

June, 2010

UNIVERSITY OF VICTORIA
EXECUTIVE COMPENSATION REPORT

COMPENSATION PHILOSOPHY

The University of Victoria's executive compensation philosophy is to develop compensation packages that allow the University to attract, develop and retain the best possible candidates from a global market. Once hired, members of the executive participate in a rigorous performance development and review system.

While salary is an integral part of the compensation package, all components of compensation are considered in developing a compensation plan for each member of the executive that is relevant to the individual. By maximizing the relevance of each element of the package to the individual we achieve overall cost-effectiveness of the total package.

SALARY

The President's base salary is established from the average salary paid at other comparable Canadian universities. These universities are intended to represent the market in which we are competing for university presidents. For Vice-Presidents, our salary philosophy is to develop a pay band with a mid point that reflects an average salary. To establish an average salary the University conducts a national survey of the comparable Canadian Universities used for assessing the President's salary.

Surveys are conducted on an "as required" basis, as determined by the Compensation Committee of the Board for the President and as determined by the President for the Vice-Presidents. For cost-effectiveness these surveys are often done at the same time. For Vice-Presidents, salary ranges are adjusted as a result of market surveys and/or the amount of any economic increases. Economic increases typically reflect the increases applied to other employees at the University of Victoria.

For the President, a base salary is established at the outset of the contract. The current six-year contract makes provision for one review of the President's salary (July 1, 2011). The review is based on the salaries paid at comparable Canadian universities. The amount of adjustment that results from this review is at the discretion of the Board, takes into account the quality of the President's performance and will be consistent with public sector executive compensation guidelines in effect at the time.

MERIT PAY

Vice-Presidents progress through the salary range based on merit. The amount of merit pay is determined through the annual performance review process and includes the setting of annual objectives.

Annual objectives are put in place for all members of the Executive. In the case of the President, the setting of objectives and how they will be measured is determined by the Board in discussions with the President. Vice-Presidents' objectives, and how they will be measured, are established by the President in discussions with each Vice-President. Measures may be qualitative or quantitative.

Merit Pay for the Vice-Presidents is based on four merit increments. A Vice President may earn up to four merit increments in a year depending on performance.

Merit Pay for the President takes the form of a re-earnable incentive plan. The re-earnable amount can range from 0% to 15% of base salary. The re-earnable amount is based on a review of the President's performance by the Board using the degree of success the President has had in meeting both general performance criteria and annual performance objectives.

MARKET ADJUSTMENTS

Market adjustments may be included in addition to base salary. Market adjustments are determined at the time of hire or on re-negotiation of contract. Adjustments are made based on all or some of the following factors:

- the candidates' existing salary
- salary survey data
- other issues which affect the financial viability of the offer such as housing prices, loss of spousal income, loss of consulting opportunities
- concrete evidence of competing offers.

Market adjustments must meet the requirements of the University's approved compensation plan.

HEALTH AND WELFARE BENEFITS, PENSION

The Executive receive the same benefits as those received by other employee groups at the University of Victoria. Supplementary Pension Plan contributions are made when Revenue Canada maximums are reached.

LEAVES

Vacation entitlements are consistent with those provided other employees at the University of Victoria.

For Academic executive appointments a research leave is typically provided at the end of the contract in order to facilitate a return of the executive to academic rank. For the purposes of this report, research leaves are costed as they are earned.

PERQUISITES

A determination as to whether a particular perquisite is required is based on: whether it is consistent with the overall compensation package, required to assist in the effective carrying out of the position's role, and whether the perquisite is offered by comparable and/or competing universities. Perquisites must be cost effective for recruiting and retention purposes.

For the President, perquisites are negotiated by the Board as part of contract negotiations. For Vice-Presidents perquisites are negotiated with the President at the commencement of the Vice-President's contract. The President provides details of the Vice-Presidents' contracts to the Compensation Committee of the Board for information purposes.

Summary Compensation Table - 2007/2008

Position	Name	Salary \$(b)	Bonus \$(c)	Incentive Plan Compensation Paid \$(d)	Pension \$(e)	All Other Compensation \$(f) ¹	Total \$(g)
President & Vice Chancellor	David Turpin	303,246		43,500	29,607	83,400 ²	459,753
VP Academic & Provost	James Cassels	236,099		9,488	23,842	10,113	279,542
VP Finance & Operations	Gayle Gorrill	203,149		7,905 ³	20,138	25,325 ⁴	256,517
VP External Relations	Valerie Kuehne	178,563		8,950 ⁵	17,784	7,388	212,686
VP Research (Sept-Mar)	J. Howard Brunt	109,667			10,546	14,432	134,645
Ex VP Research (Apr07-Aug07)	S. Martin Taylor	70,792		5,793	7,362	1,494	85,441
		1,101,516		75,636	109,280	142,153	1,428,584

The President is the only member of executive who is a member of the board.

The President receives no additional compensation for these duties.

¹ includes taxable benefit for employer portion of health benefits and government benefits and pro-rated value of research leaves

² includes housing and car allowance

³ Includes a one-time merit increment of \$2,500

⁴ includes taxable benefit for interest free home relocation loan and forgivable portion of home purchase loan

⁵ reflects compensation earned over the 7 month period employed as VP

⁶ reflects compensation earned over the 5 month period employed as VP

Summary Compensation Table - 2008/2009

Position	Name	Salary (\$) (b)	Bonus (\$ (c)	Incentive Plan Compensation Paid (\$) (d)	Pension (\$) (e)	All Other Compensation (\$) (f) ¹	Total (\$) (g)
President & Vice Chancellor	David Turpin	307,661		48,798	30,028	81,183 ²	467,671
VP Academic & Provost	James Cassels	254,944		9,772	25,734	12,580	303,030
VP Finance & Operations	Gayle Gorrill	213,935		8,908	21,547	23,777 ³	268,166
VP External Relations	Valerie Kuehne	189,949		8,908	19,148	7,162	225,167
VP Research	J. Howard Brunt	190,987		4,973	18,858	6,866	221,684
		1,157,475		81,359	115,316	131,568	1,485,718

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¹ Includes taxable benefit for employer portion of health benefits and government benefits and pro-rated value of research leaves

² Includes housing and car allowance

³ Includes taxable benefit for interest free home relocation loan and forgivable portion of home purchase loan

Summary Compensation Table - 2009/2010

Position	Name	Salary (\$) (b)	Bonus (\$ (c)	Incentive Plan Compensation Paid (\$) (d)	Pension (\$) (e)	All Other Compensation (\$) (f) ¹	Total (\$) (g)
President & Vice Chancellor	David Turpin	357,190		46,149	34,961	40,863 ²	479,163
VP Academic & Provost	James Cassels	271,542		10,064	27,402	17,653	326,661
VP Finance & Operations	Gayle Gorrill	229,462		9,172	23,105	23,040 ³	284,780
VP External Relations	Valerie Kuehne	204,757		9,172	20,635	7,658	242,222
VP Research	J. Howard Brunt	201,032		8,196	20,164	8,907	238,300
		1,263,984		82,753	126,267	98,122	1,571,126

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¹ Includes taxable benefit for employer portion of health benefits and government benefits and pro-rated value of research leaves

² Includes housing and car allowance April – June 2009

³ Includes taxable benefit for interest free home relocation loan and forgivable portion of home purchase loan

From: Ray Protti [rprotti@shaw.ca]

Sent: June 3, 2010 7:51 PM

To: Kane Kilbey

Cc: Julia Eastman

Subject: Re: Public Sector Executive Compensation Disclosure Report

Thank you Kane for the attached disclosure report. This email will confirm that the Board of Governors of the University of Victoria is aware of the compensation paid to its executives in the past fiscal year and that the compensation was within approved compensation plans.

Ray