



Port Mann/Highway 1 Improvement Project

Transportation Investment Corporation

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Public Sector Executive Compensation
For the fiscal year ended March 31, 2015

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.

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.

CLASSIFICATION FRAMEWORK

The classification system mirrors that of the BC public service, with all non-executive employees classified in one of three bands – applied leadership, business leadership, and strategic leadership, defined as follow:

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.

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

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 consistent with PSEC direction.

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

**SUMMARY COMPENSATION TABLE
FOR THE FISCAL YEAR ENDED MARCH 31, 2015**

Name and Position (a)	Salary (b)	Bonus and / or Incentive Plan Compensation (c)	Benefits (d)	Pension (e)	All Other Compensation (expanded below)	2014/15 Total	Previous Two Years Totals	
							2013/14	2012/13
Mike Proudfoot , President & CEO	\$ 13,875	\$ 1,542	\$ 3,382	\$ -	\$ 35,562	\$ 54,361	\$ 203,543	\$ 199,768
Mahrokh Arefi , VP, Tolling	\$ 84,711	\$ 7,750	\$ 4,244	\$ -	\$ 16,692	\$ 113,397	\$ 109,486	\$ -
Patricia Soanes, VP, Finance & Corporate Services	\$ 139,504	\$ 15,500	\$ 10,045	\$ 15,448	\$ -	\$ 180,497	\$ 97,407	\$ -
Max Logan, VP, Tolling & Customer Engagement	\$ 118,003	\$ 7,000	\$ 10,905	\$ 12,056	\$ -	\$ 147,964	\$ -	\$ -
Janet Woodruff, Interim President & CEO	\$ -	\$ -	\$ -	\$ -	\$ 183,200	\$ 183,200	\$ -	\$ -
Irene Kerr, President & CEO	\$ 29,250	\$ 3,250	\$ 4,559	\$ 2,868	\$ 1,160	\$ 41,087	\$ -	\$ -
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Summary Other Compensation Table at FISCAL, 2015

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	\$ 35,562	\$ -	\$ 33,666	\$ -	\$ 1,896	\$ -	\$ -
Mahrokh Arefi , VP, Tolling	\$ 16,692	\$ -	\$ 16,692	\$ -	\$ -	\$ -	\$ -
Patricia Soanes, VP, Finance & Corporate Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Max Logan, VP, Tolling & Customer Engagement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Janet Woodruff, Interim President & CEO	\$ 183,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,200
Irene Kerr, President & CEO	\$ 1,160	\$ -	\$ -	\$ -	\$ 1,160	\$ -	\$ -
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Notes:

Mike Proudfoot , President & CEO	Mr. Proudfoot's employment with TI Corp ended on April 30, 2014. All accrued vacation was required to be paid out to him. Mr. Proudfoot did not receive pension, health, dental, short term illness and injury and long term disability insurance.
Mahrokh Arefi , VP, Tolling	Ms. Arefi's employment with TI Corp ended on September 30, 2014. All accrued vacation was required to be paid out to her. Ms. Arefi received a payment-in-lieu of pension, health, dental, short term illness and injury and long term disability insurance. The base salary figure in the prior year included holdbacks.
Patricia Soanes, VP, Finance & Corporate Services	The base salary figure in the prior year included holdbacks.
Max Logan, VP, Tolling & Customer Engagement	Mr. Logan received a promotion to VP, Tolling & Customer Engagement effective October 1, 2014.
Janet Woodruff, Interim President & CEO	All amounts reported exclude any applicable sales taxes. Expenses totaling \$119.42 are not included in the above disclosure.
Irene Kerr, President & CEO	Ms. Kerr commenced employment with TI Corp on February 1, 2015.

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 2014/15 is within the approved compensation plan and complies with these guidelines.

A handwritten signature in black ink, appearing to read "Colin Hansen", is positioned above a solid horizontal line.

Colin Hansen
Chair, Board of Directors

May 13, 2015