DOUGLASCOLLEGE
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May 27, 2020

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

Dear Ms. Zacharuk:

As Chair of the Douglas College Board, I confirm the following:

1) The Board is aware of all executive compensation paid in the prior fiscal year.

2) 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. 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.

3) The compensation provided was within approved compensation plans and complies with PSEC guidelines.

4) All compensation information and contracts for disclosed executives are entered in the Senior Employee Compensation Database (SEC).

5) Copies of the contracts of employment for senior employees are available for public inspection during regular office hours.

Sincerely,

Eileen B. Stewart
Chair, Douglas College Board

cc: Douglas College Board
Associate Vice President, Human Resources

DOUGLAS COLLEGE

Douglas College Total Compensation Philosophy

1. TOTAL COMPENSATION OBJECTIVES

Douglas College understands that its continued success in delivering reliable, high quality education at a reasonable cost hinges on the quality and commitment of its employees. With that in mind, the College's Total Compensation program has been built with a long term view and is designed to:

- Attract and retain the best possible people by ensuring salaries are competitively benchmarked.
- Ensure internal pay equity through a formal job evaluation/classification system that ensures "equal pay for work of equal value."
- Reward and recognize competencies and behaviours that support the College's core values and leadership competencies.
- Promote and support a healthy workplace through competitive and comprehensive benefits and work life balance programs.
- Value and appreciate employees through both informal and formal recognition programs.
- Provide a workplace environment that fosters innovation, creativity, flexibility and adaptability.
- Promote socially responsible citizens committed to making a difference in our communities.
- Provide a culture of continuous improvement, learning and growth – both personally and professionally.

2. GUIDING PRINCIPLES

Douglas College takes a principled approach to all business related matters, including compensation, and is committed to transparency and accountability to its stakeholders in its business practices and financial disclosure and reporting. The compensation philosophy is designed to support the College's core purpose, vision, values and goals, with flexibility to respond to changing and unique circumstances; it is a direct reflection of the nature of our business and human resource requirements.

The College considers:

- A long term and annual (academic year) business planning cycle which includes the mandate to service over 25,000 students preparing for applied careers in the Province of British Columbia;
- A need to meet stakeholder expectations of high reliability for quality educational delivery at a reasonable cost; and
- A desire to continue to be recognized as an Employer of Choice with a high performance workforce inspiring our students and passionately driving the success of our College.

The College ensures:

- Performance - Compensation Programs support and promote a performance-based organizational culture that enables the College to attract, motivate and retain highly qualified and experienced employees.
- Differentiation - Differentiation of salary is supported where there are differences in the scope of the position within Douglas College, and/or due to superior individual or team contributions.
- Accountability - Compensation decisions are objective, affordable, sustainable, and based on clear and well documented business rationale that demonstrates the appropriate expenditure of public funds.
- Transparency – Compensation programs are designed, managed, and communicated in a manner that ensures the program is clearly understood by employees and the public while protecting personal information.

3. TOTAL COMPENSATION ELEMENTS

The College's total compensation program includes four main elements:

- Compensation – Fair compensation for the scope and breadth of job responsibilities and the education, competencies and experience that employees bring to their roles.
    - **Base Salary**: A salary range that outlines the range for base pay dependent on education, knowledge, skills, and experience of the individual, taking into account market comparators and pay positioning.
    - **Other Compensation**: Eligible College employees may receive paid parking on Douglas College sites. This is a taxable benefit.

- Benefits – Security and protection to employees and their families.
    - **Defined Benefit Pension Plan**: Douglas College is a member of the Public Sector Pension Plans and provides to employees a defined benefit pension plan.
    - **Benefits**: The benefit component of the total compensation package is designed to support the health and welfare of both employees and their families. To this end, employees receive Medical Services Plan, dental, extended health, group life insurance, accidental death and dismemberment, paid sick leave, short and long-term disability coverage and employee and family assistance program (EFAP) coverage.

- Career Development – Support for skill development, upgrades, and other career development opportunities
    - **Professional Development:** Douglas College provides employees with access to work experience opportunities, as well as paid professional development leave to enable the employee to pursue professional development learning activities that are beneficial to the College.

- Work/Life – Competitive and comprehensive coverage for employees and their families to recognize the importance of work-life balance to being a strong contributor to a high performance culture.
    - **Vacation:** Employees' annual rate of vacation accrual increases at established years of service until the maximum accrued vacation rate is met. The maximum accrued vacation provided to exempt staff and Executives is thirty (30) days. If approved by the Board Chair, unused vacation leave may be carried over to the year following when it was accumulated; however, if it is not used by the end of that year it must be paid out.
    - **Leaves**: Douglas College leave provisions, including vacation, professional development leave and education leave, focus on supporting work life balance and life-long learning and professional development of our employees. All eligible employees are entitled to fourteen (14) paid holidays [i.e., eleven (11) statutory plus three (3) College holidays] and paid vacation leave periods [up to six (6) weeks] based on years of service with the College. Additional paid leave may be available for purposes such as bereavement or maternity/parental/adoption leave.
    - **Access to Facilities:** Employees are provided access to the College's on site fitness classes and workout facilities, at no charge to the employee.

4. COMPARATOR GROUPS

The College's comparator group includes organizations from which we may attract qualified employees and to which we are at risk of losing qualified employees. Our core comparator group includes post-secondary and other public sector organizations in BC. Where circumstances warrant, a broader comparator group is considered.

5. TARGET PAY POSITIONING

The College reviews market compensation data provided by external compensation consultants, the Post-Secondary Employers' Association, and considers direction from the Government with respect to Executive Compensation guidelines.

Targeting compensation at the 50th percentile is the standard approach within the BC Public Sector; therefore, the College's total compensation programs are targeted at approximately the 50th percentile of our core comparator group.

6. INTERNAL EQUITY

The College considers the relative scope, responsibilities, and complexities of jobs to ensure that compensation levels are fair and equitable. Market competitiveness is balanced with internal equity to ensure that the relative internal value of work is fairly recognized.

7. AFFORDABILITY AND SUSTAINABILITY

The College's total compensation program is designed and administered in a fiscally responsible manner that ensures costs are affordable and sustainable over time.

8. GOVERNANCE AND ADMINISTRATION

The College Board is responsible for approving the College's overall compensation philosophy. The executive team is responsible for the day to day oversight and administration of the programs. Total compensation programs may be amended from time to time, as determined by the College, and as approved by the Minister.

Positions are reviewed on a regular basis to ensure they are competitive and meet the needs of the College. Any compensation offered must be within the College's ability to pay and be approved at the Senior Executive level, as well as be in compliance with any government regulations and guidelines in place. Adjustments to salary levels are approved by the College Board and the Public Sector Employers Council Secretariat (PSEC).

Executive compensation is reviewed by both the Board and the Human Resources Committee of the Board (HRC). The terms of reference (as related to total compensation) for the Board and HRC are outlined below:

Board

- Approves the College CEO's employment agreement and compensation package.
- Approves the compensation philosophy and compensation design package for the Named Executive Officers, acting upon the advice of the CEO and upon recommendation of the HRC.
- Conducts regular performance evaluations of the CEO.

HRC

- Reviews the employment agreement and compensation structure for the CEO.
- Reviews the CEO's recommendations with respect to the compensation structure for the next four highest ranking/paid executives with an annualized base salary of $125,000 or greater during the fiscal year (NEOs).
- Reviews the CEO's recommendations with regard to the compensation philosophy for the College, in particular for the NEOs.
- Makes recommendations to the Board with respect to whether to approve or decline to make proposed changes to compensation philosophy or structure. When the HRC considers it necessary or advisable, it may retain, at the College's expense, outside consultants or advisors to assist or advise the Committee or the Board on any manner within its mandate.
- Coordinates the CEO performance evaluation process that is undertaken by the Board.
- Reviews and recommends to the Board the CEO's recommendations for salary increases pertaining to this disclosure.

- Reviews CEO and the top four (4) executive compensation disclosure before the College publicly discloses that information to ensure it reflects the decisions of the Board and the rationale for those decisions.

Douglas College

Summary Compensation Table at 2020

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2019/2020 Total Compensation	Previous Two Years Totals Total Compensation	
							2018/2019	2017/2018
Kathy Denton, President and Chief Executive Officer	$ 196,244	-	$ 14,148	$ 20,292	$ 6,170	$ 236,854	$ 230,142	$ 220,670
Thor J Borgford, Vice President, Academic and Provost	$ 186,736	-	$ 14,021	$ 19,308	$ 394	$ 220,459	$ 193,513	$ 189,795
Keith Ellis, Associate Vice President, Institutional Effectiveness	$ 153,680	-	$ 12,984	$ 15,890	$ 1,714	$ 184,268	$ 189,602	
Guangwei Ouyang, Vice President, International Education and Strategic Partnerships	$ 174,481	-	$ 8,767	$ 18,041	$ 315	$ 201,604	$ 188,925	$ 185,948
Tracey Szirth, Vice President, Administrative Services and Chief Financial Officer	$ 44,760	-	$ 3,298	$ 4,628	$ 7,291	$ 59,977	$ 210,094	$ 186,588
Kayoko Takeuchi, Vice President, Administrative Services and Chief Financial Officer	$ 99,776	-	$ 11,787	$ 10,317	$ 294	$ 122,174		
David Taylor, Associate Vice President, Public Affairs	$ 154,326	-	$ 13,023	$ 15,957	$ 1,321	$ 184,627		$ 176,614

Summary Other Compensation Table at 2020

Name and Position	All Other Compensation	Severance	Vacation Payout	Paid Leave	Vehicle / Transportation Allowance	Perquisites / Other Allowances	Other
Kathy Denton, President and Chief Executive Officer	$ 6,170	-	$ 5,776	-	-	$ 315	$ 79
Thor J Borgford, Vice President, Academic and Provost	$ 394	-	-	-	-	$ 315	$ 79
Keith Ellis, Associate Vice President, Institutional Effectiveness	$ 1,714	-	-	-	-	$ 1,635	$ 79
Guangwei Ouyang, Vice President, International Education and Strategic Partnerships	$ 315	-	-	-	-	$ 315	-
Tracey Szirth, Vice President, Administrative Services and Chief Financial Officer	$ 7,291	-	$ 7,231	-	-	$ 60	-
Kayoko Takeuchi, Vice President, Administrative Services and Chief Financial Officer	$ 294	-	-	-	-	$ 215	$ 79
David Taylor, Associate Vice President, Public Affairs	$ 1,321	-	-	-	-	$ 1,242	$ 79

Notes

Kathy Denton, President and Chief Executive Officer	**Perquisite/Other Allowance Note:** Taxable Parking Benefit **Other Note:** Douglas College pays a reduced EI rate as we have an approved short term disability plan as per Service Canada. We are required to return 5/12's of the difference between 1.4 and our reduced rate to administrators.
Thor J Borgford, Vice President, Academic and Provost	**General Note:** Additional compensation at 8% of base pay provided for the period March 1, 2019 to December 31, 2019 for project work related to Program Review. Base pay includes $1,105 retroactive pay paid on May 15, 2019 for the March 2019 period. Board approved 7% increase to base pay effective July 1, 2019. **Perquisite/Other Allowance Note:** Taxable Parking Benefit **Other Note:** Douglas College pays a reduced EI rate as we have an approved short term disability plan as per Service Canada. We are required to return 5/12's of the difference between 1.4 and our reduced rate to administrators.
Keith Ellis, Associate Vice President, Institutional Effectiveness	**General Note:** Board approved 4% increase to base salary effective July 1, 2019. Actual base salary decreased by 3.5%, as previous reporting period included pay for additional duties associated with a project. **Perquisite/Other Allowance Note:** Taxable Parking Benefit **Other Note:** Douglas College pays a reduced EI rate as we have an approved short term disability plan as per Service Canada. We are required to return 5/12's of the difference between 1.4 and our reduced rate to administrators.
Guangwei Ouyang, Vice President, International Education and Strategic Partnerships	**General Note:** Board approved 7% increase to base salary effective July 1, 2019. **Perquisite/Other Allowance Note:** Taxable Parking Benefit
Tracey Szirth, Vice President, Administrative Services and Chief Financial Officer	**General Note:** Retired June 30, 2019. **Perquisite/Other Allowance Note:** Taxable Parking Benefit
Kayoko Takeuchi, Vice President, Administrative Services and Chief Financial Officer	**General Note:** Started September 9, 2019. Replaces Tracey Szirth **Perquisite/Other Allowance Note:** Taxable Parking Benefit **Other Note:** Douglas College pays a reduced EI rate as we have an approved short term disability plan as per Service Canada. We are required to return 5/12's of the difference between 1.4 and our reduced rate to administrators.
David Taylor, Associate Vice President, Public Affairs	**General Note:** Additional compensation at 10% of base pay is provided from March 16 - June 30, 2020 for additional duties related to covering for vacancies in the Senior Management Team. Board approved 4% increase to base salary effective July 1, 2019. **Perquisite/Other Allowance Note:** Taxable Parking Benefit **Other Note:** Douglas College pays a reduced EI rate as we have an approved short term disability plan as per Service Canada. We are required to return 5/12's of the difference between 1.4 and our reduced rate to administrators.