

THE UNIVERSITY OF BRITISH COLUMBIA  
6328 MEMORIAL ROAD, VANCOUVER, CANADA V6T 1Z2



*Board of Governors*

June 4, 2013

Mr. Tom Vincent  
Vice-President  
Public Sector Employers' Council Secretariat  
PO Box 9400 Stn Prov Govt  
Victoria, BC V8V 9V1

Dear Mr. Vincent,

Further to the 2012/13 Public Sector Executive Compensation Reporting Guidelines,  
I am writing to confirm the following:

- The appropriate committee of the Board of Governors, Management Resources Compensation Committee (MRCC), is aware of the executive compensation paid by the University of British Columbia (UBC) in the 2012/13 fiscal year; and
- As Chair of the University's Board of Governors and MRCC, I verify such compensation was within approved compensation plans.

If you have any questions or comments, please do not hesitate to forward them to me c/o Ms. Remy Kahlon, Board Planning & Liaison Manager, UBC Board of Governors (6328 Memorial Road, Vancouver, BC V6T 1Z2; [remy.kahlon@ubc.ca](mailto:remy.kahlon@ubc.ca)).

Yours truly,

A handwritten signature in cursive script that reads "Bill Levine".

Bill Levine  
Chair, UBC Board of Governors

BL/k

# THE UNIVERSITY OF BRITISH COLUMBIA



## Public Sector Executive Compensation Reporting – Fiscal Year 2012/13

### Compensation Philosophy of The University of British Columbia

The University's compensation philosophy is outlined below. However, of significant note for the 2012/13 fiscal year is a government-imposed "salary freeze" for public sector management, including at universities. This was effective September 13, 2012, and remains in place at the date of completing this report.

#### **[1] Material principles and underlying policies and decisions for compensation provided to the President and senior administrators for the most recently completed fiscal year**

- As one of the highest ranked universities in Canada, and one of the top 30 universities in the world, UBC seeks to retain and attract the best senior administrators it can by remaining competitive in its compensation practices with other large research-intensive universities represented by the U15 (i.e., leading research-intensive universities in Canada), and in particular the University of Toronto and the University of Alberta, and with the global market for senior administrator talent generally.
- The compensation framework is designed to reward sustained performance.
- In recent years, UBC had to introduce an element of housing assistance into the compensation framework to attract senior administrator talent to Metro Vancouver, particularly UBC's location at the end of a peninsula surrounded by Vancouver's most expensive real estate.
- Higher compensation values are often provided to senior academic roles such as the President, Provost and VP Academic, Deputy Vice Chancellor & Principal at UBC Okanagan, and Vice President Research to recognize that they have augmented their core academic roles with very senior administrative responsibilities, and to provide incentives for faculty members to undertake these significant administrative roles.
- Compensation values for senior administrative roles reflect a weighting of public and private sector values, with a clear weighting in favour of the public sector, and more particularly UBC's university competitors in Canada and internationally.
- As approved by the Public Sector Employers' Council (PSEC), the President's arrangement represents the organization's maximum compensation, and all other senior administrators must not exceed 90% of that of the President.

# THE UNIVERSITY OF BRITISH COLUMBIA



- Pension and benefit arrangements should mirror those of the employee group that most closely approximates the nature of the role. For academic senior administrators, benefits mirror those received by faculty members. For non-academic senior administrators, benefits mirror those received by management staff.
- Annual performance reviews, as described below, are primarily driven by performance, and increases are typically provided as a recurring addition to base salary. This is intended to recognize the prior year's performance and the promise of future performance. In addition, there is a review of internal equity across senior administrator positions.

## **Responsibility for Senior Administrator Compensation:**

- The responsibility for senior administrator compensation rests with the Management Resources Compensation Committee (MRCC) of the UBC Board of Governors after receiving recommendations from the President for all senior administrators reporting to him. The foundation of the process is each senior administrator's development of performance objectives at the outset of the performance period. These performance objectives align with the University's objectives outlined in both Place and Promise: The UBC Plan, and operational imperatives. Actual performance is reviewed against objectives, together with the setting of the next year's objectives. The President is not reviewed for annual salary increases; rather, he is reviewed by the MRCC for the long-term incentive payment, as provided for in his employment agreement approved by PSEC and the responsible Minister.

## **[2] Changes Since Fiscal Year End**

- No new policies, actions, or decisions were made after the end of the most recently completed fiscal year that would affect a fair understanding of the compensation of the President and senior administrators for the last fiscal year.

## **[3] Incentive Plan Performance Targets and Objective Identifiable Measures Related to the Pursuit of Performance Targets**

Targets are not quantified, except for the President's long-term incentive (50% is based on meeting performance objectives, 25% is based on meeting annual fundraising targets, and 25% is based on meeting annual academic and research ranking goals).

The President's 2012/13 incentive payment was based, in part, on achievement of 2011/12 goals, as described below.

# THE UNIVERSITY OF BRITISH COLUMBIA



- The President's overall performance objective remained as it has been for all his time at UBC: to improve the academic standing of UBC in all areas of learning and research, and to build its local, national and international reputation, as driven by the vision in Place and Promise: The UBC Plan. As one of the world's leading universities, The University of British Columbia creates an exceptional learning environment that fosters global citizenship, advances a civil and sustainable society, and supports outstanding research to serve the people of British Columbia, Canada and the world.
- Within this overall framework, priorities for the 2011-12 fiscal year were:
  - Exploration and development of additional sources of funding beyond the provincial envelope through Federal government support, partnerships with industry, and private philanthropy; and
  - Innovation in education and research, contribution to economic and social development, and meeting the needs of an educated workforce.

Specific strategic goals were:

#### **Student Learning**

- Enhance the quality and impact of teaching for all students
- Expand educational enrichment opportunities, including research, a first year small class experience, international learning, community service learning, and co-op/practicum/ internship opportunities
- Support student well-being, personal development and positive affiliation with UBC through outstanding campus life programs and service excellence

#### **Research Excellence**

- Increase the quality and impact of UBC's research and scholarship
- Be a world leader in knowledge exchange and mobilization

#### **Community Engagement**

- Dedicate University resources to public understanding of societal issues and stimulate action for positive change
- Be a leader in fostering student, faculty, staff and alumni engagement within the wider community

#### **Aboriginal Engagement**

- Expand educational opportunities for Aboriginal people and widen opportunities for all students to learn about Aboriginal issues and perspectives
- Increase engagement with Aboriginal communities in mutually supportive and productive relationships

#### **Alumni Engagement**

- Enrich the lives of graduates through a deeper connection to UBC, and help the University achieve its vision
- Increase alumni commitment to UBC through an expansion of opportunities for lifelong engagement

#### **Intercultural Understanding**

- Increase awareness and experience of the benefits of intercultural learning
- Remove barriers to greater cultural and intellectual diversity within the University, including those faced by historically disadvantaged groups

#### **International Engagement**

- Increase the capacity of UBC students, faculty, staff, and alumni to engage internationally
- Strengthen UBC's presence as a globally influential university

# THE UNIVERSITY OF BRITISH COLUMBIA



## **Outstanding Workplace Environment**

- Be the place of choice for outstanding faculty and staff
- Be a healthy, inspiring workplace that cultivates well-being, resilience and commitment, and be responsive to the family needs of faculty and staff

## **Sustainability**

- Ensure UBC's economic sustainability by aligning resources with the University vision and strategic plan and deploying them in a sustainable and effective manner
- Make UBC a living laboratory in environmental sustainability by combining its sustainability leadership in teaching, research and operations
- Foster social sustainability through teaching, research and community engagement that promote vibrant human interaction and community cohesion
- Create a vibrant and sustainable community supported by exemplary governance

Related Ministry of Advanced Education and Labour Market Development goals, as described in the 2011/12 – 2013/14 Service Plan, released May 2011, include:

- Ministry Goal 1: British Columbians access B.C.'s post-secondary education system to meet the needs of a knowledge driven economy and society
  - Ministry Objective 1.1: British Columbians are able to fulfill their potential through access to quality education and training
- Ministry Goal 2: B.C.'s dynamic and integrated post-secondary education system is a global destination of choice for students to learn, stay to live, work and invest
  - Ministry Objective 2.1: B.C. attracts and increases the number of students in B.C.'s education system
- Ministry Goal 3: B.C.'s public and private post-secondary, industry and workplace training sectors support productive career development
  - Ministry Objective 3.1: British Columbia's post-secondary system is flexible and responsive to the needs of learners and B.C.'s economy

The President met and exceeded these performance objectives. He again exceeded his personal fundraising expectations, with a new all-time high at \$213.2M. The "Start and Evolution" campaign surpassed the \$1B mark.

In addition, the annual academic and research ranking goal of remaining in the top 40 universities internationally, and moving toward the top 20, was attained. UBC was ranked 22<sup>nd</sup> in 2011 by the Times Higher Education rankings (UK), and 37<sup>th</sup> by Shanghai Jiao Tong University Institute of Higher Education (China). Indicators used in the surveys include number of Nobel laureates, number of highly cited researchers, number of articles published in Nature and Science, number of articles cited in the Science Citation Index, and academic performance per faculty.

# THE UNIVERSITY OF BRITISH COLUMBIA



## [4] Leaves

- Vacation and academic leaves are provided to the President and senior administrators. These relate to UBC's compensation philosophy in that they comprise an important part of the total compensation package to attract and retain outstanding senior administrators. The maximum vacation permitted is six weeks. Academic leaves are provided as an incentive, common across universities, for faculty members to assume academic senior administrator roles. During these term positions they do not accrue service towards study or sabbatical leaves that they would normally receive as a faculty member under their collective agreement.

## Footnote to Summary Compensation Table: UBC Supplemental Arrangement

- The total pension contributions made by the employee and the university in any one year cannot exceed the contribution limit, which is 18% of annual earnings, or \$23,820 for 2012, whichever is less. Salaries exceeding \$169,983 in 2012 would have reached this limit. Excess University contributions are directed to the non-registered supplemental arrangement (SRP).
- The SRP contribution amount is that which the employer would be required to contribute to the Faculty Pension Plan (FPP) if there wasn't a maximum limit imposed by the Income Tax Act.
- The employer is the sole legal and beneficial owner of all assets in the SRP. All assets held in the SRP will be available for general creditors of the employer.
- The employer invests the assets.
- Withdrawals from the SRP are available only at termination, retirement, or death.

Contact for media and other inquires:

Lucie McNeill  
Director, Public Affairs  
The University of British Columbia  
Phone 604 822 2064  
[lucie.mcneill@ubc.ca](mailto:lucie.mcneill@ubc.ca)

THE UNIVERSITY OF BRITISH COLUMBIA



(a) Name and Principal Position	(b) Salary (\$)	(c) Incentive Plan Compensation Paid (\$)	(d) Benefits <sup>1</sup> (\$)	(e) Pension <sup>2</sup> (\$)	(f) All Other Compensation (\$)	(g) Total (\$)	(h) Three Years' Totals <sup>5</sup>
Stephen Toope, President & Vice Chancellor	\$378,000	\$50,000	\$8,969	\$85,857	Perqs <sup>3</sup> \$60,035	\$582,860	2012/13 = \$582,860 2011/12 = \$580,978 2010/11 = \$581,378
David Farrar, Provost & VP Academic	\$334,050 <sup>4</sup>	\$0	\$7,246	\$32,562	Perqs \$4,496	\$378,354	2012/13 = \$378,354 2011/12 = \$359,814 2010/11 = \$359,788
Pierre Ouillet, VP, Finance, Resources, and Operations	\$295,800	\$0	\$8,339	\$28,737	Perqs \$2,468	\$335,343	2012/13 = \$335,343 2011/12 = \$347,552 2010/11 = \$333,140
Barbara Miles, VP Development & Alumni Engagement	\$280,000	\$0	\$7,426	\$27,157	Perqs \$7,821	\$322,404	2012/13 = \$322,404
John Hepburn, VP Research & International	\$275,000	\$0	\$7,926	\$26,677	Perqs \$1,688	\$311,291	2012/13 = \$311,291 2011/12 = \$311,046 2010/11 = \$325,533

**Footnotes:**

[1] Includes employer cost of health & welfare benefits and government benefits (i.e., CPP, WCB, EI).

[2] Includes supplemental pension.

[3] Taxable benefit related to UBC's requirement that the President and his family live in the Norman Mackenzie House on the Vancouver campus.

[4] Salary increase upon contract renewal.

**Other Notes:**

- The VP, Finance, Resources, and Operations received an additional payment of \$15,000 for an adjunct academic appointment and associated responsibilities.
- Small year over year changes occur in total compensation while salaries are stable due to variations such as inflationary fluctuations in the cost of health & welfare and government benefits (column d).
- Data represents "actual" amounts for the 2012/13 fiscal year; as such, senior administrators who were appointed part way through the period may not appear in this year's report, but will appear in future reporting periods.



UBC PROPERTIES TRUST

May 23, 2013

Mr. Tom Vincent  
Vice President  
Public Sector Employers' Council Secretariat  
PO Box 9400 Stn Prov Govt  
Victoria, BC  
V8V 9V1

Dear Mr. Vincent:

Further to the 2012-13 Public Sector Compensation Reporting Guidelines, I am writing to confirm the following:

- The Compensation Committee of the Board of Directors is aware of the executive compensation paid by UBC Properties Trust in the 2012/13 fiscal year; and
- As Chair of the Board of Directors, I verify such compensation was within approved compensation plans.

If you have any questions or comments, please do not hesitate to forward them to me c/o Don Matheson, Vice President and CFO.

Yours truly,

UBC PROPERTIES TRUST

Randy Zien  
Chairman of the Board

info@ubcproperties.com  
www.ubcproperties.com

555 Great Northern Way  
Suite 101  
Vancouver, BC  
V5T 1E2  
t. 604 731 3103  
f. 604 731 2130

**Public Sector Executive Compensation Reporting – Fiscal Year 2012/13**

**Compensation Philosophy of UBC Properties Trust**



**[1] Material principles and underlying policies and decisions for compensation provided to the President and senior administrators for the most recently completed fiscal year**

UBC Properties Investments Ltd (subsidiary of UBC) is the trustee of UBC Properties Trust, with the mission to acquire, develop, and manage real estate assets for the benefit of the University. The trustee operates with a Board of Directors currently comprising eleven outside directors and three members of the UBC Administration, including the President of UBC. The outside Directors are chosen to represent their respective areas of knowledge and expertise.

UBC Properties Investments Ltd reports to the UBC Board of Governors through UBC's Vice President Finance, Resources, and Operations. It employs approximately 30 staff, including a President and Chief Executive Officer ("the President").

**Compensation Philosophy**

The compensation of UBC Properties Investments Ltd is positioned based on the following:

- To recruit and retain staff with the skills, training, and knowledge required to acquire, develop, and manage property.
- To be competitive in relation to compensation in the sectors from which it recruits staff (i.e., real estate development market).
- To be inclusive of base salary, health care and insurance benefits, and pension benefits (RRSP). In addition, there is a bonus structure in place for senior project managers and executive team members earning over \$100,000, other than the President who is not eligible for the bonus structure.
- To pay slightly higher base salaries than the comparator market, but significantly lower bonuses.
- Development managers are tasked with a high level of risk management responsibility, employing Construction Management procurement to ensure highest and best value for money where applicable. Risk is retained by the Company throughout project duration and not transferred or converted to a fixed price contract.



**Responsibility for Senior Administrator Compensation:**

- Compensation decisions for those earning over \$100,000 per annum are made by the Compensation Committee of the Board of Directors.
- All compensation decisions are based on industry standards (i.e., relevant comparator market) and performance.

**[2] Changes Since Fiscal Year End**

- No new policies, actions, or decisions were made after the end of the most recently completed fiscal year that would affect a fair understanding of the compensation of the President and senior administrators for the last fiscal year.

**[3] Incentive Plan Performance Targets and Objective Identifiable Measures Related to the Pursuit of Performance Targets**

- The annual bonus payment is up to a maximum 25% of base salary.
- The annual bonus payment is based on project performance (e.g., completion of projects on time and on budget, etc.).

**[4] Leaves**

- Vacation is provided to the President and senior administrators. These relate to UBC's compensation philosophy in that they comprise an important part of the total compensation package to attract and retain outstanding senior administrators. The maximum vacation allotment is six weeks.

U B C P R O P E R T I E S I N V E S T M E N T S L T D



Contact for media and other inquiries:

Lucie McNeill  
Director, Public Affairs  
The University of British Columbia  
Phone 604.822.2064  
[lucie.mcneill@ubc.ca](mailto:lucie.mcneill@ubc.ca)

UBC PROPERTIES INVESTMENTS LTD



(a) Name and Principal Position	(b) Salary (\$)	(c) Bonus and/or Incentive Plan Compensation Paid (\$)	(d) Benefits <sup>1</sup> (\$)	(e) Pension (\$)	(f) All Other Compensation (\$)	(g) Total (\$)	(h) Previous 2 Years' Totals
Al Poettcker, President and CEO	\$350,000	\$0	\$1,905	\$40,369	\$28,622 <sup>2</sup>	\$420,897	2012/13 = \$420,897 2011/12 = \$417,990 2010/11 = \$415,584
Rob Brown, Vice President	\$203,333	\$36,000	\$2,553	\$19,944	\$8,320	\$270,151	2012/13 = \$270,151 2011/12 = \$263,522 2010/11 = \$247,901
Don Matheson, Vice President and CFO	\$193,333	\$10,000	\$2,503	\$19,333	\$8,902	\$234,072	2012/13 = \$234,072 2011/12 = \$239,358 2010/11 = \$223,581

**Notes:**

[1] Includes employer cost of health & welfare benefits and government benefits (i.e., CPP, WCB, EI)

[2] Includes fees of \$15,000 for service to the UBC Properties Investments Ltd. Board of Directors (each year this full amount is donated to a UBC department), car allowance of \$12,000, and the balance for gas and insurance



UBC Investment Management Trust Inc.

May 29, 2013

Mr. Tom Vincent  
Vice-President  
Public Sector Employers' Council Secretariat

Dear Mr. Vincent:

Further to the 2012-13 Public Sector Executive Compensation Reporting Guidelines, I am writing to confirm the following:

- The Board of Directors of UBC Investment Management Trust Inc. (IMANT) is aware of the executive compensation paid by IMANT in the 2012/13 fiscal year; and
- As Chair of the Board of UBC Investment Management Trust Inc., I verify such compensation was within approved compensation plans.

If you have any questions or comments, please do not hesitate to forward them to me through the IMANT offices at:

UBC Investment Management Trust Inc.  
#1188 – 1055 West Hastings Street  
Vancouver, B.C. V6E 2E9

Sincerely,

A handwritten signature in blue ink, appearing to read "Dale Parker". The signature is written over a horizontal line.

Dale Parker  
Chair, UBC Investment Management Trust Inc.

Cc: Jai Parihar  
President & CEO, UBC IMANT

# UBC INVESTMENT MANAGEMENT TRUST INC.

## Public Sector Executive Compensation Reporting – Fiscal Year 2012/13

### Compensation Philosophy of UBC Investment Management Trust Inc. (Subsidiary of UBC)



#### **[1] Material principles and underlying policies and decisions for compensation provided to the President and senior administrators for the most recently completed fiscal year**

UBC Investment Management Trust Inc. (UBC IMANT), originally approved by UBC's Board of Governors (BOG) in fiscal 2002/03 and incorporated under the B.C. Company Act in March of 2003, opened its offices in May of 2004. It assumed official responsibility for the investment management of \$1.4 billion (today \$2.5 billion) of the University of British Columbia's and related portfolio assets in July of 2004. The company is a share capital entity, 100% owned by the University. IMANT acts as UBC's investment manager, with ownership of the assets resting with UBC or appropriate beneficiaries. UBC IMANT is governed by a 11-person Board of Directors (eight unrelated, and three associated with UBC), and has five staff including only one Executive appointment, the President and Chief Executive Officer ("the President").

#### **Compensation Philosophy**

IMANT's compensation is positioned based on the following:

- Recruitment and retention of staff with the skills, training, and knowledge to add substantial value over and above passive market returns from public securities, and to generate stable long-term returns. Compensation should incent staff to design and implement programs that do not necessarily deliver short-term returns, but have above-average prospects of generating superior long-term returns.
- Being competitive with compensation in the sectors from which it recruits staff (e.g., pension investment industry, investment management industry).
- UBC compensation, benefits, and pension levels, even though job skill, education, and experience levels are not directly comparable.
- Alignment over time with other University investment management companies, and secondarily with investment managers generally.
- Compensation levels for comparable jobs in the US are a consideration.



**Responsibility for Senior Administrator Compensation:**

- Compensation recommendations for the President are made by the Governance & HR Committee of the Board, for approval by the Board.

**[2] Changes Since Fiscal Year End**

- No new policies, actions, or decisions were made after the end of the most recently completed fiscal year that would affect a fair understanding of the compensation of the President for the last fiscal year.

**[3] Incentive Plan Performance Targets and Objective Identifiable Measures Related to the Pursuit of Performance Targets**

Compensation consists of base salary, health care and insurance benefits, pension benefits, and a bonus.

Bonus Structure:

- The annual bonus payment is up to 35% of base salary for the President.
- The annual bonus payment is based on one third qualitative and two thirds quantitative outcomes.
- Qualitative outcomes are based on the President's business plan objectives, which are established annually by the Board.
- The primary investment objective is to maximize long term investment potential, and the annual incentive compensation plan is designed to motivate and reward the creation of long term gains.
- For the quantitative component, one quarter of the measure is based on actual one year investment results relative to the one year benchmark rate of return and three quarters of the measure is based on rolling four year actual investment returns relative to the four year benchmark rate of return. The benchmarks and value-added targets are set by the Board.
- The Chair of the Board determines these outcomes for the President.

# UBC INVESTMENT MANAGEMENT TRUST INC.



## [4] Leaves

- Vacation is provided to the President. This relates to UBC's compensation philosophy in that it comprises an important part of the total compensation package to attract and retain outstanding senior administrators. The President and Chief Executive Officer's vacation allotment is six weeks.

Contact for media and other inquires:

Lucie McNeill  
Director, Public Affairs  
The University of British Columbia  
Phone 604 822 2064  
[lucie.mcneill@ubc.ca](mailto:lucie.mcneill@ubc.ca)

UBC INVESTMENT MANAGEMENT TRUST INC.



(a) Name and Principal Position	(b) Salary (\$)	(c) Bonus and/or Incentive Plan Compensation Paid (\$)	(d) Benefits (\$)	(e) Pension (\$)	(f) All Other Compensation (\$)	(g) Total (\$)	(h) Previous Two Years' Totals
Jai Parihar, President and Chief Executive Officer	\$268,060	\$84,817	\$6,448	\$0	\$50,000 <sup>1</sup> \$1,500	\$410,825	\$301,445 New in 2011/12

**Notes:**

[1] Taxable allowance in lieu of pension and other benefits

Please note: The change from the 2011/12 total is a result of a 3.1% increase in salary and a full year of employment in 2012/13 versus 11 months in 2011/12. In addition, no bonus was paid in 2011/12, as he did not yet qualify.