



June 14, 2012

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, 2012**

I am pleased to present the Public Sector Executive Compensation schedule for B.C. Pavilion Corporation (PavCo) for the year ended March 31, 2012.

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 the Executive was within the approved compensation plan for PavCo.

Yours truly,

**B.C. PAVILION CORPORATION**

A handwritten signature in blue ink, appearing to read "David Podmore".

David Podmore  
Chair, Board of Directors

**B.C. Pavilion Corporation**  
**Public Sector Executive Compensation Reporting Form**  
As at March 31, 2012

**Summary Compensation Table**

Name and Principal Position	Salary (\$)	Incentive Plan Compensation Paid (\$)	Pension (\$)	Benefits (\$) <sup>(1)</sup>	All Other Compensation (\$) <sup>(2)</sup>	Total (\$)	Two Previous Years Total
W. Buckley President/CEO	400,000	95,000	40,369	13,107	16,898	565,374	2010 562,307 2011 563,707
Ken Cretney GM Conv. Centre	218,550	95,000	21,715	10,544	12,052	357,861	2010 335,347 2011 352,138
John Harding CFO/Corp Secretary	218,550	42,970	21,715	13,369	7,200	303,804	2010 290,369 2011 296,489
Howard Crosley GM BC Place	195,057	38,440	19,596	13,214	4,080	270,387	2010 215,283 2011 254,372
Claire Smith VP Sales and Marketing Convention Centre	142,060	35,100	13,865	11,737	3,252	206,014	2010 201,239 2011 197,907

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

<sup>(2)</sup> "All Other Compensation" includes auto allowances and parking benefits. (W Buckley auto allowance \$10,800, parking \$6,098; K Cretney auto allowance \$8,800, parking \$3,252; J Harding auto allowance \$7,200; H Crosley auto benefit \$2,447, parking \$1,633; C Smith parking \$3,252)

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 recent expansion and upgrades to both facilities is now complete. Vancouver Convention Centre is the Province's flagship convention centre and BC Place is the largest trade and consumer show and indoor 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.

PavCo continues to market and promote its facilities to ensure maximum occupancy and benefit to British Columbia. To achieve the maximum effectiveness of these campaigns 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 bonus plan in which all 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.

Compensation for the CEO is set by the Board of Directors, at market value and approved by the shareholder. Compensation for the NEOs is determined by the CEO within set guidelines. These guidelines include approved salary ranges.

## Objective of the Compensation Program

The objectives of the Compensation Program are to ensure that PavCo can continue to employ qualified and experienced employees who are paid fairly in comparison to market and 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 bonus 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 would have input into this system. The resulting Job Fact Sheet then goes 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 employee dependents.
3. Performance Based Bonus Plan – The distribution of bonus payments is at the discretion of the Board of Directors and is not guaranteed each year. The approval and distribution of the bonus plan depends on two criteria: 1) company targets being met, and 2) the performance rating of the individual employee. The formulae used for calculating the bonuses distributed under this plan have been 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.

The bonus payable to the CEO is determined by performance targets set out in the employment contract and is outside the above mentioned Bonus Plan. The CEO’s targets are mutually agreed upon between the Board and the CEO. The bonus payable to the GM, Vancouver Convention Centre is determined by performance targets mutually agreed upon between the CEO and GM. The bonus is approved by the Board and is outside the above mentioned Bonus Plan.

## Incentive Plan Performance Targets

The CEO and each of the NEO’s each had specific performance targets set for the year, and performance bonuses were awarded based on achievement of these targets.

For Fiscal 2011/12, targets and achievements were as follows for the Executive

	Target Status	WB <sup>(i)</sup>	KC <sup>(ii)</sup>	JH <sup>(iii)</sup>	CS <sup>(iv)</sup>	HC <sup>(v)</sup>
<b>TARGETS SET IN SERVICE PLAN</b>						
Economic benefits generated – Convention Centre	Exceeded	√	√	N/A	√	N/A
GDP generated – Convention Centre	Exceeded	√	√	N/A	√	N/A
Economic benefits – all spending BC Place	Exceeded	√	N/A	N/A	N/A	√
Economic benefits – out of province spending BC Place	Exceeded	√	N/A	N/A	N/A	√
Delegate days – Convention Centre	Exceeded	√	√	N/A	√	N/A
Increased attendance – BC Place	Exceeded	√	N/A	N/A	N/A	√
Quality Service scores at facilities	Exceeded	√	√	N/A	√	√
Occupancy days – BC Place	Exceeded	√	N/A	N/A	N/A	√
Capital milestones and reporting – BC Place	Achieved	√	N/A	√	N/A	√

	Target Status	WB <sup>(i)</sup>	KC <sup>(ii)</sup>	JH <sup>(iii)</sup>	CS <sup>(iv)</sup>	HC <sup>(v)</sup>
<b>OTHER TARGETS</b>						
Achieving target financial results	Exceeded	√	√	√	√	√
Increase client services and satisfaction – various measures	Favourable	√	√	N/A	√	√
Maximize economic growth – track bookings and contracts issued	Exceeded or close to target	√	√	N/A	√	√
Maximize economic growth – attract new event types	Favourable	√	√	N/A	√	√
Increase innovation, learning and growth – supporting staff development – various measures	Meeting objectives	√	√	√	N/A	√
Meet requirements of Shareholder's Letter of Expectations	Favourable	√	√	√	√	√
Complete BC Place construction within budget by fall 2011	Favourable	√	N/A	N/A	N/A	√
Increase community awareness of BC Place	Favourable	N/A	N/A	N/A	N/A	√
Implement change to reduce impact on environment	Progressing /meeting objectives	N/A	√	N/A	N/A	√

<sup>(i)</sup>WB = Warren Buckley

<sup>(ii)</sup>KC = Ken Cretney

<sup>(iii)</sup>JH = John Harding

<sup>(iv)</sup>CS = Claire Smith

<sup>(v)</sup>HC = Howard Crosley

All major performance targets were achieved by the CEO and NEO's during the year.