



**UBC PROPERTIES TRUST**

May 1, 2012

Mr. Paul Straszak  
President and CEO  
Public Section Employers' Council  
PO Box 9400 Stn Prov Govt  
Victoria, BC  
V8V 9V1

Dear Mr. Straszak:

Further to the 2011-12 Public Sector Compensation Reporting Guidelines, I am writing to confirm the following:

- The Compensation Committee of the Board of Directors is aware of the executive compensation paid by UBC Properties Trust in the 2011/12 fiscal year; and
- As Chair of the Board of Directors, I verify such compensation was within approved compensation plans.

If you have any questions or comments, please do not hesitate to forward them to me c/o Don Matheson, Vice President and CFO.

Yours truly,

**UBC PROPERTIES TRUST**

Randy Zien  
Chairman of the Board

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# UBC PROPERTIES INVESTMENT LTD

## Public Sector Executive Compensation Reporting – Fiscal Year 2011/12

### Compensation Philosophy of UBC Properties Trust Ltd



#### **[1] Material principles and underlying policies and decisions for compensation provided to the President and senior administrators for the most recently completed fiscal year**

UBC Properties Investments Ltd (subsidiary of UBC) is the trustee of UBC Properties Trust, with the mission to acquire, develop, and manage real estate assets for the benefit of the University. The trustee operates with a Board of Directors currently comprising ten outside directors and three members of the UBC Administration, including the President of UBC. The outside Directors are chosen to represent their respective areas of knowledge and expertise.

UBC Properties Investments Ltd reports to the UBC Board of Governors through UBC's Vice President Finance, Resources, and Operations. It employs approximately 30 staff, including a President and Chief Executive Officer ("the President").

#### **Compensation Philosophy**

The compensation of UBC Properties Investments Ltd is positioned based on the following:

- To recruit and retain staff with the skills, training, and knowledge required to acquire, develop, and manage property.
- To be competitive in relation to compensation in the sectors from which it recruits staff (i.e., real estate development market).
- To be inclusive of base salary, health care and insurance benefits, and pension benefits (RRSP). In addition, there is a bonus structure in place for senior project managers and executive team members earning over \$100,000, other than the President who is not eligible for the bonus structure.
- To pay slightly higher base salaries than the comparator market, but significantly lower bonuses.
- Development managers are tasked with a high level of risk management responsibility, employing Construction Management procurement to ensure highest and best value for money where applicable. Risk is retained by the Company throughout project duration and not transferred or converted to a fixed price contract.



**Responsibility for Senior Administrator Compensation:**

- Compensation decisions for those earning over \$100,000 per annum are made by the Compensation Committee of the Board of Directors.
- All compensation decisions are based on industry standards (i.e., relevant comparator market) and performance.

**[2] Changes Since Fiscal Year End**

- No new policies, actions, or decisions were made after the end of the most recently completed fiscal year that would affect a fair understanding of the compensation of the President and senior administrators for the last fiscal year.

**[3] Incentive Plan Performance Targets and Objective Identifiable Measures Related to the Pursuit of Performance Targets**

- The annual bonus payment is up to a maximum 25% of base salary.
- The annual bonus payment is based on project performance (e.g., completion of projects on time and on budget, etc.).

**[4] Leaves**

- Vacation is provided to the President and senior administrators. These relate to UBC's compensation philosophy in that they comprise an important part of the total compensation package to attract and retain outstanding senior administrators. The maximum vacation allotment is six weeks.


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 (a) Name and Principal Position	(b) Salary (\$)	(c) Bonus and/or Incentive Plan Compensation Paid (\$)	(d) Benefits <sup>1</sup> (\$)	(e) Pension (\$)	(f) All Other Compensation (\$)	(g) Total (\$)	(h) Previous 2 Years' Totals
Al Poettcker, President and CEO	\$350,000	\$0	\$2,025	\$37,543	\$28,422 <sup>2</sup>	\$417,990	<b>2010/11 = \$415,584</b>
Rob Brown, Vice President	\$198,333	\$35,000	\$2,495	\$19,583	\$8,111	\$263,522 <sup>3</sup>	<b>2010/11 = \$247,901</b>
Don Matheson, Vice President and CFO	\$189,167	\$20,000	\$2,495	\$18,792	\$8,904	\$239,358 <sup>4</sup>	<b>2010/11 = \$223,581</b>

**Notes:**

[1] Includes employer cost of health & welfare benefits and government benefits (i.e., CPP, WCB, EI)

[2] Includes fees of \$15,000 for service to the UBC Properties Trust Board of Directors (each year this full amount is donated to a UBC department), car allowance of \$12,000, and the balance for gas and insurance

[3] The increase in 2011/12 is a result of a 4.8% increase in salary and a \$5,000 increase in bonus

[4] The increase over 2011/12 is a result of a 2.2% increase in salary and a \$10,000 increase in bonus