



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.

BC Housing is in compliance with the government policy respecting compensation for Crown Corporation Executives and government policy to replace bonuses (Variable Incentive Pay) with holdback provisions. The CEO and Executives accepted 18 months written notice that VIP would terminate April 1, 2015 with future incentive pay being limited to a 10% holdback provision.

Depending on tenure, Executives currently participate in either BC Housing's Variable Incentive Pay ("VIP") Plan or have a salary holdback provision. The objective of both plans 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 until March 31, 2015, or, in the case of new hires, a salary holdback of 10%.

The performance measures used in the VIP and Holdback Plans 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. The allocation of individual awards is determined by an assessment of how the 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 and Holdback 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 Holdback	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 and Holdback Plans 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 similar group life insurance, medical, extended health and long term disability plans as 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 the prior fiscal year.

The Compensation information being disclosed is accurate and includes all compensation paid by the employer, foundations, subsidiaries, or any other organization related to or associated with the employer. It also includes the value of any pre or post-employment payments made during the 12 month period before or after the term of employment.

Compensation provided was within BC Housing's approved compensation plan and complies with the Public Sector Executive Compensation Reporting Guidelines of May 2014.



 Judy Rogers
 Chair, BC Housing Board of Commissioners

 May 12, 2105
 Date

Public Sector Executive Compensation Reporting
Statement of Executive Compensation
2014/2015

Name	Position	Salary	Holdback and Incentive Plan Compensation Paid *	Benefits	Pension	All Other Compensation	Total	Previous Year Totals
Shayne Ramsay	CEO	\$221,563	\$76,733	\$10,022	\$23,413	\$24,734**	\$356,465	2013/14 = \$341,120 2012/13 = \$378,115
Michael Flanigan	VP, Development & Asset Strategies	\$203,692	\$21,743	\$11,892	\$31,460***		\$268,787	2013/14 = \$138,633****
Dan Maxwell	VP, Corporate Services & CFO	\$185,128	\$41,526	\$9,903	\$19,447		\$256,004	2013/14 = \$253,119 2012/13 = \$254,537
Craig Crawford	VP, Operations	\$170,462	\$36,209	\$9,621			\$216,292	2013/14 = \$264,918***** 2012/13 = \$231,313
Agnes Ross	VP, Human Resources	\$160,031	\$36,183	\$9,393			\$205,607	2013/14 = \$202,155 2012/13 = \$204,229

* Deferred Holdback and Variable Incentive Plan payments for 14/15

** Includes CEO car allowance, vacation topup and payout

***Includes 10K Municipal Pension transfer shortfall

**** Partial year commenced Sep 18/13

***** Includes retiring allowance payments