

June 4, 2013

File No: 9625-08 CEO Salary

Tom Vincent
Vice President
Public Sector Employers' Council Secretariat
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VIA E-MAIL

Dear Mr. Vincent:

Re: Royal BC Museum Corporation Executive Compensation Disclosure – June 2013

This letter is to confirm that the Board of Directors of the Royal BC Museum Corporation is aware and has approved the compensation information in the executive compensation disclosure report for the Royal BC Museum Corporation dated June 2013.

Yours truly,



Suromitra Sanatani
Chair, Board of Directors



**STATEMENT OF EXECUTIVE COMPENSATION
ROYAL BC MUSEUM
June 2013**

Royal BC Museum (RBCM) - Compensation Philosophy

The RBCM's Management Compensation Program is based on a process which recognizes these fundamental determinants of salary:

- a. the duties to be performed;
- b. the employee's performance/potential; and
- c. the salaries paid for comparable positions in the external job market.

Subject to the legislative and fiscal constraints placed upon it, it is the objective of the Board of Directors of the RBCM to pay its Chief Executive Officer a salary that is sufficiently competitive in the job market.

Responsibility for Determining Compensation

The responsibility for determining base salary compensation for the Chief Executive Officer rests with the Board of Directors pursuant to the *Museum Act*. The base salary is set within the maximum total compensation guidelines as established by Cabinet and Treasury Board and was approved by the then Minister (2007). The compensation salary cap has not changed since 2007 (> 6 years) and as such, during fiscal year 2012/13, the total base compensation for the Chief Executive Officer still may not exceed \$200,000.

Compensation Principles

The Royal BC Museum Compensation Program introduces contemporary compensation practices to support the following principles:

- Financial expenditures for management salaries will be controlled and managed through an approved financial control model, as approved by the RBCM Board of Directors
- The overall salaries are controlled through the annual budget process;
- Funding for management salaries will be found from within the overall annual salary budget;
- Compensation decisions should have the flexibility to address market competitiveness;
- Base pay should not exceed the maximum required to build a compensation package to recruit and retain employees as established through market comparison research;
- Compensation program must support the long-term strategy to link pay and performance;
- Market competitiveness should balance with internal relativity; and
- Executive Team has the flexibility to respond to evolving business needs.

STATEMENT OF EXECUTIVE COMPENSATION (2013) – Royal BC Museum

2012/13 Compensation Discussion

The CEO, Professor Jack Lohman, CBE was appointed March 26, 2012 and was paid 5 days in the previous fiscal year.

Name & Principal Position	Salary 2012/13 (\$)	Bonus and/or Incentive Plan compensation (\$)	Benefits (\$)	Pension (\$)	All Other Compensation (\$)	Total (\$)	Previous 2 Years Totals
Jack Lohman ¹	\$161,800	\$0	\$20,322	\$15,209	\$0	\$197,331	2010/11 n/a 2011/12 - \$3,225

No other positions in the Royal BC Museum Corporation have a minimum base salary of \$125,000.

This Statement of Executive Compensation has been prepared in accordance with the guidelines as established by the Public Sector Employers Council and the *Public Sector Employers Act* and the reporting requirements contained in the *Financial Information Act*.

Contact:

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¹ Start date March 26, 2012.