

May 5, 2017

PSEC Secretariat
2nd Floor, 880 Douglas Street
Victoria, BC
V8W 2B7

Attention: Christina Zacharuk, President and CEO

Dear Ms. Zacharuk:

Re: 2016/17 Executive Compensation Disclosure – Columbia Basin Trust

Enclosed please find the Executive Compensation Disclosure report for Columbia Basin Trust (Trust) for fiscal year 2016/17.

I confirm that the Trust's Board of Directors is aware of the executive compensation paid in the prior fiscal year and that all compensation disclosed is accurate. All compensation received was paid through the Trust and no other organization. There were no pre-employment payments made prior to the employment contracts. All compensation provided was within the Trust's approved compensation plan and complies with the Public Sector Executive Compensation Reporting Guidelines dated February 2017.

Sincerely,



Rick Jensen
Chair, Board of Directors

COMPENSATION PHILOSOPHY

INTRODUCTION

This policy regarding the establishment and adjustment of salary levels shall apply to all employees of the Trust, subject to the provisions of specific employment contracts, Public Sector Employer's Council (PSEC) approvals and guidelines and budget approvals.

POLICY

1. CORE PRINCIPLES

The following core principles guide the design, implementation and administration of the Trust compensation philosophy:

- *Performance:* Compensation programs support and promote a performance based (merit) organizational culture. All salary increases are merit based.
- *Differentiation:* Differentiation of salary is supported where there are differences in the scope of the position and/or due to superior individual performance.
- *Accountability:* Compensation decisions are objective and based upon a clear and well documented business rationale.
- *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.

2. MARKET COMPARATOR GROUP(S)

The Trust's job rate (100%) reflects the target level of compensation for each position and is set at the market average level of compensation (P50) for comparable positions. The comparator group selected includes all sectors in the BC job market excluding Metro Vancouver.

Salary ranges for each position correspond to a point range distribution reflected for each of the 11 salary bands. Each band has a salary range between (85%) minimum and (100%) maximum. There is an ability to pay up to (10%) above the job rate maximum for special cases (e.g. exceptional performance or market conditions). The Trust does not offer bonus, incentive, holdback or any other related compensation.

3. BENCHMARKING

The Trust evaluates and compensates positions using a point Job Evaluation Factor Plan and jobs are placed into one of 11 salary grades based on the point ratings. The Compensation Plan is approved by the Public Sector Employer's Council.

4. CURRENT COMPENSATION INFORMATION

There are 11 salary ranges. The lowest minimum (85%) salary range starts at \$29,000 and the highest maximum (100%) salary range is \$135,500.

JG	Minimum (85%)	Maximum (100%)
JG12	115,200	135,500
JG11	99,700	117,300
JG10	88,500	104,100
JG9	78,900	92,800
JG8	69,200	81,500
JG7	61,000	71,800
JG6	52,800	62,100
JG5	46,100	54,200
JG4	39,400	46,400
JG3	34,200	40,300
JG2	29,000	34,200

5. ELEMENTS OF TRUST COMPENSATION PLAN

1. Base Pay

2. Leave and Statutory Holidays:

a. *Statutory Holidays: The Trust observes the following 12 statutory holidays:*

- New Year's Day
- Family Day
- Good Friday
- Easter Monday
- Victoria Day
- Canada Day
- BC Day
- Labour Day
- Thanksgiving Day
- Remembrance Day
- Christmas Day
- Boxing Day.

b. *Vacation*

Employees will earn vacation based on total years of service to the Trust to a maximum of 35 days per year. This accrual will continue to end of employment or until otherwise amended by mutual agreement.

c. *Special Leave*

Eight days per year, not cumulative, for family emergencies or unplanned obligations.

d. *Sick Leave*

Eight days per year cumulative to a maximum of 85 days.

e. *Flex Days*

Management roles only. Maximum of seven days per year, not cumulative.

3. Benefits include:

- MSP
- Extended Health
- Dental
- Life
- Dependent Life
- Accidental Death and Dismemberment
- Short Term Disability
- Long Term Disability
- Health Spending Account
- Employee Family Assistance Program
- Healthy Active Employee Policy
- Long Service Awards.

4. Pension:

A defined benefit pension plan through the Public Service Pension Plan (PSPP) is available to all Trust employees.

Employees hired prior to June 30, 2012 were provided the option to receive a (20%) benefit allowance to cover pension and benefits and not subscribe to the pension and benefits plans. Employees that elected to join PSPP continue to receive a reduced benefit allowance to pay for their benefit premiums.

Columbia Basin Trust

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
Neil Muth, President & CEO	\$ 116,222	-	\$ 16,703	\$ 12,569	\$ 22,347	\$ 167,841	\$ 225,835	\$ 225,444
Johnny Strilaeff, President & CEO	\$ 169,237	-	\$ 37,609	-	\$ 8,179	\$ 215,025	\$ 184,466	\$ 184,012

Summary Other Compensation Table at 2017

Name And Position	All Other Compensation	Severance	Vacation payout	Leave payout	Vehicle / Transportation Allowance	Perquisites / other Allowances	Other
Neil Muth, President & CEO	\$ 22,347	-	\$ 22,347	-	-	-	-
Johnny Strilaeff, President & CEO	\$ 8,179	-	\$ 7,929	-	-	-	\$ 250

Notes

Neil Muth, President & CEO	General Note: Neil Muth passed away November 9, 2016. Johnny Strilaeff was appointed President & CEO as of November 11, 2016.
Johnny Strilaeff, President & CEO	General Note: Statutory and Health Benefits of \$37,609 includes Benefits Allowance plus statutory benefit premiums (EI, CPP, WCB) Johnny Strilaeff was appointed to President & CEO effective November 11, 2016. His prior role was Vice President & Chief Operating Officer. Other Note: Other refers to benefits accessed under Healthy Active Employee Benefit