



June 12, 2014

Lee Doney
Interim President & CEO
Public Sector Employers' Council Secretariat
Suite 210, 880 Douglas Street
Victoria, BC
V8W 2B7

Dear Sir:

We are pleased to provide the Public Sector Executive Compensation disclosure for Transportation Investment Corporation for the year ended March 31, 2014.

Sincerely,

TRANSPORTATION INVESTMENT CORPORATION

A handwritten signature in blue ink, appearing to read "Janet Woodruff".

Janet Woodruff
Acting Chief Executive Officer



Port Mann/Highway 1 Improvement Project

Transportation Investment Corporation

Transportation Investment Corporation

Public Sector Executive Compensation
For the fiscal year ended March 31, 2014

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. As per TI Corp's current approved Compensation Plan, the external labour market reference point is:

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

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.

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. Given the Public Sector Management & Executive Compensation Freeze Policy, there were no increases to salaries.

The compensation plan incorporates a 10% base salary holdback for the President and CEO; the Vice-President, Technical Services; the Vice President, Tolling; and the Vice President, Corporate Services. Base salary holdbacks are released upon achievement of defined performance targets identified within our annual service plan.

5. Summary Compensation Table For the Fiscal Year Ended March 31, 2014

Summary Compensation Table at FISCAL, 2014								
Name and Position (a)	Salary (b)	Bonus and / or Incentive Plan Compensation (c)	Benefits (d) ⁽⁶⁾	Pension (e)	All Other Compensation (expanded below) ⁽⁵⁾	2013/14 Total	Previous Two Years Totals	
							2012 / 13 (s)	2011 / 12 (t)
Mike Proudfoot, President & CEO (1)	\$ 166,507	\$ 16,650	\$ 6,898	\$ -	\$ 13,488	\$ 203,543	\$ 199,768	\$ 212,992
Garry Dawson, VP Technical Services (2)	\$ 139,505	\$ 15,036	\$ 7,342	\$ -	\$ 18,111	\$ 179,994	\$ 169,870	\$ 161,612
Mahrokh Arefi, VP, Tolling (3)	\$ 81,378	\$ -	\$ 10,657	\$ -	\$ 17,451	\$ 109,486	\$ -	\$ -
Patricia Soanes, VP, Finance & Corporate Services	\$ 80,842	\$ -	\$ 9,987	\$ 6,578	\$ -	\$ 97,407	\$ -	\$ -
Michael Hoche, VP, Finance & Corporate Services (Interim) (4)	\$ -	\$ -	\$ -	\$ -	\$ 139,151	\$ 139,151	\$ -	\$ -

Summary Other Compensation Table at FISCAL, 2014							
Name and Position(a)	All Other Compensation	Severance (f)	Vacation payout (g)	Leave payout (h)	Vehicle / Transportation Allowance (i)	Perquisites / other Allowances (j)	Other (k)
Mike Proudfoot, President & CEO (1)	\$ 13,488	\$ -	\$ 4,388	\$ -	\$ 9,100	\$ -	\$ -
Garry Dawson, VP Technical Services (2)	\$ 18,111	\$ -	\$ 18,111	\$ -	\$ -	\$ -	\$ -
Mahrokh Arefi, VP, Tolling (3)	\$ 17,451	\$ -	\$ -	\$ -	\$ -	\$ 17,451	\$ -
Patricia Soanes, VP, Finance & Corporate Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Michael Hoche, VP, Finance & Corporate Services (Interim) (4)	\$ 139,151	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,151

Notes:

1. Mike Proudfoot – The 2% increase in total compensation for fiscal 2013/2014 is primarily due to a \$4,388 increase in vacation payout. Mr. Proudfoot does not receive pension, health, dental,
2. Garry Dawson – The 6% increase in total compensation for fiscal 2013/2014 is primarily due to a \$18,111 increase in vacation payout.
3. Mahrokh Arefi – Ms. Arefi receives a payment-in-lieu of pension, health, dental, Short Term Illness and Injury and Long Term Disability insurance.
4. Michael Hoche – VP Finance & Corporate Services (Interim) is not registered under the Public Service Plan and is not eligible for Incentive Plan or benefits. The NEO was paid as a third party contractor prior to the successful recruitment of the VP Finance & Corporate Services position. Mr. Hoche provided services from April 15/13 to Oct. 31/13.
5. All Other Compensation – Includes perquisites and unused vacation payouts.
6. Due to their employment commencement dates, benefits amounts for Mahrokh Arefi and Patricia Soanes are higher than Mike Proudfoot and Garry Dawson. These benefits include full contribution amounts for CPP and EI premiums for calendar year 2013 and 2014.



Port Mann/Highway 1 Improvement Project

Transportation Investment Corporation

Public Sector Executive Compensation

As the Chair of the Board of Directors, I have reviewed and verified that the board is aware of the executive compensation paid in the prior fiscal year. The compensation information disclosed within this report is accurate and includes all compensation paid by the employer, foundations, subsidiaries, or any other organization related to or associated with the employer. It also includes the value of any pre or post-employment payments made during the 12 month period before, or after, the term of employment. The compensation paid in 2013/14 is within the approved compensation plan and complies with these guidelines.

Colin Hansen
Chair, Board of Directors

June 12, 2014