

June 8, 2017

Christina Zacharuk

President & CEO
Public Sector Employer's Council Secretariat
Ministry of Finance
2nd Floor, 880 Douglas Street
Victoria, BC V8W 2B7

Dear Ms. Zacharuk:

Re: Executive Compensation Disclosure Survey

Please accept this letter as BC Clinical and Support Services' (BCCSS) Executive Compensation Disclosure for the fiscal year 2016/17.

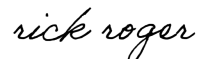
This report is provided in compliance with the Section 14.8(3) of the Public Sector Employers Act and in the form and manner as established by the Public Sector Employer's Council (PSEC), per the Labour Information Gathering and Executive Reporting (LIGER) guidelines.

The report that follows is in two parts. Part one outlines the interim BCCSS compensation philosophy. As a new organization we have recently established a permanent Board including the HR and Governance committee. The committee will be reviewing and approving a compensation philosophy in the near future. This interim compensation philosophy was directly taken from PHSA given we transitioned out of PHSA on April 1, 2016. Part Two is the Summary Compensation Table for BCCSS.

I can attest that the Board is aware of the executive compensation paid in the prior fiscal year and the information being disclosed is accurate, was within approved compensation plans and complies with the Public Sector Executive Compensation reporting guidelines.

If you have any questions or require clarification, please contact Sharon Torgerson, Vice President, Corporate Performance, at 604.297.8126.

Sincerely,



Rick Roger
Chair, Board, BC Clinical and Support Services Society (BCCSS)

cc: Elana Mignosa, Chief Financial Officer
Sharon Torgerson, Vice President, Corporate Performance

Organizational Information and Compensation Plan

BC Clinical and Support Services (BCCSS) is a not-for-profit society created by the Ministry of Health to promote health in the province by coordinating, managing and/or providing clinical, diagnostic and support services to British Columbia's health care system.

BCCSS' Clinical Services Division includes BC's Agency for Pathology and Laboratory Medicine and the BC Provincial Blood Coordinating Office. The Support Services Division currently includes Financial & Employee Services (Employee Records & Benefits, Payroll and Revenue Services), Supply Chain (including Accounts Payable) and Technology Services.

BCCSS' 2016/2017-2017/2018 Service Plan is guided by Government's strategic priorities and includes initiatives critical to the delivery of BCCSS' mandate and the organization's performance, including:

- Designing a strategic service delivery plan for the provision of laboratory services in the province to drive optimization and innovation within clinical and diagnostic laboratory services to improve access, capacity, and reflect the best cost quality within available resources.
- Improving efficiency and effectiveness of priority clinical laboratory and pathology service delivery areas that are critical to both quality and sustainability.
- Delivering BCCSS' support services in a cost-effective and efficient manner to achieve value-for-money by creating capacity, reducing redundancy, increasing transparency, and improving quality and safety.
- Working with the Ministry of Health and health authorities to develop a strategic service delivery plan that defines the overall provincial model for the provision of support services by focusing on long-term sustainability and value for the health system.

BCCSS is a member employer of the Health Employers Association of BC and is governed by the HEABC Compensation Reference Plan (Attached). The Plan has been developed pursuant to the statutory requirements of the Public Sector Employers Act and is applied across the member employers of HEABC for non-union, management and executive roles within healthcare. The Plan was refreshed in November 2015 to align with Government's recommendation of a common compensation philosophy for the broader public sector using shared principles aligned with the Province's Taxpayer Accountability Principles. As with other public employers, we are also subject to policies determined by the Public Sector Employers Council Secretariat (PSEC).

Compensation Principles

BCCSS's compensation principles have been updated to reflect government's core principles and are consistent with the compensation principles contained in the Compensation Reference Plan Guidelines. The core principles are:

- Performance: Compensation programs support and promote a performance-based (merit) organizational culture.
- Differentiation: Differentiation of salary is supported where there are differences in the scope of

- the position within an organization, and/or due to superior individual team contributions.
- **Accountability:** Compensation decisions are objective and based upon a 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 individual personal information.

Compensation Policy Objectives

BCCSS's Compensation Policy Objectives are consistent with the updated compensation policy objectives contained in the Compensation Reference Plan Guidelines. Like the Health Authorities, BCCSS has been subject to a management wage freeze since September 2012.

The objectives are as follows:

1. A defensible compensation system recognizes the responsibility of the health sector to establish compensation levels that acknowledge fairness and the public's ability to pay. Compensation levels in the health sector will reflect the market average and will not lead the market. This ensures that taxpayers receive the maximum benefits from qualified individuals occupying jobs in the health sector.
2. External equity requires competitive levels of compensation be established, that address issues of attraction and retention, by analyzing compensation practices in relevant labour markets including British Columbia health sector bargaining associations.
3. Internal equity requires the relative worth of jobs be established by measuring the composite value of skill, effort, responsibility and working conditions.
4. Compensation will reinforce and reward performance through measurable performance standards that support and promote a performance based culture.
5. Compensation policies will comply with the intent and requirements of legislation and be non-discriminatory in nature.

EXECUTIVE COMPENSATION DISCLOSURE

BC Clinical and Support Services Society

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 |
| John Andruschak, Executive Lead, Clinical Services | \$ 237,599 | - | \$ 15,365 | - | - | \$ 252,964 | | |
| Jim Cochran, Vice President, Supply Chain | \$ 152,592 | - | \$ 13,166 | \$ 15,513 | - | \$ 181,271 | | |
| Douglas Kent, Executive Lead, Support Services | \$ 272,487 | - | \$ 15,391 | \$ 27,702 | - | \$ 315,580 | | |
| Elana Mignosa, Chief Financial Officer | \$ 178,500 | - | \$ 16,388 | \$ 17,488 | - | \$ 212,376 | | |
| Sharon Torgerson, Vice President, Corporate Performance | \$ 172,926 | - | \$ 12,852 | \$ 17,488 | \$ 1,587 | \$ 204,853 | | |

EXECUTIVE COMPENSATION DISCLOSURE

Notes

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|---|---|
| John Andruschak, Executive Lead, Clinical Services | General Note: Employee is not eligible for pension contributions in view of his retirement in June 2015. |
| Jim Cochran, Vice President, Supply Chain | |
| Douglas Kent, Executive Lead, Support Services | |
| Elana Mignosa, Chief Financial Officer | General Note: Employee was hired on April 25, 2016, with an annual pay of \$195,000 (per offer letter). The annualized base salary for the period April 25, 2016-March 31, 2017 (prorated) amounts to \$179,250. The variance of \$750 represents one day leave without pay. |
| Sharon Torgerson, Vice President, Corporate Performance | Other Note: Retroactive pay for salary increase from July 1-Dec. 15, 2016. |