



June 23, 2015

Christine Zacharuk
Interim President & CEO
Public Sector Employers' Council Secretariat
Suite 210, 880 Douglas Street
Victoria, B.C.
V8W 2B7

Dear Ms. Zacharuk;

Re: Public Sector Executive Compensation – March 31, 2015

I am pleased to present the Public Sector Executive Compensation schedule for the B.C. Pavilion Corporation (PavCo) for the Year Ended March 31, 2015.

I confirm that the Board of PavCo is aware of the compensation paid to the Executive for the year ended March 31, 2015. 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. I also confirm that the compensation paid to the Executive was within the approved compensation plan for PavCo.

Sincerely,

B.C. Pavilion Corporation

A handwritten signature in black ink, appearing to read "Stuart McLaughlin".

Stuart McLaughlin
Chair – Board of Directors

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Discussion and Analysis

PavCo operates the BC Place Stadium and Vancouver Convention Centre. PavCo's primary mandate is to increase economic benefit to British Columbia through the operation of the province's premier event facilities: BC Place Stadium and the Vancouver Convention Centre. These world-class venues attract thousands of people every year to our province, providing economic support to our hotel and tourism industries, as well as restaurants and other retail. Further, our venues serve as a gathering place for British Columbians from all walks of life and visitors from around the world.

Together, BC Place Stadium and the Vancouver Convention Centre provide significant employment and economic benefits to British Columbia and Metro Vancouver. These world-class facilities generate in excess of \$400 million in economic benefit annually for the province.

PavCo markets and promotes its facilities to generate the highest economic benefit to British Columbia. PavCo must employ fully experienced and qualified staff to achieve the maximum economic benefit, to continue to provide exemplary service to clients and generate the best return to British Columbia.

During fiscal 2014/2015 PavCo had a compensation program that was established in the 1990s. The program includes base salaries, a performance-based incentive plan in which eligible employees participate, and employee benefits. Individual responsibilities and workloads have dramatically changed over the years.

Executive Compensation Plan

In July 2012, Government announced that Executive in Crown Corporations would transition from their existing Compensation Plans to comply with new policy that standardizes rules for employees' total compensation. Total compensation includes salary, holdbacks, benefits and perquisites. PavCo submitted an Executive Compensation Transition Plan to the Public Sector Employer's Council (PSEC) which was approved in January 2013 and PavCo has fully transitioned to the new policy.

Compensation for the CEO is set by the Board of Directors at market value and approved by the shareholder. Compensation for Executive Officers is determined by the CEO within guidelines including salary ranges and is approved by PSEC, as set out in Compensation Program.

Objective of the Compensation Program

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

During 2008 PavCo engaged the services of an independent third party 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.

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Form of Compensation

In fiscal 2014/2015 total Compensation at PavCo consisted of base pay, benefits. It has also included a performance-based bonus plan which has been phased out as of April 1, 2015.

1. Base Pay – PavCo has 11 salary bands 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 have input into this system. The resulting Job Fact Sheet is then passed 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 employees’ dependents.
3. Performance Based Bonus Plan – The distribution of incentive payments is at the discretion of the Board of Directors and is not guaranteed each year. The approval and distribution of the incentive plan depends on two criteria: 1) company financial targets being met, and 2) the performance rating of the individual employee. The formulae used for calculating payments distributed under this plan were approved by PSEC. The maximum amount that that can be distributed to any one employee 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.

Effective April 1, 2013, executive bonuses have been phased out and replaced with a total potential earnable salary subject to a holdback that does not exceed the lower of 20% of base salary or an amount equivalent to the four-year average payments made to the individual Executive. The holdback related to the Interim President & CEO is higher than the 20% and has been approved by PSEC as part of the Executive Compensation Transition Plan.

Effective April 1, 2015, non-executive bonuses have also been phased out and replaced with a total potential earnable salary subject to a holdback that does not exceed the lower of 20% of base salary or an amount equivalent to the four-year average payments made to the individual staff member.

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Summary Compensation Table at FISCAL, 2015

Name and Position (a)	Salary (b)	Bonus and / or Incentive Plan Compensation (c)	Benefits (d)	Pension (e)	All Other Compensation (expanded below)	2014/15 Total	Previous Two Years Totals	
							2013/14	2012/13
Ken Cretney, President and CEO (Interim)	\$ 225,330	\$ 98,570	\$ 12,824	\$ 23,825	\$ 12,063	\$ 372,612	\$ 374,260	\$ 370,441
Rehana Din, CFO	\$ 170,000	\$ 42,000	\$ 11,071	\$ 17,794	\$ 2,668	\$ 243,533	\$ 145,125	\$ -
Claire Smith, VP, Sales/Marketing, Vancouver Convention Centre	\$ 146,460	\$ 34,000	\$ 12,240	\$ 15,221	\$ 11,068	\$ 218,989	\$ 218,845	\$ 218,723

Summary Other Compensation Table at FISCAL, 2015

Name and Position (a)	All Other Compensation	Severance (f)	Vacation payout (g)	Leave payout (h)	Vehicle / Transportation Allowance (i)	Perquisites / other Allowances (j)	Other (k)
Ken Cretney, President and CEO (Interim)	\$ 12,063	\$ -	\$ -	\$ -	\$ 9,014	\$ 3,049	\$ -
Rehana Din, CFO	\$ 2,668	\$ -	\$ -	\$ -	\$ -	\$ 2,668	\$ -
Claire Smith, VP, Sales/Marketing, Vancouver Convention Centre	\$ 11,068	\$ -	\$ -	\$ -	\$ 8,400	\$ 2,668	\$ -

Notes:

Ken Cretney, President and CEO (Interim)	Perquisites relate to parking
Rehana Din, CFO	Rehana Din appointed CFO effective September 3, 2013. Perquisites relate to parking
Claire Smith, VP, Sales/Marketing, Vancouver Convention Centre	Perquisites relate to parking