



Lee Doney,
Acting President and CEO,
Public Sector Employers' Council Secretariat

June 13, 2014

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Victoria, BC V8V 9V1
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Board Attestation

On behalf of the Board of the Vancouver Island University, I can attest that:

The compensation provided is within approved compensation plans, and complies with all disclosure guidelines.

The board has been fully apprised of the executive compensation paid in the prior fiscal year.

The compensation information being disclosed is accurate and includes all compensation paid by the employer, foundations, subsidiaries, or any other organization related to or associated with the employer, to the employees, for duties and responsibilities assigned by the University. It also includes the value of any pre or post-employment payments made during the 12 month period before or after the term of employment.

Yours truly,

Allan Wiekenkamp, CA, TEP, CFP
Vice-Chair of the Board of Governors
Vancouver Island University



Hay ch qa' sii'em siye'yu mukw mustimuxw.

Vancouver Island University students, staff, faculty and administration acknowledge and thank the Snuneymuxw First Nation, Tla'amin First Nation and Cowichan Tribes for welcoming students, staff, faculty and administration to teach, learn, live and share educational experiences on the traditional territories of these nations.

Vancouver Island University
Executive Compensation Discussion and Analysis

On behalf of the Vancouver Island University Board of Governors, I am pleased to present the full disclosure of all compensation paid to our top five senior officers. The Board of Governors has reviewed our previous executive compensation disclosure statements, and has improved on our commitment to full and transparent reporting.

We are reporting the full compensation of our "Senior Management Group". The "Senior Management Group" is the core group of five leaders that guides our University in the achievement of the goals outlined in Vancouver Island University's Academic Plan:

<https://www.viu.ca/integratedplanning/documents/VIUAcademicPlanFINALMARCH2011.pdf>

Compensation Decisions

The compensation for the President and Vice-Chancellor is determined by the Board of Governors. The compensation for the remaining members of the Senior Management Group is determined by the President and Vice-Chancellor.

Compensation Philosophy

Vancouver Island University's executive compensation is positioned to neither lead nor lag our market of other similar sized and purposed post-secondary institutions in British Columbia. A more fulsome market analysis (including institutions outside of British Columbia) is provided by the Post Secondary Employers' Association of British Columbia and by independent experts. While our compensation does not lag nor lead our market of other similar sized and purposed post-secondary institutions in British Columbia, it

does lag the compensation paid to other leaders in similar sized and purposed post-secondary institutions in the rest of Canada.

When recruiting both our Vice-Presidents, it was determined that our internally developed compensation system was lagging our external market, preventing us from attracting and retaining the caliber of candidates required to lead the institution into full university status. Therefore, modest labour market adjustments were added to the compensation of the Provost and Vice-President Academic and the Vice-President, Administration and Finance, bringing their compensation closer to the compensation paid to comparable roles in comparable British Columbia public sector post-secondary institutions. The market adjustments were within the guidelines and approved by the Government of British Columbia. These market adjustments are paid annually, and will be reviewed upon the renewal of the five year employment contracts. The labour market adjustments are fully disclosed in the summary table.

Vancouver Island University has modeled our compensation to reflect compensation models in the post-secondary sector, including five year renewable term contracts for the President and Vice-Presidents. Vancouver Island University has adapted the post-secondary compensation practices by granting a one year administrative leave to the President for each five year term, and a one year administrative leave for the Vice-Presidents, regardless of the number of terms served. Term contracts allow the Board of Governors and/or the President to continually assess and celebrate the successes of these senior leaders. Administrative leaves support the University's commitment to learning, discovery and engagement.

The compensation statement discloses the compensation associated with the administrative leaves granted to the President and Vice-Chancellor, the Provost and Vice-President Academic, and the Vice-President, Administration and Finance. As the University has moved to the Public Sector Accounting Board of Canada (PSAB) accounting standards, the University has adapted the PSAB principles to disclose the compensation associated with the administrative leaves. The administrative leave will be paid to the President to perform duties assigned by the Chair of the Board of Governors to the President. The President may also make assignments to the Vice-Presidents while they are on administrative leave. The methodology used to calculate the estimated value of the administrative leaves is included in the notes attached to the summary compensation table.

Our senior executives participate in the College Pension Plan, a legislative based, defined benefit plan that serves the public sector colleges and institutes in British Columbia. The full cost of the pension contributions is included in the summary compensation table.

Senior executives participate in the same benefit plan as all other administrative staff. For those senior executives over the age of 65, who are no longer eligible for insured benefits, VIU has created a health spending account with the premiums that would have been paid for insured benefits. Senior executives (with exception of the President and Vice-Chancellor) are eligible for six weeks' vacation, as are all other administrative staff. The President and Vice Chancellor is granted eight weeks of vacation. Again, the benefit, pension and vacation periods mirror post-secondary standards, thus supporting our decision to neither lead nor lag the market.

This rather conservative approach to compensation has required Vancouver Island University to work extremely hard to attract and retain capable leadership to our dynamic institution that serves

Vancouver Island and the Sunshine Coast. We use our location to attract individuals, and the celebration of the success of our students and employees to retain our strong executive team. To date, we have been successful in attracting senior leaders because of the success of our University and the beauty and affordability of our region. Recent competitions have demonstrated that our choice of paying to the mid-range of similar British Columbia post-secondary institutions makes it more difficult to attract and retain leaders from the larger British Columbia post-secondary labour market, and very difficult to recruit people in comparable senior leadership roles from outside British Columbia.

Performance Plan

Annually, the President and Vice-Chancellor presents a performance plan (rooted in the Academic Plan) to the Board. Once approved, the Board of Governors receives periodic progress reports, and performs a full review of outcomes relative to the performance plan. Results of this annual planning and review process shape the direction for the upcoming year.

The University has not adopted a "Pay for Performance/Incentive/Bonus Plan". We believe that by providing a great place to live and work, mid-market compensation, and the challenge of being part of a University that celebrates our students' and our institution's successes, we attract and retain leaders who reflect our core values, including achievement, celebration and sustainability.

Conclusions

As part of the British Columbia public sector, the University is guided and complies with direction provided by the Government of British Columbia.

Vancouver Island University has worked hard to live the values and achieve the goals identified in our Academic Plan. We are a maturing university, intent on implementing best practices with regards to accountability. A key element of accountability is transparency. Therefore we have tackled improving our executive compensation disclosure processes, as one of many processes that we are constantly improving.

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the value of any pre or post-employment payments made during the 12 month period before or after the term of employment.

Within these required parameters, Vancouver Island University believes it has constructed the appropriate compensation to attract and retain the leadership required to reflect our core values and achieve the outcomes identified in our Academic Plan.



Allan Wiekenkamp, CA, TEP, CFP
Vice-Chair of the Board of Governors
Vancouver Island University

Notes:

Ralph Nilson, President & Vice-Chancellor	Other (k) - Annual contractual benefits ceiling pay adjustment \$15,477; mortgage interest \$5,033
David Witty, Provost & VP Academic	Other (k) - Labour Market Adjustment \$10,009
Patricia Eagar, VP, Administration & Finance	Other (k) - Labour Market Adjustment \$10,009
Diny van Beers, University Secretary/Senior Policy Advisor	Severance/Retiring Allowance (f) - Early Retirement Incentive \$133,954; Retirement Gratuity \$68,705. Retired Oct 29, 2013.
Marie Armstrong, University Secretary/Senior Policy Advisor	Other (k) - Relocation Expenses \$6,077. Employment commenced Aug 6, 2013.
Dan Hurley, Executive Director, University Relations	Employment commenced Sept 1, 2012.

Administrative Leaves

Administrative leaves at VIU are not automatic. All leaves require the completion of full five year terms before individuals are eligible for the leaves. Even upon completion of the five year term, leave will only occur upon approval.

Using PSAB accounting practices, we have elected not to show these leaves as accrued until individuals have completed their full terms, and the leaves have been approved.

To support full transparent disclosure principles the following individuals will be eligible to apply for/or have already accrued (but not paid) administrative leaves as follows:

Ralph Nilson

2013 - Annual salary & benefits (estimated \$232,631.00) accrued but not paid. The administrative leave is a one year employment contract commencing January 1, 2017. Duties and responsibilities for this one year term contract will be assigned by the Board Chair.

2016 - Board Chair will entertain application for second one year assignment, should the President successfully complete a second five year term. Assignment would commence January 1, 2018.

David Witty

2015 - Eligible for one year administrative leave upon approval by the President and upon concluding the five year term contract.

Patricia Eagar

February 2014 - Five year term completed. Annual salary and benefits (estimated \$195,500.00) accrued but not paid. One year administrative leave approved by the President.