



June 23, 2010

Paul Straszak  
President & CEO  
Public Sector Employers' Council Secretariat  
PO BOX 9400 STN PROV GOVT  
Victoria, BC V8W 9V1

Dear Sir:

**Re: Public Sector Executive Compensation – March 31, 2010**

I am pleased to present the Public Sector Executive Compensation schedule for B.C. Pavilion Corporation (PavCo) for the year ended March 31, 2010.

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

Yours truly,

**B.C. PAVILION CORPORATION**

A handwritten signature in blue ink that reads "David Podmore".

David Podmore  
Chair, Board of Directors

**B.C. Pavilion Corporation**  
**Public Sector Executive Compensation Reporting Form**  
As at March 31, 2010

**Summary Compensation Table**

Name and Principal Position	Salary (\$)	Incentive Plan Compensation Paid (\$)	Pension (\$)	All Other Compensation (\$) <sup>(1)</sup>	Total (\$)	Two Previous Yr's Total <sup>(2)</sup>
W. Buckley President/CEO	400,000	100,000	39,591	22,716	562,307	<sup>2008</sup> 127,016 <sup>(3)</sup> <sup>2009</sup> 586,639
Ken Cretney GM, Convention Centre	205,400	100,000	20,408	9,539	335,347	<sup>2009</sup> 165,254 <sup>(4)</sup>
John Harding CFO/Corp Secretary	205,400	45,000	20,408	19,561	290,369	<sup>2008</sup> 198,503 <sup>2009</sup> 277,029
Howard Crosley GM BC Place	164,790	22,250	16,052	12,191	215,283	<sup>2008</sup> 193,570 <sup>2009</sup> 214,017
Claire Smith VP Sales and Marketing Convention Centre	133,510	35,100	13,017	19,612	201,239	<sup>2009</sup> 137,807 <sup>(5)</sup>
David Walker <sup>(6)</sup> Project Manager	-	-	-	-	-	<sup>2008</sup> 319,738 <sup>2009</sup> 351,635
Colin Smith <sup>(7)</sup> CFO (VCCEP division)	-	-	-	-	-	<sup>2008</sup> 231,219 <sup>2009</sup> 187,320
Barbara Maple <sup>(8)</sup> GM, Convention Centre	-	-	-	-	-	<sup>2008</sup> 187,480 <sup>2009</sup> 180,399

<sup>(1)</sup> "All Other Compensation" includes employer's contributions to: EI, CPP, Auto allowances, WorkSafe BC, dental, disability and medical plans.

<sup>(2)</sup> The statement of previous years' earnings is prospective starting in Fiscal 2007/08.

<sup>(3)</sup> President and CEO commenced employment in January 2008.

<sup>(4)</sup> The position commenced in October 2008.

<sup>(5)</sup> This position commenced July 2008.

<sup>(6)</sup> This position was held under a Project Management Agreement contracted with an external company. Charge out rates are all-inclusive rates.

<sup>(7)</sup> This position was held through a consulting contract with independent contractor.

<sup>(8)</sup> This position ended in September 2009.

B.C. Pavilion Corporation amalgamated with Vancouver Convention Centre Expansion Project (VCCEP) effective April 1, 2008 to form a single organization, B.C. Pavilion Corporation (PavCo). Previous to the amalgamation, reporting was made separately by the predecessor organizations.

**Compensation Discussion and Analysis**

PavCo operates BC Place Stadium and Vancouver Convention Centre ("Convention Centre"). The expansion of the Convention Centre is complete, and BC Place has embarked on a major refurbishment project, including replacement of the roof. The Vancouver Convention Centre is the Province's flagship convention centre. BC Place is the largest trade and consumer show, and sporting facility in British Columbia. Both facilities were major venues for the 2010 Olympic and Paralympic Winter Games.

Through their activities, the facilities provide significant employment and economic benefits each year to the Province and Metro Vancouver. The expansion of Convention Centre has increased the scope of its deliverables and, hence, its human resource requirements.

PavCo has embarked on a major marketing and sales campaign to promote its facilities and ensure maximum occupancy of the facilities and benefit to British Columbia. To achieve the maximum effectiveness of this campaign and to continue to provide exemplary service to clients and the best return to the Province, PavCo must employ fully experienced and qualified staff.

PavCo has a compensation program established in the early 1990s. The program includes base salaries, a performance-based incentive plan in which all full-time employees participate, and employee benefits. Individual responsibilities and workloads have dramatically changed over the years, including shifting responsibilities from the corporate level to the facilities. In 2008 market adjustments were implemented where appropriate, to certain positions within the corporation.

Compensation for the CEO is set by the Governance Committee of the Board of Directors, and approved by the Board. Compensation for the NEOs is determined by the CEO within set guidelines. These guidelines include salary ranges approved by the Public Sector Employer's Council (PSEC). Salaries cannot be outside the range approved by PSEC.

### Objective of the Compensation Program

The objectives of the Compensation Program are to ensure that PavCo continues to employ qualified and experienced employees who are paid fairly in comparison to market, and to internal positions at the same level of responsibility and workload.

During Fiscal 2007/08 PavCo engaged the services of a consulting firm 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 75<sup>th</sup> percentile relative to market. This was approved by PSEC.

### Form of Compensation

Compensation at PavCo consists of base pay, benefits and a performance-based incentive plan.

1. Base Pay – PavCo has 11 salary ranges 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 prepare Job Fact Sheets for processing through this system. The resulting Job Fact Sheets are then passed to the Job Evaluation Committee for final rating and approval.
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 employee dependents.

Executive are provided with 20 days of paid vacation per year during their first 5 years of employment, and 25 days per year served thereafter.

3. Performance Based Incentive 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 payments to individuals through the incentive plan is contingent on the following:

- Performance of duties as set out in job descriptions
- Achievement of corporate goals set out through the Shareholder's letter of Expectation, and Service Plan for the Corporation
- Achievement of goals set between the individual and the Corporation

Corporate goals set for the Corporation for Fiscal 2009/10 were:

- To maximize revenues and economic growth, and use funding to in a manner that provides optimum return to the Shareholder
- Maintain and increase client service and satisfaction
- Maintain and improve the facilities under our management
- Increase innovation, learning and growth
- Effectively manage major capital work budgets, work, and schedule

The formulae used for calculating the incentive payments distributed under this plan, unless otherwise approved by PSEC, are up to 27% of base pay depending on the performance rating of the individual.

The CEO's targets are mutually agreed upon between the Board and the CEO.