



June 2, 2017

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

Dear Ms. Zacharuk;

Re: Public Sector Executive Compensation – March 31, 2017

I am pleased to present the Public Sector Executive Compensation schedule for the B.C. Pavilion Corporation (PavCo) for the Year Ended March 31, 2017.

Executives participate in PavCo's Salary Holdback Plan. The objective of the plan is to challenge executives to achieve superior corporate/department/individual financial and operational results.

The performance measures used in the Holdback Plan are directly linked to PavCo's Service Plan. The allocation of individual awards is determined by an assessment of how the Executive contributed to the corporate and department results.

I confirm that the Board of PavCo is aware of the compensation paid to the Executive for the year ended March 31, 2017. 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. 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

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Discussion and Analysis

B.C. Pavilion Corporation (PavCo) operates BC Place Stadium and Vancouver 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 Stadium and the Vancouver Convention Centre. These world-class 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 Stadium and the Vancouver Convention Centre provide significant employment and economic benefits to British Columbia and Metro Vancouver. These world-class facilities generated over \$500 million in economic benefit during the fiscal year 2016/17 for the province.

PavCo's commitment to deliver inspiring and sustainable experiences for its clients, guests and community requires dedicated, qualified, performance focused employees who recognize PavCo as an employer of choice. Our work environment is founded on passion, respect, collaboration, innovation, responsibility, and excellence in everything we do. Our employees are empowered to respond to today's priorities through operational excellence, and to tomorrow's opportunities through service innovation.

PavCo's future success depends on talented, motivated people who understand our customers and our business, have the intuition to make effective decisions, are efficient at executing, and can bring creative new ideas forward for future consideration.

Objectives of the Compensation Program

The objectives of PavCo's Total Compensation Strategy are to:

- Competitively attract, motivate, develop and retain passionate customer-focused individuals with the depth of skills, knowledge and competencies required to achieve PavCo's strategic and operational priorities and support the long-term goals of government;
- Inspire and support high performance, accountability and fiscal responsibility;
- Link rewards to organization and individual performance;
- Create a solid relationship with employees that is built on trust, fair treatment, and mutual respect;
- Complement the intrinsic value of our innovative and team-based work environment;

PavCo's Total Compensation Strategy is underpinned by four core principles; performance, differentiation, accountability, and transparency.

PavCo has adopted a hybrid approach to ensuring total compensation is competitive within the guidelines set out by the Public Secretariat Employers' Council ("PSEC"). This approach recognizes two distinct comparator groups, or benchmark categories, reflecting the specific competitive labour markets that compete for PavCo's labour. For the most part, PavCo's competitive practices reflect that of the Public Sector (including B.C. Public Sector organizations and other provincial jurisdictions were appropriate). For a few unique, specialized, and/or hard-to-hire positions, PavCo's competitive practices reflect a blend of Public and Private Sector practices.

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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 is approved by PSEC, as set out in the Compensation Program.

Form of Compensation

In fiscal 2016/2017 total Compensation at PavCo consisted of base salary, holdbacks and benefits.

1. Base Salary – PavCo has 11 salary bands currently approved by PSEC. Positions are evaluated using a Job Evaluation System and are benchmarked and rated on 11 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. Base salary adjustments are considered on an annual basis, based on performance, taking into consideration competitive market data, and always dependent on government guidelines, affordability, and the annual salary budget as determined by corporate performance
2. Holdbacks – A percentage of salary is held back annually and paid based on individual and/or corporate performance. Maximum payment is capped at 100% of target regardless of performance. The percentage of salary that is held back is job dependent. A minimum threshold of corporate performance needs to be achieved before the payment of any portion of the hold back salary program is triggered. Only individuals who fully meet or exceed performance expectations are eligible to receive the salary holdback associated with their job.
3. 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.

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Name and Position (a)	Salary (b)	Holdback / Bonus / Incentive Plan Compensation (c)	Benefits (d)	Pension (e)	All Other Compensation (expanded below)	2016/17 Total	Previous Two Years Totals 2015/16
Ken Cretney, President and CEO (Interim)	\$ 225,330	\$ 98,571	\$ 12,279	\$ 23,799	\$ 11,225	\$ 371,205	\$ 371,287
Rehana Din, CFO	\$ 170,000	\$ 42,500	\$ 10,532	\$ 17,757	\$ 2,808	\$ 243,597	\$ 243,437
Craig Lehto, GM, Vancouver Convention Centre	\$ 156,000	\$ 39,000	\$ 12,861	\$ 16,227	\$ 1,941	\$ 226,030	\$ 225,977
Claire Smith, VP, Sales/Marketing, Vancouver Convention Centre	\$ 146,460	\$ 34,275	\$ 11,551	\$ 15,025	\$ 11,208	\$ 218,519	\$ 218,135

Summary Other Compensation Table at FISCAL, 2017

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)	\$ 11,225	\$ -	\$ -	\$ -	\$ 8,418	\$ 2,808	\$ -
Rehana Din, CFO	\$ 2,808	\$ -	\$ -	\$ -	\$ -	\$ 2,808	\$ -
Craig Lehto, GM, Vancouver Convention Centre	\$ 1,941	\$ -	\$ -	\$ -	\$ -	\$ 1,941	\$ -
Claire Smith, VP, Sales/Marketing, Vancouver Convention Centre	\$ 11,208	\$ -	\$ -	\$ -	\$ 8,400	\$ 2,808	\$ -

Notes:

Ken Cretney, President and CEO (Interim)	Perquisites relate to parking.
Rehana Din, CFO	Perquisites relate to parking.
Claire Smith, VP, Sales/Marketing, Vancouver Convention Centre	Perquisites relate to parking.
Craig Lehto, GM, Vancouver Convention Centre	Perquisites relate to parking.