



Port Mann/Highway 1 Improvement Project

Transportation Investment Corporation

Transportation Investment Corporation

Public Sector Executive Compensation
For the fiscal year ended March 31, 2012

CONTEXT

Transportation Investment Corporation (TI Corp) is a public Crown corporation established under the *Transportation Investment Act* to implement the Port Mann/Highway 1 Improvement Project, including construction, operations and maintenance of 37 kilometres of improvements to the TransCanada Highway through Metro Vancouver, as well as development, implementation and management of tolling operations to pay for the project and help manage growth in traffic over time.

The Port Mann Bridge and Highway 1 comprise Metro Vancouver's primary goods movement and commuting corridor. The Port Mann/Highway 1 Improvement Project was established in 2003 as part of the Provincial Gateway Program to address the problem of growing regional congestion and to improve the movement of people, goods and transit. Combined with other road, bridge and transit improvements planned or underway, this project will help create an effective transportation network within Metro Vancouver.

TI Corp, an agent of the government, may also engage in or conduct business authorized by the Lieutenant Governor in Council.

COMPENSATION DISCUSSION AND ANALYSIS

In order to achieve business and operational objectives, TI Corp relies on the contribution of its employees. The compensation program plays a key role in TI Corp's ability to attract, motivate and retain quality employees.

TI Corp's compensation plan has been approved by the Minister of Transportation and Infrastructure, Minister Responsible for Public Service Employers' Council (PSEC), and a committee of Deputy Ministers charged with approving all public service compensation plans.

TI Corp has worked closely with PSEC to develop a compensation plan which closely mirrors the public service exempt compensation plan and reflects a total compensation perspective that views compensation as base salary, benefits, pension, vacation and perquisites.

The compensation plan provides for participation in both the Public Service Pension Plan and the Public Service Benefits Plan. To ensure the compensation plan remains current, TI Corp reviews the plan every two years.

1. Classification Framework

The classification system mirrors that of the provincial public service, with all non-executive employees classified in one of three bands – applied leadership, business leadership, and strategic leadership.

Much like the public service management classification framework, the three leadership bands are defined as follows:

Applied Leadership, an employee whose primary role is to manage the delivery of products and/or services; and manage and coordinate assigned work or projects.

Business Leadership, a manager whose primary role is to determine the goals and objectives of an operation or project(s) to achieve the outcomes defined for a business; and direct an operation, or provide authoritative advice, to achieve the strategic outcomes of the business.

Strategic Leadership, a director whose primary role is to determine the long-term strategic direction and define the outcomes for a business; and lead several managers who themselves are accountable to lead others to deliver a component of the business.

2. Compensation Philosophy

A key component of an effective compensation philosophy is the need to maintain a meaningful degree of competitiveness with the relevant external labour market. TI Corp must balance public sector and Crown corporation equity and relativity with industry-specific comparability. TI Corp's external labour market reference point is:

- 80% BC Crown corporation and public sector; and
- 20% Comparable private sector.

3. Appointments

In accordance with the Public Sector Employers Act, the President and CEO will be appointed for up to five years at a time with a provision for renewal. The remainder of employees will be offered either time-limited or permanent positions.

4. Performance Evaluation and Holdbacks

The Board of Directors is responsible for reviewing the President and CEO's performance annually, and for approving annual salary increases.

The compensation plan incorporates a 10% base salary holdback for the President and CEO, the Chief Financial Officer and the Vice-President, Technical Services. Releases of the base salary holdbacks will be tied to performance. TI Corp does not provide bonus or incentive programs.

5. Summary Compensation Table For the Fiscal Year Ended March 31, 2012

Name & Principal Position (a)	Salary (\$) (b)	Bonus and or Incentive Plan Compensation Paid (\$) (c)	Benefits (\$) (d)	Pension (\$) (e)	All Other Compensation (\$) (f)	Total (\$) (g)	Previous Two Years Total (\$) (h)
Mike Proudfoot, ⁽¹⁾ President & Chief Executive Officer	173,213	0	6,679	0	33,100	212,992	2009-10= 0 2010-11= 90,077
Garry Dawson, Vice President, Technical Services	155,006	0	6,606	0	0	161,612	2009-10= 134,703 2010-11= 164,369 ⁽²⁾
Kenneth Tan, ⁽³⁾ Chief Financial Officer (Apr 1 - Feb 21)	144,673	0	8,701	16,818	206,031	376,224	2009-10= 173,712 2010-11= 171,800
Janet Woodruff, ⁽⁴⁾ Chief Financial Officer (Interim) (Feb 20 - Mar 31)	0	0	0	0	43,456	43,456	2009-10= 0 2010-11= 0

Notes:

1. Mike Proudfoot's start date was November 1, 2010. Other compensation includes perquisites (\$9,100) and an accommodation allowance (\$24,000).
2. Garry Dawson's salary in 2010/11 included retroactive salary increase adjustment of \$17,504 covering September 1st, 2009 to March 31, 2010.
3. Employment ended February 21, 2012. Column (f) includes severance (\$153,572), unused vacation paid out (\$33,526), and holdback payout (\$18,934).
4. TI Corp holds a management services contract with Partnerships BC for the Chief Financial Officer role. The named individual providing these services is not registered under the Public Service Plan and is not eligible for Incentive Plan or benefits. Payments made to Partnerships BC in fiscal 2012 include HST of \$4,656.

Cash Compensation

Cash compensation is comprised of base salary only. TI Corp does not pay short term incentives or bonuses. Base salary pay is generally targeted at the 50th percentile of the composite market, with a minimum and maximum limit in each salary range.

Non-Cash Compensation

TI Corp's non-cash compensation is comprised of benefits, pension, vacation and perquisites:

- Benefits: Based on government standard
- Pension: Based on government standard
- Vacation: Based on government standard (4-6 weeks)
- Perquisites: Discretionary car and parking allowance

Base Salary Management

Every position is assigned a base salary range. Placement and movement within the range is typically based on an employee's performance and competence level in the role. Salary range progression should reflect performance and/or competency growth.

The base salary range for each classification is as follows:

Classification	Salary Range
President and Chief Executive Officer (CEO)	\$180,000 - \$195,000
Vice President / Chief Financial Officer	\$140,000 - \$155,000
Strategic Leadership	\$90,000 - \$115,000
Business Leadership	\$70,000 - \$95,000
Applied Leadership	\$45,000 - \$80,000

These salary ranges are similar to salaries in the public service.



**Port Mann/Highway 1 Improvement Project
Transportation Investment Corporation**

Transportation Investment Corporation

Public Sector Executive Compensation

As the Chair of the Board of Directors, I have reviewed and verified that the compensation paid in 2011/12 is within the approved compensation plan.

A handwritten signature in black ink, appearing to be "G. Main", written over a horizontal line.

**Grant Main
Chair, Board of Directors**

May 29, 2012