



June 15, 2021

Mr. John Davison
President and CEO
PSEC Secretariat
Suite 210, 880 Douglas Street
Victoria B.C.
V8W 2B7

Dear Mr. Davison:

Re: Public Sector 2020-21 Executive Compensation Disclosure Infrastructure BC Inc.

On behalf of the Infrastructure BC Inc. Board of Directors, I confirm the following with respect to executive compensation paid in the 2020-21 fiscal year:

1. The Board is aware of the executive compensation paid in the 2020-21 fiscal year.
2. The compensation information being disclosed is accurate and includes all compensation paid by the employer.
3. The compensation provided was within approved compensation plans and complies with the "Infrastructure BC Compensation Philosophy and Guidelines" dated April 2021.

Yours truly,

Dana Hayden

Dana Hayden (Jun 2, 2021 06:43 MDT)

Dana Hayden
Chair
Infrastructure BC Inc.
Board of Directors

Attachments

Infrastructure BC Inc.

Vancouver
Suite 1220, 800 West Pender Street
Vancouver, BC V6C 2V6

Victoria
300 - 707 Fort Street
Victoria, BC V8W 3G3

Mailing Address:
PO BOX 9478, STN PROV GOVT
Victoria, BC V8W 9W6

EXECUTIVE COMPENSATION DISCLOSURE

C

Summary Compensation Table at 2021

| Name and Position | Salary | Holdback/Bonus/ Incentive Plan Compensation | Benefits | Pension | All Other Compensation (expanded below) | 2020/2021 Total Compensation | Previous Two Years Totals Total Compensation | |
|-----------------------------------|------------|---|-----------|-----------|--|------------------------------------|---|------------|
| | | | | | | | 2019/2020 | 2018/2019 |
| n, President and CEO | \$ 261,462 | - | \$ 12,531 | \$ 25,754 | \$ 13,120 | \$ 312,867 | \$ 306,327 | \$ 259,987 |
| esident, Healthcare and Social | \$ 203,118 | - | \$ 11,678 | \$ 20,007 | \$ 9,402 | \$ 244,205 | \$ 239,450 | \$ 213,809 |
| ice-President, Transportation and | \$ 203,118 | - | \$ 11,678 | \$ 20,007 | \$ 10,062 | \$ 244,865 | \$ 240,111 | \$ 214,448 |
| P Finance and Administration | \$ 206,292 | - | \$ 11,652 | \$ 20,320 | \$ 12,150 | \$ 250,414 | \$ 250,317 | \$ 243,196 |

EXECUTIVE COMPENSATION DISCLOSURE

Summary Other Compensation Table at 2021

| Name and Position | All Other Compensation | Severance | Vacation Payout | Paid Leave | Vehicle / Transportation Allowance | Perquisites / Other Allowances | Other |
|-----------------------------------|------------------------|-----------|-----------------|------------|------------------------------------|--------------------------------|-------|
| h, President and CEO | \$ 13,120 | - | - | - | \$ 10,000 | \$ 3,120 | - |
| esident, Healthcare and Social | \$ 9,402 | - | - | - | \$ 6,942 | \$ 2,460 | - |
| ice-President, Transportation and | \$ 10,062 | - | - | - | \$ 6,942 | \$ 3,120 | - |
| P Finance and Administration | \$ 12,150 | - | - | - | \$ 6,942 | \$ 5,208 | - |

EXECUTIVE COMPENSATION DISCLOSURE

| | |
|------------------------------------|---|
| President and CEO | <p>General Note: Infrastructure BC provided a 2% performance-based increase effective April 1, 2020 for the 2019/20 performance year. As the executive freeze was implemented on August 31, 2020, executives will forego standard performance-based increases for the 2020/21 performance year.</p> <p>Perquisite/Other Allowance Note: Parking Allowance</p> |
| President, Healthcare and Social | <p>General Note: Infrastructure BC provided a 2% performance-based increase effective April 1, 2020 for the 2019/20 performance year. As the executive freeze was implemented on August 31, 2020, executives will forego standard performance-based increases for the 2020/21 performance year.</p> <p>Perquisite/Other Allowance Note: Parking Allowance</p> |
| Vice-President, Transportation and | <p>General Note: Infrastructure BC provided a 2% performance-based increase effective April 1, 2020 for the 2019/20 performance year. As the executive freeze was implemented on August 31, 2020, executives will forego standard performance-based increases for the 2020/21 performance year.</p> <p>Perquisite/Other Allowance Note: Parking Allowance</p> |
| VP Finance and Administration | <p>Perquisite/Other Allowance Note: Parking Allowance</p> |



Infrastructure BC Compensation Philosophy and Guidelines

May 2021

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1 ABOUT INFRASTRUCTURE BC

Infrastructure BC Inc. (Infrastructure BC or the Company) is owned by the Province of British Columbia and governed by a Board of Directors reporting to its sole Shareholder, the Minister of Finance. It is incorporated under the British Columbia Business Corporations Act.

Vision

To improve people's lives and communities through infrastructure.

Mandate

Working with owners to deliver complex public infrastructure in an evolving world. .

Further information about Infrastructure BC, including copies of its Service Plans and Annual Reports containing detail about the organization's performance goals and measurements, is available at www.infrastructurebc.com.

2 COMPENSATION PHILOSOPHY

To achieve its business and operational objectives Infrastructure BC must rely on the contribution of its employees, and the organization's compensation program plays a key role in its ability to attract, motivate and retain quality employees.

The organization is committed to a total compensation perspective that views compensation as including both cash and non-cash compensation.

3 EXECUTIVE COMPENSATION

As per current Provincial mandate, executive compensation is disclosed annually. The report is available at www.infrastructurebc.com.

3.1 EXECUTIVE COMPENSATION FREEZE FOR 2020/21 PERFORMANCE YEAR

As set out in the Minister and Deputy Premier letter of August 31, 2020 to Board Chairs, there will be no increases or adjustments paid to Infrastructure BC executives (President and CEO, and Vice-Presidents) for the 2020/2021 performance year.

4 CORE PRINCIPLES

Infrastructure BC's compensation philosophy and plan is aligned to a common compensation philosophy with the BC Public Sector and embodies the following four core principles:

| | |
|------------------------|--|
| Performance | Our compensation program supports and promotes a performance-based organizational culture. |
| Differentiation | Differentiation of salary is supported where there are differences in the scope of the position within the organization, and/or due to superior individual contributions. |
| Accountability | Compensation decisions are objective, and based on a clear and well-documented business rationale that demonstrates the appropriate expenditure of public funds. |
| Transparency | Our compensation program is designed, managed and communicated in a manner that ensures the program is clearly understood by employees and the public, while protecting individual personal information. |

5 BENCHMARKING

Infrastructure BC recognizes that a key component of an effective compensation philosophy is benchmarking to the relevant external labour market. Given the unique mandate of Infrastructure BC as both an instrument of public policy and operating essentially as a private sector professional services firm, the appropriate comparator market is defined as one that balances public sector equity and relativity with industry-specific comparability.

5.1 BENCHMARKING METHODOLOGY

Infrastructure BC will conduct external compensation reviews at the discretion of the Infrastructure BC Board of Directors. Such external reviews will include analysis of total compensation (cash and non-cash) paid by appropriate comparison organizations to positions comparable to those at Infrastructure BC. Notwithstanding possible changes to Infrastructure BC's business model, any external market reviews should attempt to replicate a consistent comparator sample of organizations.

Infrastructure BC has determined that its appropriate external labour market reference point consists of a balanced composite (50%/50%) of the broader British Columbia public sector and comparable private sector. This composite allows Infrastructure BC's compensation structure to reflect the unique knowledge and experience sought through the recruiting process, and to manage the retention challenges inherent in an organization utilizing high demand, specialized talent.

Through a combination of direct survey (conducted by a third-party service provider) and information obtained through the Public Sector Employers' Council, data is analyzed from the following sources:

“Public Sector” includes relevant comparators within B.C. (e.g., Crown Corporations, health authorities, post-secondary education sector).

“Private Sector” includes relevant comparators within B.C. and across Canada (primarily construction and professional services organizations).

For positions of a corporate service nature, where skills are more readily available and easily transferable to other organizations, the BC Public Service will be utilized as the primary benchmarking comparator.

6 CASH AND NON-CASH COMPENSATION

Total compensation includes both cash and non-cash compensation.

6.1 CASH COMPENSATION

Cash compensation is targeted to be at the mid-point of the range, with a range minimum of 20% below mid-point, and a range maximum of 20% above the mid-point.

As an example, the range for a targeted base salary of \$100,000 (the mid-point) would be a minimum of \$80,000 and a maximum of \$120,000.

6.1.1 Salary Ranges

Salary ranges have been established for the following employee groups:

- **Executive** – (management) President and CEO, and Vice-Presidents.
- **Assistant Vice-Presidents** – (management) both project-focused* and corporate roles.
- **Project Directors** – (professional) both project-focused* and corporate roles.
- **Senior Associates** – (professional) both project-focused* and corporate roles.
- **Finance and Administration** – corporate services and administration staff.

* Consistent with benchmarking analysis, project-focused roles are differentiated from corporate roles through an expanded range to accommodate the distinct skillset required to be successful in these roles, and to alleviate retention challenges.

As per the B.C. Public Sector Employers' Guide to Accountable Compensation, salary ranges are reviewed annually and aged consistent with the increases negotiated with unionized employees under the 2019 Sustainable Services Negotiating Mandate.

Please see Appendix A for a table containing the current salary ranges for all positions within the organization.

6.2 NON-CASH COMPENSATION

Non-cash compensation includes the following statutory and non-statutory benefits:

| | | |
|--|---|---|
| Statutory Holidays Vacation Maternity, Parental and Pre-Adoption Leave Allowances Group Life Insurance Discretionary car and parking allowances ¹ | Short-Term Illness and Injury Long-Term Disability Medical Services Plan Extended Health and Dental Employee and Family Assistance Health Spending Account Wellness Program | Canada Pension Employment Insurance Workers' Compensation Employer Pension |
|--|---|---|

7 COMPENSATION REVIEWS

On an annual basis, Infrastructure BC conducts an internal compensation review in conjunction with its assessment of employee performance. This review determines individual employee movement within the approved salary ranges (see Section 8).

8 BASE SALARY MANAGEMENT

Every Infrastructure BC position is assigned a salary range based on the composite market mid-point. The market mid-point should be equal to the salary typically paid in the composite market to competent performers in a comparable position.

Generally speaking, new employees developing in the position (recruited externally or promoted internally) would be paid between the minimum and the mid-point.

Infrastructure BC is a small organization and is limited in the number of developmental employees it can utilize at any given point in time. New employees may be recruited at a level of higher competence based on their skills and experience, and placed in the mid- to high-point in the salary range relative to that degree of competence.

Staff will progress through the salary ranges as they develop skills and competence, and may be promoted. Placement and movement within the salary range is based on an employee's performance and competence level in the role. An employee who consistently performs all aspects of the position in a fully competent manner should be paid between the mid- and high-point of the salary range.

¹ Assistant vice-president level and above.

8.1 ASSESSMENT RATINGS

Employee performance is assessed annually and assigned one of the following overall ratings for salary movements:

Table 1: Assessment Ratings

| Achievement Rating | Description |
|-----------------------|---|
| <i>Unsatisfactory</i> | <i>Did not meet expectations</i> |
| <i>Developmental</i> | <i>New hire or recent promotion</i> |
| Good | Met most requirements of the position but fell short on some key job expectations; may be developmental in one or more key competencies |
| Very Good | Executing to the high standards of the organization and its clients; consistently strong performer |
| Excellent | Performing consistently above and beyond requirements of the role; consistently exceeding expectations |
| <i>Outstanding</i> | <i>Exceptional performance at a high level across key initiatives or multiple projects; significant personal contribution has major impact on the success of the organization; excellence recognized by all</i> |

8.2 DETERMINING SALARY INCREASES

Infrastructure BC manages its compensation decisions to be consistent with government direction as outlined in the B.C. Public Sector Employer's Guide to Accountable Compensation.

An employee's assessment rating is used in determining annual salary increases as illustrated in the table below.

Table 2: Salary Increase Guidelines

| Achievement Rating | Increase Range |
|-----------------------|----------------|
| <i>Unsatisfactory</i> | 0% |
| <i>Developmental</i> | 0 – 2% |
| Good | 1 – 3% |
| Very Good | 2 – 5% |
| Excellent | 4 – 7% |
| <i>Outstanding</i> | 5 – 8% |

An employee's performance is assessed each year and changes in salary are determined accordingly.

Regardless of performance assessment, an employee's salary will not be increased beyond the range maximum for the position.

An employee may not necessarily remain at the same position (i.e., mid-point) within the respective salary range should the range be amended.

Actual employee base salary increases are assessed by management and awarded within the Board-approved overall compensation budget. An employee's salary may be increased by less than the salary increase guidelines if Infrastructure BC is required to comply with government direction.

APPENDIX A – SALARY RANGES

| Positions | Salary Ranges – effective April 1, 2021 | | |
|---|---|-----------|-----------|
| | Minimum | Median | Maximum |
| President and CEO | \$250,000 | \$299,000 | \$350,000 |
| VP, Projects | \$182,100 | \$222,200 | \$262,875 |
| VP, Corporate | \$160,500 | \$195,500 | \$230,400 |
| AVP, Projects | \$146,400 | \$183,100 | \$219,500 |
| AVP, Corporate¹ | \$134,200 | \$164,750 | \$195,275 |
| Director, Projects | \$104,150 | \$134,250 | \$163,300 |
| Director, Corporate² | \$104,150 | \$128,400 | \$151,775 |
| Senior Associate, Projects | \$73,250 | \$100,100 | \$128,400 |
| Senior Associate, Corporate | \$73,250 | \$96,350 | \$119,350 |
| Finance and Administration³ | \$44,575 | \$53,000 | \$61,300 |

¹ Includes the following position: Assistant Vice-President, Legal

² Includes the following positions: Director of Corporate Relations, Director of Human Resources, Financial Accounting Manager

³ Includes the following positions: Intermediate Accountant, Executive Assistant, Contract Administrator