

2024 CEO Compensation Disclosure Statement



BCFSA provides the credit union Boards of Directors with Governance Guidelines for stewardship and oversight of all credit unions within the province. This Governance Guideline contains Principles and Standards, informed by consultation with credit unions. This document provides Vancity's CEO compensation disclosure consistent with BCFSA's requirements.

Our Executive Total Rewards Philosophy

Vancity's Executive Total Rewards Philosophy is aligned with Vancity's Total Rewards Philosophy and applies to the CEO and Executive Leadership Team. It is intended to provide guidance for designing executive rewards programs and considers four dimensions: strategic, financial, employee, and operational.

The purpose of Total Rewards at Vancity is to reinforce and nurture the desired executive experience through a comprehensive and broad range of reward offerings comprising tangible and intangible components that are provided to executives in exchange for the delivery of expected behaviours and results.

Our rewards offering include:

- *Financial*: cash compensation and other programs that support financial security
- *Benefits and Insurance*: programs to manage ongoing health expenses and provide insurance
- *Community / Health & Well-Being*: programs to encourage healthy living and community building
- *Development*: programs to support personal and community-oriented learning and development

CEO Compensation Summary

The CEO's full compensation package is approved by the Board of Directors, based on comparison to a peer group. This peer group is carefully selected through a review by both the Board of Directors and the Board's independent advisors. As described in the compensation philosophy, Vancity targets the 50th percentile for base salary and total target cash in the comparator market.

Wellington Holbrook was appointed CEO on January 8, 2024, and the Board of Directors approved a base salary of \$500,000 per annum and participation in the CEO Short-Term Incentive and Long-Term Incentive plans. CEO's compensation was pro-rated to reflect the period of CEO.

The following table highlights the total direct compensation awarded to the CEO in 2024.

Base Salary	\$480,769
Variable Compensation	
Short-Term Incentive 2024	\$319,682
Long-Term Incentive/Discretionary Incentive 2024	\$308,463
Total	\$1,108,914

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CEO Short-Term Incentive (STI)

The CEO's Short-Term Incentive (STI) is based on the achievement of both organizational and individual objectives. A target STI for fiscal year 2024 was established at 50% of eligible earnings.

The CEO received \$319,682 based on the achievement of 2024 performance as CEO from January 8 to December 31, 2024. The STI plan specifies that all payments under the plan are contingent on performance with Board oversight and approval for any payments under the plan. While the STI was earned for performance in fiscal year 2024, actual payment is made in fiscal year 2025 once fiscal year 2024 results are finalized.

CEO Long-Term Incentive (LTI)

The CEO is eligible for a Long-Term Incentive (LTI) Plan that is intended to align CEO interests with the long-term strategy of the organization. LTI grants are made at the conclusion of the discreet Two-Year Plan term. The last Plan period was January 1, 2022, to December 31, 2023.

The executive will receive a discretionary incentive pay for 2024, the 2024 Chief Executive Officer (CEO) Discretionary Incentive. This incentive plan was established to address the temporary gap between the expiration of the most recent Long-Term Incentive Plan (LTIP) competed on December 31, 2023, and the implementation of the upcoming LTIP which will be put in place effective January 1, 2025.

The CEO Discretionary Incentive is intended as a one-off solution and reflects the specific circumstances of this transition period. It should not be considered part of a regular CEO compensation structure.

The annual target for CEO is established at 70% of base salary.

The 2024 CEO Discretionary Incentive was \$308,463. The actual payment is made in fiscal year 2025.

Benefits and Perquisites

The benefits provided by Vancity support the health and wellness of our employees and their families. The CEO participates in the same flexible benefits program as employees that offer choice and flexibility in selecting health care and dental coverage, as well as core coverage that includes life and income protection.

The CEO is eligible for an additional health benefit of private medical health assessments. Additional perquisites provided to staff (based on role in organization) can include staff accounts, staff rates on loans and mortgages, and transportation-related expenses.

Retirement Plan Benefits

The CEO participates in a registered pension plan called the Vancity Senior Management Retirement Plan (SMRP), and a non-registered supplemental employee retirement plan called the Vancity Senior Management Retirement Plan (SERP). Both plans provide a defined benefit pension. The SMRP is a contributory defined benefit pension plan. The SERP is an unfunded pension plan that provides retirement benefits that exceed the Income Tax Act maximums.

The pension payable from the SMRP and the SERP is determined based on the following provisions:

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	SMRP	SERP
Member Contributions	An amount equal to the Defined Benefit Limit as defined under the Income Tax Act and Regulations.	Members do not contribute.
Employer Contributions	Vancity contributes to the SMRP as per the plan actuary's recommendation.	No employer required contributions.
Pension Formula	<p>The formula used in determined the total annual pension is 2.0% of the Final Average Indexed Earnings (i.e., average of the highest thirty-six</p> <p>(36) months of earnings indexed by the Average Wage Index) for each year of credited service.</p>	
Earnings	Member's annual base salary	
Normal Retirement Age	60	
Reduction for Early Pension Commencement	Members are eligible to commence their pension after reaching age 50. Pension is reduced by 0.25% for each full month that the member commences their pension before age 60.	
Form of Pension	<p>Member without a spouse: Pensions are paid for the life of the member or fifteen years, whichever is longer.</p> <p>Member with a spouse: Pensions are paid for the life of a member with two-thirds of the pension amount continuing to the retiree's spouse after the retiree's death.</p> <p>Optional forms of payment are available on an actuarially equivalent basis.</p>	
Pension Indexing	<p>Pension payments are indexed annually using the lesser of:</p> <ul style="list-style-type: none"> • Consumer Price Index (CPI) inflation; or • The net investment rate of the Retirement Plan fund less three and one-half percent (3.5%). <p>Indexing cannot be a negative rate (e.g. there is a floor at 0%).</p> <p>If increases at CPI cannot be granted due to insufficient investment returns in a year, it is carried forward and granted in future years if investment returns are sufficient</p>	

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Termination Benefits

Contractual severance provisions include one-year notice of termination or pay in lieu plus one additional month's notice or pay in lieu for each additional full year of employment to a maximum of eighteen (18) months' notice or pay in lieu. For purposes of calculating amounts earned in the year of termination under the incentive plan in place at the time of termination, the calculation will be based on the eligible amounts earned in the year of termination to the last full fiscal quarter.

The actual amounts that a CEO would receive upon termination can only be determined at the time they leave Vancity.