

June 5, 2020

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 2019/20 Executive Compensation Disclosure.

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, 2020, 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 'Nelson Chan', written in a cursive style.

Nelson Chan,
Chancellor and Board Chair
Royal Roads University



Public Sector Executive Compensation Reporting – Fiscal Year 2019/20

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 advancements 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: excluded and exempt employees (who comprise more than 70% of the total workforce), the Canadian Union of Public Employees Local 3886 (CUPE), the Royal Roads University Faculty Association (RRUFA), numerous contracted associate faculty, and other contractors. Specific compensation plans for CUPE and RRUFA are articulated by their respective collective agreements.

RRU 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 current [RRU compensation philosophy and plan](#) was refreshed and 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 attached annual executive compensation disclosure report.

- **President**

The President's total compensation package, as reflected in the PSEC approved contract was signed May 8, 2018 and came into effect January 1, 2019 and remains in effect through December 31, 2023 inclusive. Effective July 9, 2019, with PSEC support and following assessment of the President's performance for 2018-19, the RRU Board of Governors' Chair and Chancellor approved a 2% base salary increase for the President.

- **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, with PSEC approval, Royal Roads has addressed performance-based 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) may be provided within the terms and conditions set out in individual contracts, as approved by PSEC, to executives responsible for the academic program. Such leaves are taken at the successful completion of the contracted term of employment sabbatical and are to be paid at the maximum salary level of a full professor in effect at that time.

Summary Compensation Table							Previous Two Years Totals Total Compensation	
Total Compensation	Salary (Excluding Holdback/Bonus/ Incentive Plan Compensation)	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	2019/2020 Total Compensation	2018/2019	2017/2018	
Philip Steenkamp, President & Vice Chancellor	284,884	-	13,726	29,457	328,066	83,235	-	
Cheryl Eason, Vice President & Chief Financial Officer	194,547	18,360	14,202	20,116	247,226	232,854	220,856	
Stephen Grundy, Vice President, Academic Planning and Strategy	201,333	19,445	14,024	20,818	255,621	236,290	241,625	
Pedro Marquez-Perez, Vice President, Research and International	190,133	18,648	13,872	19,660	242,312	236,290	232,159	
Katharine Harrold, Vice President, Communications and Advancement	154,034	17,510	11,476	15,927	198,947	222,755	218,556	
Susan Gee, Acting Vice President, Communications and Advancement	132,692	-	15,048	13,720	161,461	-	-	

Other Allowances

	Leave Payout - Sabbatical Accrual Leave	Relocation Allowance	Other Allowances	Compensation Notes
Philip Steenkamp, President & Vice Chancellor	13,926	11,305	25,231	
Cheryl Eason, Vice President & Chief Financial Officer			-	
Stephen Grundy, Vice President, Academic Planning and Strategy			-	
Pedro Marquez-Perez, Vice President, Research and International	13,926		13,926	General Note: Term date Mar 31/20
Katharine Harrold, Vice President, Communications and Advancement			-	General Note: LTD EFF Feb 4/20
Susan Gee, Acting Vice President, Communications and Advancement			-	General Note : Acting VP EFF Jan 13-Mar 31/20