



Ms. Christina Zacharuk
President & CEO
Public Sector Employers' Council Secretariat
Suite 210, 880 Douglas Street
Victoria, BC V8W 2B7

Dear Ms. Zacharuk,

On behalf of the Royal Roads University Board of Governors, I am pleased to confirm that I have reviewed and approved the university's 2018/19 Executive Compensation Disclosure. The RRU Board of Governors is aware of the executive compensation paid in the 2018/19 fiscal year.

The compensation information being disclosed in this report is accurate and reflects all compensation paid by Royal Roads University, including actual salaries, performance-based incentive payments, and statutory and non-statutory benefits, in accordance with approved compensation plans during the year ended March 31, 2019, and in compliance with government executive compensation guidelines.

There has been no compensation paid by the RRU Foundation and there are no university subsidiaries or any other organization related to or associated with Royal Roads University. There have been no pre- or post-employment payments made during the 12-month period before or after the term of employments.

Yours truly,

A handwritten signature in black ink, appearing to read "Kathleen Birney", followed by a large, stylized flourish or initial.

Kathleen Birney,
Chancellor and Board Chair
Royal Roads University



Public Sector Executive Compensation Reporting – Fiscal Year 2018/19

Compensation Philosophy

Royal Roads University (RRU) has a unique mandate in the public post-secondary sector, focused on providing demand-driven, high-quality, effective education and research that contribute to economic prosperity, social advancement and environmental sustainability, and aligns with the labour market needs of British Columbia. RRU offers relevant applied and professional education, providing continuous opportunities to learn and transform lives and careers.

RRU is guided by a business model that ensures long-term financial sustainability. Consistent with this model the Board of Governors has set a financial framework that attempts to ensure that the university's cost structure does not exceed 95% of revenues in any given year.

The university's HR strategy is fully integrated with its business plans to ensure that RRU maintains an efficient, flexible and affordable workforce, taking a deliberate approach to organizational design so that it is structured, at both the managerial and business-unit levels, to achieve alignment and ensure outcomes and long-term objectives are met.

Through this strategy the university promotes an organizational culture of high-performance and customer focus, fosters an engaged and healthy workforce, and provides a transparent, equitable and affordable framework for its total rewards strategy.

Fundamental to both its business philosophy and its position on total rewards RRU strives to maintain its competitiveness in relation to the appropriate benchmarks in the external labour market, and link compensation to performance-based outcomes. Compensation decisions are informed by and framed with Government policy and directives. Within this context RRU's compensation plans also consider financial performance and are evaluated on an annual basis ensuring that they are aligned with the university's long-term financial sustainability.

RRU's approach to compensation planning considers the composition of the university's entire workforce: non-unionized employees (who comprise more than 70% of the total workforce), Royal Roads University Faculty Association (RRUFA), numerous contracted associated faculty, the Canadian Union of Public Employees Local 3886 (CUPE), and other contractors. Specific compensation plans for RRUFA and CUPE are bounded by their respective collective agreements.

RRU compensation plans are substantive changes to existing compensation plans require university Board of Governors approval, University Public Sector Employers' Association (UPSEA) approval, and Public Sector Employers' Council (PSEC) approval prior to implementation.

RRU provides the same group benefit package to all its employees. Participation in the College Pension Plan is mandatory at RRU for senior administration/management employees and all academic staff. Similarly, all other regular employees must participate in the Municipal Pension Plan.

The refreshed RRU compensation philosophy and plan was approved April 15, 2019.

Executive Compensation

RRU has not paid any other compensation to the President or any senior executive other than as fully disclosed in the annual executive compensation reporting standards.

- **President**

The President's compensation, as reflected in the PSEC approved contract was signed May 8, 2018 and came into effect January 1, 2019. It remains in effect for duration of the term ending December 31, 2023.

- **Executive**

Consistent with the terms and conditions set out in individual contracts, lump sum merit pay can be awarded to executives as re-earnable lump sum amounts based on the achievements of the university, combined with individual performance.

Since 2017 and 2018, with PSEC approval, RRU addressed compensation for the Executive and Senior Management groups with a combination of a base salary adjustment and a portion of compensation paid in a lump sum merit payment.

Academic leaves (sabbatical) are provided to executives responsible for the academic program at the successful completion of the initial five-year terms of employment. The executive shall be entitled to a six month sabbatical to be paid at the maximum salary level of a full professor in effect at that time.

Royal Roads University

Summary Compensation Table at 2019

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2018/2019 Total Compensation	Previous Two Years Totals Total Compensation	
							2017/2018	2016/2017
Allan Cahoon, President & Vice-Chancellor	\$ 202,873	-	\$ 18,117	-	\$ 5,354	\$ 226,344	\$ 296,273	\$ 296,641
Philip Steenkamp, President & Vice Chancellor	\$ 63,744	-	\$ 12,957	\$ 6,534	-	\$ 83,235		
Cheryl Eason, Vice President & Chief Financial Officer	\$ 182,631	\$ 18,000	\$ 13,503	\$ 18,720	-	\$ 232,854	\$ 220,856	\$ 18,182
Stephen Grundy, Vice President (Academic) & Provost	\$ 97,445	\$ 9,532	\$ 13,508	\$ 19,826	\$ 95,979	\$ 236,290	\$ 241,625	\$ 238,225
Katharine Harrold, Vice President Communications & Advancement	\$ 174,175	\$ 17,167	\$ 13,560	\$ 17,853	-	\$ 222,755	\$ 218,556	\$ 214,029
Pedro G Marquez-Perez, Vice President Marketing & Business Development	\$ 185,491	\$ 18,282	\$ 13,504	\$ 19,013	-	\$ 236,290	\$ 232,159	\$ 227,849

Summary Other Compensation Table at 2019

Name And Position	All Other Compensation	Severance	Vacation payout	Leave payout	Vehicle / Transportation Allowance	Perquisites / other Allowances	Other
Allan Cahoon, President & Vice-Chancellor	\$ 5,354	-	-	-	\$ 5,354	-	-
Philip Steenkamp, President & Vice Chancellor	-	-	-	-	-	-	-
Cheryl Eason, Vice President & Chief Financial Officer	-	-	-	-	-	-	-
Stephen Grundy, Vice President (Academic) & Provost	\$ 95,979	-	-	\$ 95,979	-	-	-
Katharine Harrold, Vice President Communications & Advancement	-	-	-	-	-	-	-
Pedro G Marquez-Perez, Vice President Marketing & Business Development	-	-	-	-	-	-	-

Notes

Allan Cahoon, President & Vice-Chancellor	General Note: Move to faculty position
Philip Steenkamp, President & Vice Chancellor	
Cheryl Eason, Vice President & Chief Financial Officer	
Stephen Grundy, Vice President (Academic) & Provost	General Note: The bonus for Stephen Grundy was earned at 50% of the regular rate due to a leave from Apr 1/18 to Sep 30/18.
Katharine Harrold, Vice President Communications & Advancement	
Pedro G Marquez-Perez, Vice President Marketing & Business Development	