



## **EXECUTIVE COMPENSATION DISCUSSION & ANALYSIS**

**APRIL 1, 2017**

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 (50<sup>th</sup> 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. Effective April 1, 2015 incentive pay is limited to a 10% holdback provision.

Executives participate in BC Housing's Salary Hold Back Plan. The objective of the plan 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 hold back incentive awards of 10% of annual salary.

The performance measures used in the Hold Back Plan are directly linked to BC Housing's Service Plan. The allocation of individual awards is determined by an assessment of how the Executive contributed to the corporate and department results.

The Salary Hold Back Plan is one of the factors that contributes to defining Total Compensation, as outlined above, at the median or 50<sup>th</sup> percentile of comparable organizations.

Hold Backs 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 Hold Back
Modest Stretch	25%
Stretch	30%
Super Stretch	<u>25%</u>
	80%
Personal Objectives	<u>20%</u>
	100%

This structure of the Hold Back Plan 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.

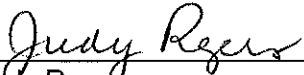
BC Housing's executives participate in the BC Public Service Pension Plan, and are covered by similar group life insurance, medical, extended health and long term disability plans as provided for employees within BC's Public Service. Vacation provisions are the same as the Public Service.

### 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 February 2017.

  
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Judy Rogers  
Chair, BC Housing Board of Commissioners

May 24, 2017  
Date

**BC Housing Management Commission**

**Summary Compensation Table at 2017**

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2016/2017 Total Compensation	Previous Two Years Totals Total Compensation	
							2015/2016	2014/2015
Shayne Ramsay, Chief Executive Officer	\$ 261,330	\$ 29,691	\$ 10,725	\$ 27,734	\$ 28,140	\$ 357,620	\$ 357,471	\$ 356,465
Craig Crawford, VP, Development Services	\$ 183,797	\$ 20,800	\$ 10,910	-	\$ 7,574	\$ 223,081	\$ 213,648	\$ 216,292
Michael George Flanigan, VP, Development & Asset Strategies	\$ 204,475	\$ 23,242	\$ 13,907	\$ 21,526	-	\$ 263,150	\$ 261,709	\$ 268,787
Daniel Maxwell, VP Corporate Services & Chief Financial Officer	\$ 199,255	\$ 22,763	\$ 12,028	\$ 20,955	-	\$ 255,001	\$ 254,502	\$ 256,004
Agnes Ross, VP, Human Resources	\$ 175,261	\$ 19,834	\$ 10,106	-	-	\$ 205,201	\$ 202,908	\$ 205,607



**Notes**

Shayne Ramsay, Chief Executive Officer	<b>Other Note:</b> Other compensation: vacation top up. 2016/17 Hold Back = \$29,691.88 based on 26.1 pay periods paid in April 2017.
Craig Crawford, VP, Development Services	<b>General Note:</b> 2016/17 Hold Back = \$20,800.58 based on 26.1 pay periods paid in April 2017. Pension Contributions: In receipt of benefits-not eligible to contribute.
Michael George Flanigan, VP, Development & Asset Strategies	<b>General Note:</b> 2016/17 Hold Back = \$23,242.76 based on 26.1 pay periods paid in April 2017.
Daniel Maxwell, VP Corporate Services & Chief Financial Officer	<b>General Note:</b> 2016/17 Hold Back = \$22,763.73 based on 26.1 pay periods paid in April 2017.
Agnes Ross, VP, Human Resources	<b>General Note:</b> 2016/17 Hold Back = \$19,834.41 based on 26.1 pay periods paid in April 2017. Pension Contributions: In receipt of benefits-not eligible to contribute.