



Royal Roads
UNIVERSITY

April 21, 2017

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 2016/17 Executive Compensation Disclosure. The RRU Board of Governors is aware of the executive compensation paid in the 2016/17 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, 2017, 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,

Wayne Strandlund
Chancellor and Board Chair
Royal Roads University



Public Sector Executive Compensation Reporting – Fiscal Year 2016/17

Background

In June 2015, the Public Sector Employers' Council (PSEC) notified employers that a public-sector compensation review was underway with the objective of implementing a common approach to compensation philosophy, reflecting the following core principles of performance, differentiation, accountability and transparency.

These principles have long since been fully integrated in RRU's human resources strategy and compensation plan and approved by the university's Board of Governors. In keeping with this government review process, the university's philosophy statement was formally reviewed and approved by PSEC in December 2015.

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 associate 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 or 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.

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.

Compensation for all senior executives is currently frozen until reviewed by Government.

- **President**

The President's compensation, as reflected in contract extended to December 31, 2018, was approved by PSEC in February 2016 and remains in effect until reviewed by Government.

- **Executive**

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

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 2017

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2016/2017 Total Compensation	Previous Two Years Totals Total Compensation	
							2015/2016	2014/2015
Allan Cahoon, President & Vice-Chancellor	\$ 263,735	-	\$ 13,149	\$ 17,348	\$ 2,409	\$ 296,641	\$ 299,540	\$ 300,412
Cheryl Eason, VP&CFO	\$ 13,846	-	\$ 1,835	\$ 1,393	\$ 1,108	\$ 18,182		
Stephen Grundy, Vice President (Academic) & Provost	\$ 186,763	\$ 18,676	\$ 13,998	\$ 18,788	-	\$ 238,225	\$ 228,449	\$ 232,801
Katharine Harrold, Vice President Communications & Advancement	\$ 167,411	\$ 16,457	\$ 13,319	\$ 16,842	-	\$ 214,029	\$ 201,904	
Pedro G Marquez-Perez, Vice President Academic & Provost (Acting)	\$ 178,288	\$ 17,579	\$ 14,046	\$ 17,936	-	\$ 227,849	\$ 225,556	\$ 225,243
Danny Tulip, Vice President responsible for Property Management	\$ 183,502	\$ 18,093	\$ 6,795	\$ 18,460	\$ 12,107	\$ 238,957	\$ 236,364	\$ 243,867

Summary Other Compensation Table at 2017

Name And Position	All Other Compensation	Severance	Vacation payout	Leave payout	Vehicle / Transportation Allowance	Perquisites / other Allowances	Other
Allan Cahoon, President & Vice-Chancellor	\$ 2,409	-	-	-	\$ 2,409	-	-
Cheryl Eason, VP&CFO	\$ 1,108	-	-	-	-	-	\$ 1,108
Stephen Grundy, Vice President (Academic) & Provost	-	-	-	-	-	-	-
Katharine Harrold, Vice President Communications & Advancement	-	-	-	-	-	-	-
Pedro G Marquez-Perez, Vice President Academic & Provost (Acting)	-	-	-	-	-	-	-
Danny Tulip, Vice President responsible for Property Management	\$ 12,107	-	-	-	\$ 12,107	-	-

Notes

Allan Cahoon, President & Vice-Chancellor	
Cheryl Eason, VP&CFO	General Note: Ms. Eason joined RRU as VP&CFO on 27 February 2017. Other Note: Other compensation is for housing taxable benefit
Stephen Grundy, Vice President (Academic) & Provost	
Katharine Harrold, Vice President Communications & Advancement	
Pedro G Marquez-Perez, Vice President Academic & Provost (Acting)	
Danny Tulip, Vice President responsible for Property Management	General Note: VP&CFO from 1 April 2016 to 26 February 2017