



June 17, 2014  
CEO and President  
Public Sector Employers' Council Secretariat  
2<sup>nd</sup> Floor, 880 Douglas Street  
Victoria, B.C.  
V8W 9V1

Dear Sir;

**Re: Public Sector Executive Compensation – March 31, 2014**

I am pleased to present the Public Sector Executive Compensation schedule for the B.C. Pavilion Corporation (PavCo) for the Year Ended March 31, 2014.

I confirm that the Board of PavCo is aware of the compensation paid to the Executive for the year ended March 31, 2014. I also confirm that the compensation paid to the Executive was within the approved compensation plan for PavCo.

Sincerely,

B.C. Pavilion Corporation

A handwritten signature in black ink, appearing to read "Stuart McLaughlin".

Stuart McLaughlin  
Chair – Board of Directors

**B.C. Pavilion Corporation**  
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**Discussion and Analysis**

PavCo operates BC Place Stadium and Vancouver Convention Centre (“Convention Centre”). PavCo’s primary mandate is to increase economic benefit to British Columbia through the operation of the province’s premier event facilities: BC Place and the Vancouver Convention Centre. These important venues attract thousands of people every year to our province, providing economic support to our hotel and tourism industries, as well as restaurants and other retail. Further, our venues serve as a gathering place for British Columbians from all walks of life and visitors from around the world.

Together, BC Place and the Vancouver Convention Centre provide significant employment and economic benefits to British Columbia and Metro Vancouver. This year alone, these world-class facilities have generated in excess of \$300 million in economic benefit for the province.

PavCo markets and promotes its facilities to ensure maximum occupancy of the facilities and to generate the highest benefit to British Columbia. To achieve the maximum effectiveness of these campaigns, to continue to provide exemplary service to clients and generate the best return to British Columbia, PavCo must employ fully experienced and qualified staff.

During fiscal 2013/2014 PavCo had a compensation program that was established in the 1990s. The program includes base salaries, a performance-based incentive plan in which all eligible 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.

**Executive Compensation Plan**

In July 2012, Government announced that Executive in Crown Corporations would transition from their existing Compensation Plans to comply with new policy that standardizes rules for employees’ total compensation. Total compensation includes salary, holdbacks, benefits and perquisites. PavCo submitted an Executive Compensation Transition Plan to the Public Sector Employer’s Council (PSEC) which was approved in January 2013 and PavCo has fully transitioned to the new policy.

Compensation for the CEO is set by the Board of Directors at market value and approved by the shareholder. Compensation for Executive Officers is determined by the CEO within guidelines including salary ranges and approved by PSEC, and as set out in Compensation Program.

**Objective of the Compensation Program**

The objectives of the Compensation Program are to ensure that PavCo can retain qualified and experienced employees who are paid fairly in comparison to market, and also in comparison to internal positions which have the same level of responsibility and workload.

During 2008 PavCo engaged the services of an independent third party 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.

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Form of Compensation

In fiscal 2013/2014 total Compensation at PavCo consisted of base pay, benefits. It has also included a performance-based bonus plan which has been phased out as of April 1, 2014.

1. Base Pay – PavCo has 11 salary bands 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 have input into this system. The resulting Job Fact Sheet is then passed 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 employees’ dependents.
3. Performance Based Bonus 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 the incentive plan depends on two criteria: 1) company financial targets being met, and 2) the performance rating of the individual employee. The formulae used for calculating payments distributed under this plan were 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.

Effective April 1, 2013, executive bonuses have been phased out and replaced with a total potential earnable salary subject to a holdback that does not exceed the lower of 20% of base salary or an amount equivalent to the four-year average payments made to the individual Executive. The holdback related to the Interim President & CEO is higher than the 20% and has been approved by PSEC as part of the Executive Compensation Transition Plan.

Effective April 1, 2014, non-executive bonuses have also been phased out and replaced with a total potential earnable salary subject to a holdback that does not exceed the lower of 20% of base salary or an amount equivalent to the four-year average payments made to the individual staff member.

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Summary Compensation Table at FISCAL 2014

Name and Position (a)	Salary (b)	Bonus and / or Incentive Plan Compensation (c)	Benefits (d)	Pension (e)	All Other Compensation (expanded below)	2013/14 Total	Totals	
							2012 / 13 (s)	2011 / 12 (t)
Ken Cretney, President and CEO (Interim)	\$ 225,330	\$ 98,571	\$ 10,765	\$ 23,862	\$ 15,732	\$ 374,260	\$ 370,441	\$ 354,609
John Harding, Former CFO/Corp Secretary	\$ 72,850	\$ -	\$ 3,879	\$ 7,963	\$ 38,965	\$ 123,657	\$ 305,292	\$ 303,804
Howard Crosley, Former General Manager, BC Place	\$ 26,348	\$ -	\$ 1,578	\$ 2,497	\$ 460,140	\$ 490,563	\$ 292,720	\$ 266,307
Claire Smith, VP, Sales/Marketing, Vancouver Convention Centre	\$ 146,460	\$ 34,000	\$ 11,897	\$ 15,242	\$ 11,246	\$ 218,845	\$ 218,723	\$ 202,763
Dana Hayden, Former President & CEO	\$ -	\$ -	\$ -	\$ -	\$ 270,339	\$ 270,339	\$ 203,905	\$ -
Rehana Din, CFO	\$ 98,458	\$ 24,792	\$ 11,035	\$ 9,358	\$ 1,482	\$ 145,125	\$ -	\$ -

Summary Other Compensation Table at FISCAL, 2014

Name and Position (a)	All Other Compensation	Severance (f)	Vacation payout (g)	Leave payout (h)	Vehicle / Transportation Allowance (i)	Perquisites / other Allowances (j)	Other (k)
Ken Cretney, President and CEO (Interim)	\$ 15,732	\$ -	\$ -	\$ -	\$ 12,480	\$ 3,252	\$ -
John Harding, Former CFO/Corp Secretary	\$ 38,965	\$ -	\$ 36,565	\$ -	\$ 2,400	\$ -	\$ -
Howard Crosley, Former General Manager, BC Place	\$ 460,140	\$ 438,575	\$ 19,964	\$ -	\$ 1,601	\$ -	\$ -
Claire Smith, VP, Sales/Marketing, Vancouver Convention Centre	\$ 11,246	\$ -	\$ -	\$ -	\$ 8,400	\$ 2,846	\$ -
Dana Hayden, Former President & CEO	\$ 270,339	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 270,339
Rehana Din, CFO	\$ 1,482	\$ -	\$ -	\$ -	\$ -	\$ 1,482	\$ -

**Notes:**

Ken Cretney, President and CEO (Interim)	Ken Cretney appointed Interim President and CEO effective February 1, 2014 without additional compensation.
John Harding, Former CFO/Corp Secretary	John Harding retired from PavCo effective July 31, 2013.
Howard Crosley, Former General Manager, BC Place	Howard Crosley is no longer with PavCo effective May 15, 2013. Severance was paid in the form of salary continuance.
Claire Smith, VP, Sales/Marketing, Vancouver Convention Centre	
Dana Hayden, Former President & CEO	Dana Hayden's secondment with PavCo ended effective January 31, 2014.
Rehana Din, CFO	Rehana Din appointed CFO effective September 3, 2013