[4] Leaves**

- Vacation is provided to the President and senior administrators. These relate to UBC's compensation philosophy in that they comprise an important part of the total compensation package to attract and retain outstanding senior administrators. The maximum vacation allotment is six weeks.

UBC PROPERTIES INVESTMENT LTD



Contact for media and other inquiries:

Lucie McNeill  
Director, Public Affairs  
The University of British Columbia  
Phone 604 822 2064  
[lucie.mcneill@ubc.ca](mailto:lucie.mcneill@ubc.ca)

UBC PROPERTIES INVESTMENT LTD



(a) Name and Principal Position	(b) Salary (\$)	(c) Bonus and/or Incentive Plan Compensation Paid (\$)	(d) Benefits <sup>1</sup> (\$)	(e) Pension (\$)	(f) All Other Compensation (\$)	(g) Total (\$)	(h) Previous 2 Years' Totals
Al Poettcker, President and CEO	\$350,000	\$0	\$2,025	\$37,543	\$28,422 <sup>2</sup>	\$417,990	2010/11 = \$415,584
Rob Brown, Vice President	\$198,333	\$35,000	\$2,495	\$19,583	\$8,111	\$263,522 <sup>3</sup>	2010/11 = \$247,901
Don Matheson, Vice President and CFO	\$189,167	\$20,000	\$2,495	\$18,792	\$8,904	\$239,358 <sup>4</sup>	2010/11 = \$223,581

**Notes:**

- [1] Includes employer cost of health & welfare benefits and government benefits (i.e., CPP, WCB, EI)
- [2] Includes fees of \$15,000 for service to the UBC Properties Trust Board of Directors (each year this full amount is donated to a UBC department), car allowance of \$12,000, and the balance for gas and insurance
- [3] The increase in 2011/12 is a result of a 4.8% increase in salary and a \$5,000 increase in bonus
- [4] The increase over 2011/12 is a result of a 2.2% increase in salary and a \$10,000 increase in bonus



June 5, 2012

Paul Straszak  
President and CEO  
Public Sector Employers' Council

Dear Mr. Straszak,

Further to the 2011/12 Public Sector Executive Compensation Reporting Guidelines, I am writing to confirm the following:

- The appropriate committee of the Board of Governors, Management Resources Compensation Committee (MRCC), is aware of the executive compensation paid by the University of British Columbia in the 2011/12 fiscal year; and
- As Chair of the University's Board of Governors and MRCC, I verify such compensation was within approved compensation plans.

If you have any questions or comments, please do not hesitate to forward them to me c/o Ms. Reny Kahlon, Board Planning & Liaison Manager.

Yours truly,

A handwritten signature in black ink that reads "Bill Levine".

Bill Levine  
Chair, UBC Board of Governors

BL/rk



**Public Sector Executive Compensation Reporting – Fiscal Year 2011/12**

**Compensation Philosophy of The University of British Columbia**

**[1] Material principles and underlying policies and decisions for compensation provided to the President and senior administrators for the most recently completed fiscal year**

- As one of the highest ranked universities in Canada, and one of the top 30 universities in the world, UBC seeks to retain and attract the best senior administrators it can by remaining competitive in its compensation practices with other large research-intensive universities represented by the U15 (i.e., leading research-intensive universities in Canada), and in particular the University of Toronto and the University of Alberta, and with the global market for senior administrator talent generally.
- The compensation framework is designed to reward sustained performance.
- In recent years, UBC had to introduce an element of housing assistance into the compensation framework to attract senior administrator talent to Metro Vancouver, particularly UBC's location at the end of a peninsula surrounded by Vancouver's most expensive real estate.
- Higher compensation values are often provided to senior academic roles such as the President, Provost and VP Academic, Deputy Vice Chancellor & Principal at UBC Okanagan, and Vice President Research to recognize that they have augmented their core academic roles with very senior administrative responsibilities, and to provide incentives for faculty members to undertake these significant administrative roles.
- Compensation values for senior administrative roles reflect a weighting of public and private sector values, with a clear weighting in favour of the public sector, and more particularly UBC's university competitors in Canada and internationally.
- As approved by the Public Sector Employers' Council (PSEC), the President's arrangement represents the organization's maximum compensation, and all other senior administrators must not exceed 90% of that of the President.
- Pension and benefit arrangements should mirror those of the employee group that most closely approximates the nature of the role. For academic senior administrators, benefits mirror those received by faculty members. For non-academic senior administrators, benefits mirror those received by management staff.





- Annual performance reviews, as described below, are primarily driven by performance, and increases are typically provided as a recurring addition to base salary. This is intended to recognize the prior year's performance and the promise of future performance. In addition, there is a review of internal equity across senior administrator positions.

#### **Responsibility for Senior Administrator Compensation:**

- The responsibility for senior administrator compensation rests with the Management Resources Compensation Committee (MRCC) of the UBC Board of Governors after receiving recommendations from the President for all senior administrators reporting to him. The foundation of the process is each senior administrator's development of performance objectives at the outset of the performance period. These performance objectives align with the University's objectives outlined in both Place and Promise: The UBC Plan, and operational imperatives. Actual performance is reviewed against objectives, together with the setting of the next year's objectives. The President is not reviewed for annual salary increases; rather, he is reviewed by the MRCC for the long-term incentive payment, as provided for in his employment agreement approved by PSEC and the responsible Minister.

#### **[2] Changes Since Fiscal Year End**

- No new policies, actions, or decisions were made after the end of the most recently completed fiscal year that would affect a fair understanding of the compensation of the President and senior administrators for the last fiscal year.

#### **[3] Incentive Plan Performance Targets and Objective Identifiable Measures Related to the Pursuit of Performance Targets**

Targets are not quantified, except for the President's long-term incentive (50% is based on meeting performance objectives, 25% is based on meeting annual fundraising targets, and 25% is based on meeting annual academic and research ranking goals).

The President's 2011/12 incentive payment was based, in part, on achievement of 2010/11 goals, as described below.

- The President's overall performance objective remained as it has been for all his time at UBC: to improve the academic standing of UBC in all areas of learning and research, and to build its local, national and international reputation, as driven by the vision in Place and Promise: The UBC Plan. As one of the world's leading universities, The University of British



Columbia creates an exceptional learning environment that fosters global citizenship, advances a civil and sustainable society, and supports outstanding research to serve the people of British Columbia, Canada and the world.

- Within this overall framework, the President's top three priorities this fiscal year were:
  1. Identify and promote what UBC is doing well, building on UBC's solid performance in areas of excellence
  2. Continue the implementation of Place and Promise: The UBC Plan, which will frame all activities
  3. Build on the progress achieved in forging strong relations with government to protect and promote financial support for UBC
- Specific strategic goals were:

**Student Learning**

- Ensure that faculties and colleges develop academic plans in concert with Place and Promise: The UBC Plan
- Continue to implement strategic teaching and learning initiatives for transformative student experiences in concert with Place and Promise: The UBC Plan
- Foster a climate where program realignment is seen as necessary and incentives are in place to achieve it; where faculties introduce benchmarks to measure their performance; and where improving student engagement is a principal target
- Accelerate the next steps to significantly increase on-campus student housing within five years; by August 2011 will add 567 beds through the Vancouver campus Totem In-Fill project and 212 beds through the Okanagan Student Housing Phase 4 project

**Research Excellence**

- Implement the renewed Research Strategic Plan in concert with Place and Promise: The UBC Plan
- Work to retain higher education as a key provincial government priority and by working with the BC Government on the Year of Science and with key external validators (e.g. BC Business Council, Premier's Technology Council), to support a new provincial focus on research
- Work with AUCC and the G13 universities to promote an increase in federal government support for the direct and institutional costs of research, and to develop a national advocacy strategy; work to enhance the capacity of these organizations
- Remain in the top 3 Canadian universities in \$ value of tri-Council research awards

**Community Engagement**

- Develop the Community Engagement Strategic Plan and begin to implement in concert with Place and Promise: The UBC Plan
- Continue to work with provincial government and key constituents to review and shape the next stage of the local governance model for UBC
- Ensure that all government initiatives in higher education, both provincial and federal, are acknowledged publicly by our constituencies
- Implement Year Two of "A Place of Mind", the new UBC public face, communications strategy, reaching the national audience

**Aboriginal Engagement**

- Continue implementation of the Aboriginal Strategic Plan in concert with Place and Promise: The UBC Plan
- Solidify the new external advisory council on Aboriginal affairs and ensure action in response to its advice
- Create specific opportunities for international study and service in Indigenous/Aboriginal communities and programs



**Alumni Engagement**

- Continue implementation of the Alumni Affairs Strategic Plan in concert with Place and Promise: The UBC Plan, with strong support for fundraising for the new Alumni Centre
- Continue to implement initiatives to improve performance of UBC in alumni and student surveys

**Intercultural Understanding**

- Begin implementing the intercultural understanding goals and actions in Place and Promise: The UBC Plan with a particular view to helping students recognize the significant value of diversity
- Create a new short term leadership position to fully develop goals and actions related to intercultural understanding, in consultation with the university community

**International Engagement**

- Finalize the International Strategy in concert with Place and Promise: The UBC Plan with goals to focus our international engagements, deepen relationships with a select number of universities outside Canada and build on our ISI strengths

**Outstanding Work Environment**

- Ensure implementation of the third year strategies identified in Focus on People: Workplace Practices at UBC in concert with Place and Promise: The UBC Plan
- Continue to accelerate the next steps to significantly increase day care spaces within two years
- Ensure careful attention is paid to collective bargaining to achieve agreements in the best interests of the university

**Sustainability**

- Continue implementing the Sustainability Academic Strategic Plan in concert with Place and Promise: The UBC Plan
- Build a strong financial planning culture across the University, including the development of a comprehensive ten year plan
- Secure access to debt, including exploring with government the option to remove universities from the Government Reporting Entity
- Ensure implementation of the campus plan, including as a priority the academic plan for the South Campus, Cultivating Place
- Continue to communicate our successes in sustainability; promote at least two initiatives that can be modeled in the wider community; and build programme coherence and collaboration across the Faculties
- Continue to ensure that the budget process is transparent, that academic priorities drive budget decisions, and that the budget is fully linked to the strategic plan
- Continue comprehensive campaign preparation (finalize key themes, set targets); maintain a personal prospect portfolio of 30; engage actively in principal gift cultivation and solicitation

The President met and exceeded these performance objectives. He again exceeded his fundraising expectations, with a new all-time high at \$194.2M. Professor Toope stewards approximately 30 donors directly, and was heavily involved in the launch events for the “Start and Evolution” campaign in the Fall of 2011.

In addition, the annual academic and research ranking goal of remaining in the top 40 universities internationally, and moving toward the top 20 was attained. UBC was ranked 30<sup>th</sup> in 2010 by the Times Higher Education rankings (UK), and 36<sup>th</sup> by Shanghai Jiao Tong University Institute of Higher Education (China). Indicators used in the surveys include number of Nobel laureates, number of highly cited researchers, number of articles published in Nature and Science, number of articles cited in the Science Citation Index, and academic performance per faculty.



**[4] Leaves**

- Vacation and academic leaves are provided to the President and senior administrators. These relate to UBC's compensation philosophy in that they comprise an important part of the total compensation package to attract and retain outstanding senior administrators. The maximum vacation permitted is six weeks. Academic leaves are provided as an incentive, common across universities, for faculty members to assume academic senior administrator roles. During these term positions they do not accrue service towards study or sabbatical leaves that they would normally receive as a faculty member under their collective agreement.


**Footnote to Summary Compensation Table: UBC Supplemental Arrangement**

- The total pension contributions made by the employee and the university in any one year cannot exceed the contribution limit, which is 18% of annual earnings, or \$22,970 for 2011, whichever is less. Salaries exceeding \$163,886.28 in 2011 would have reached this limit. Excess University contributions are directed to the non-registered supplemental arrangement (SRP).
- The SRP contribution amount is that which the employer would be required to contribute to the Faculty Pension Plan (FPP) if there wasn't a maximum limit imposed by the Income Tax Act.
- The employer is the sole legal and beneficial owner of all assets in the SRP. All assets held in the SRP will be available for general creditors of the employer.
- The employer invests the assets.
- Withdrawals from the SRP are available only at termination, retirement, or death.

Contact for media and other inquires:

Lucie McNeill  
Director, Public Affairs  
The University of British Columbia  
Phone 604 822 2064  
[lucie.mcneill@ubc.ca](mailto:lucie.mcneill@ubc.ca)

THE UNIVERSITY OF BRITISH COLUMBIA

	(a) Name and Principal Position	(b) Salary (\$)	(c) Incentive Plan Compensation Paid (\$)	(d) Benefits <sup>1</sup> (\$)	(e) Pension <sup>2</sup> (\$)	(f) All Other Compensation (\$)	(g) Total (\$)	(h) Three Years' Totals <sup>5</sup>
	Stephen Toope, President & Vice Chancellor	\$378,000	\$50,000	\$8,684	\$85,886	Perqs <sup>3</sup> \$58,408	\$580,978	2011/12 = \$580,978 2010/11 = \$581,378 2009/10 = \$579,332
	David Farrar, VP Academic & Provost	\$316,200	\$0	\$6,931	\$30,806	Perqs \$5,877	\$359,814	2011/12 = \$359,814 2010/11 = \$359,788 2009/10 = \$357,360
	Doug Owram, Deputy Vice Chancellor & Principal	\$287,851	\$0	\$6,848	\$28,006	Perqs \$3,334	\$326,039	2011/12 = \$326,039 2010/11 = \$345,722 2009/10 = \$343,667
	Pierre Ouillet, VP, Finance, Resources, and Operations	\$295,800	\$0	\$7,986	\$28,766	Other <sup>4</sup> \$15,000	\$347,552	2011/12 = \$347,552 2010/11 = \$333,140 2009/10 = \$328,178
	John Hepburn, VP Research	\$273,097	\$0	\$7,616	\$26,495	Perqs \$3,838	\$311,046	2011/12 = \$311,046 2010/11 = \$325,533 2009/10 = \$322,486

**Notes:**

[1] Includes employer cost of health & welfare benefits and government benefits (i.e., CPP, WCB, EI)

[2] Includes supplemental pension

[3] Taxable benefit related to housing

[4] One-time payment for Board service and additional responsibilities related to UBC IMANT and the UBC Staff Pension Plan

[5] Small year over year changes occur in total compensation while salaries are stable due to variations such as inflationary fluctuations in the cost of health & welfare and government benefits (column d).

[6] Data represents "actual" amounts for the 2011/12 fiscal year; as such, senior administrators who were appointed part way through the period may not appear in this year's report, but will appear in future reporting periods.

Public Sector Executive Compensation Reporting – Fiscal Year 2011/12

Compensation Philosophy of UBC Investment Management Trust Inc. (Subsidiary of UBC)



**[1] Material principles and underlying policies and decisions for compensation provided to the President and senior administrators for the most recently completed fiscal year**

UBC Investment Management Trust Inc. (UBC IMANT), originally approved by UBC's Board of Governors (BOG) in fiscal 2002/03 and incorporated under the B.C. Company Act in March of 2003, opened its offices in May of 2004. It assumed official responsibility for the investment management of \$1.4 billion (today \$2.4 billion) of the University of British Columbia's and related portfolio assets in July of 2004. The company is a share capital entity, 100% owned by the University. IMANT acts as UBC's investment manager, with ownership of the assets resting with UBC or appropriate beneficiaries. UBC IMANT is governed by a 12-person Board of Directors (eight unrelated, and four associated with UBC), and has five staff including only one Executive appointment, the President and Chief Executive Officer ("the President").

**Compensation Philosophy**

IMANT's compensation is positioned based on the following:

- Recruitment and retention of staff with the skills, training, and knowledge to add substantial value over and above passive market returns from public securities, and to generate stable long-term returns. Compensation should incent staff to design and implement programs that do not necessarily deliver short-term returns, but have above-average prospects of generating superior long-term returns.
- Being competitive with compensation in the sectors from which it recruits staff (e.g., pension investment industry, investment management industry).
- UBC compensation, benefits, and pension levels, even though job skill, education, and experience levels are not directly comparable.
- Alignment over time with other University investment management companies, and secondarily with investment managers generally.
- Compensation levels for comparable jobs in the US are a consideration.



**Responsibility for Senior Administrator Compensation:**

- Compensation recommendations for the President are made by the HR Committee of the Board, for approval by the Board.

**[2] Changes Since Fiscal Year End**

- No new policies, actions, or decisions were made after the end of the most recently completed fiscal year that would affect a fair understanding of the compensation of the President for the last fiscal year.

**[3] Incentive Plan Performance Targets and Objective Identifiable Measures Related to the Pursuit of Performance Targets**

Compensation consists of base salary, health care and insurance benefits, pension benefits, and a bonus.

**Bonus Structure:**

- The annual bonus payment is up to 35% of base salary for the President.
- The annual bonus payment is based on one third qualitative and two thirds quantitative outcomes.
- Qualitative outcomes are based on the President's business plan objectives, which are established annually by the Board.
- The primary investment objective is to maximize long term investment potential, and the annual incentive compensation plan is designed to motivate and reward the creation of long term gains.
- For the quantitative component, one quarter of the measure is based on actual one year investment results relative to the one year benchmark rate of return and three quarters of the measure is based on rolling four year actual investment returns relative to the four year benchmark rate of return. The benchmarks and value-added targets are set by the Board.
- The Chair of the Board determines these outcomes for the President.

# U B C I N V E S T M E N T M A N A G E M E N T T R U S T I N C .



## [4] Leaves

- Vacation is provided to the President. This relates to UBC's compensation philosophy in that it comprises an important part of the total compensation package to attract and retain outstanding senior administrators. The President and Chief Executive Officer's vacation allotment is six weeks.

Contact for media and other inquires:

Lucie McNeill

Director, Public Affairs

The University of British Columbia

Phone 604 822 2064

[lucie.mcnell@ubc.ca](mailto:lucie.mcnell@ubc.ca)



UBC INVESTMENT MANAGEMENT TRUST INC.



(a) Name and Principal Position	(b) Salary (\$)	(c) Bonus and/or Incentive Plan Compensation Paid (\$)	(d) Benefits (\$)	(e) Pension (\$)	(f) All Other Compensation (\$)	(g) Total (\$)	(h) Previous Two Years' Totals
Jai Parthar, President and Chief Executive Officer	\$246,000	\$0	\$6,762	\$0	\$47,308 <sup>1</sup> \$1,375	\$301,445	New in 2011/12
Phillip Falls, Former President and Chief Executive Officer	\$0	\$0	\$0	\$0	\$0	Severance <sup>2</sup> \$133,569	2010/11 = \$330,802

**Notes:**

[1] Taxable allowance in lieu of pension and other benefits

[2] Settlement payment related to separation of employment (compensation, benefits, pension)