

I attest that the compensation provided was within the approved compensation plans. Reviewed and signed on behalf of the Board of Directors.

A handwritten signature in black ink, appearing to read "RELLIS".

Roberta Ellis, Board Chair

May 18, 2018

Date



Industry Training Authority
800-8100 Granville Avenue
Richmond, BC V6Y 3T6
www.itabc.ca

Customer Service
t 778.328.8700
tf 1.866.660.6011 (within BC)
f 778.328.8701

Corporate Office
t 778.785.2400
f 778.785.2401

Compensation Governance Framework

This document articulates the total compensation philosophy, objectives, and approaches to compensation at the Industry Training Authority (ITA). The following document applies to all employees. This document includes information on ITA's compensation governance, compensation philosophy and the processes used in determining compensation.

Compensation Governance

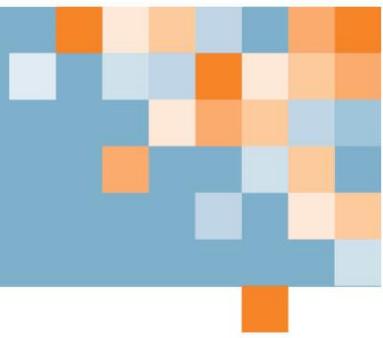
The Board of Directors of ITA is responsible for reviewing and approving the compensation philosophy relating to all positions, with oversight provided by the Crown Corporation Employers' Association ("CCEA") and the Public Sector Employers' Council Secretariat ("PSEC"). The Board of Directors is also responsible for reviewing and approving the compensation plan for executive positions within PSEC guidelines.

Compensation Philosophy

Compensation is an important tool used by ITA to attract, engage and retain employees with the skills, experience and commitment necessary to achieve the organization's strategic and business goals. ITA's philosophy is to strive for its *total compensation* to be at a 50th percentile of relevant organizations. Total compensation includes base salary, pension and other benefits, as well as all forms of paid time off. In keeping with policies and guidelines set out by PSEC, the design and administration of ITA's compensation program is guided by the following four principles:

- *Performance* – the compensation program supports and promotes a performance-based (merit) organizational culture;
- *Differentiation* – differentiation of salary is supported where there are differences in the scope and responsibility of the position within ITA and/or where there is superior individual team contributions;
- *Accountability* – compensation decisions are objective and based upon a clear and well documented business rationale that demonstrates an appropriate expenditure of public funds; and,
- *Transparency* – the 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.

ita YOUR TICKET.



Guiding Principles/Objectives

The guiding principles and objectives of ITA's total compensation package are as follows:

- Attract, retain, and motivate qualified employees
- Ensure total compensation reinforces ITA's business strategy and goals, values, and culture
- Recognize employees for their performance contributions to overall results, team and individual goals, and objectives
- Support internal equity and consistency
- Enable differentiation of compensation based on differences in the scope of positions and team and individual contribution
- Strive to be externally competitive while maintaining alignment with PSEC policies and guidelines
- Ensure transparency to support employees' and the public's questions
- Demonstrate accountability for the appropriate expenditure of public funds
- Flexibility to adapt to external conditions and differing employee needs and preferences
- Allow for ease of administration
- Contribute to employees' overall engagement

Benchmarking & Determining Compensation Levels

The process by which ITA benchmarks and determines its compensation levels is to:

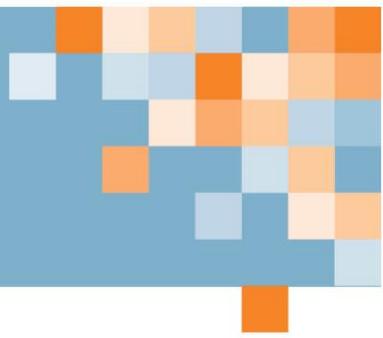
Select Relevant Comparator Organizations

ITA will, on a regular basis, compare its salary bands to what is being offered for comparable work in relevant organizations.

The comparison organizations for benchmarking purposes are chosen in consultation with PSEC. The comparator organizations are taken primarily from public sector or not-for-profit entities and meet several of the following additional criteria:

- have similar positions and compete with ITA for employees;
- is a BC provincial crown corporation/agency;
- has a provincial mandate; and
- may be similar in size to ITA.

ita YOUR TICKET.



While the primary comparator groups for our positions would all be within the public sector, in rare cases, where there is significant trouble recruiting or retaining talent, ITA may look to select private sector organizations as part of its comparison and analysis.

Survey of Comparison Organizations

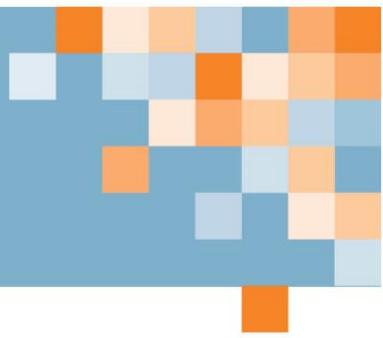
Once relevant comparators have been selected, ITA will work with those organizations as well as PSEC to exchange relevant compensation information. ITA may also utilize compensation consultants to assist with this process. Information usually consists of job descriptions, as well as job evaluations of various roles wage ranges, compensation and other pay and benefits that could include:

- salaries;
- group benefits;
- retirement/savings benefits;
- perquisites e.g. fitness allowance; and
- paid time off.

Application of Market Comparison Information

ITA's goal is to be at the 50th percentile of the total compensation provided by the comparison organizations. Application of this goal can be challenging when the sample size of comparator organizations is also small. As such, ITA will work to balance its desire of being a 50th percentile employer, against competitive pressures and availability of relevant data.

ita YOUR TICKET.



Components of Compensation

Appendix A contains a summary of the total compensation provided by ITA. The individual components of compensation are discussed below.

Salary Ranges and movement with Ranges

External equity or market competitiveness is achieved by using the benchmarking results to develop salary ranges covering all of ITA's positions (excluding Executive Leadership). Internal equity is maintained by ensuring that the salary ranges are consistent with the relative internal value of each ITA position. Internal values are determined by an ongoing analysis of the responsibilities and accountabilities of positions using ITA's job evaluation program.

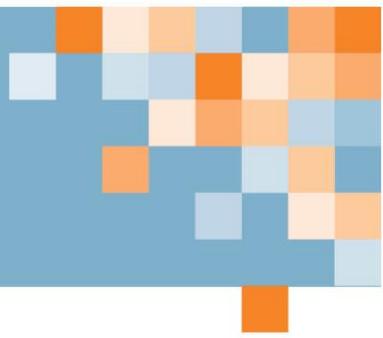
ITA encourages career progression and would like all staff to see ITA as a long-term part of their career journey. Progression within one's respective salary range is determined by the individual's growth in competencies, coupled with a satisfactory performance assessment

Promotions to other roles within the organization are highly desirable and generally any movement up a band or to another band shall not exceed 10% of current pay. Exceptions will be made for adjustments resulting from market reviews, significant changes in duties or changes to operational requirements.

Out-of-cycle adjustments to the compensation of individuals is possible; however any such adjustment will be taken into account during any other organization-wide merit or annual adjustments.

Employees at the top of their respective pay-bands will not receive increases to annual compensation.

ita YOUR TICKET.



Employee Benefits

Benefit coverage: All ITA's permanent employees participate in the same employee benefits program. The benefits are comprised of life and accident insurance, short-term and long-term disability coverage, medical, extended health benefits, dental, and employee & family assistance program, maternity/paternal leave and other employee perks.

Retirement Plan: Employees of ITA participate in the BC Public Service Pension Plan.

Vacation Entitlement: Vacation entitlement for ITA employees are as detailed below:

➤ 1 through 2 years of service	15 days per year
➤ 3 through 5 years of service	20 days per year
➤ 6 through 7 years of service	23 days per year
➤ 8 through 11 years of service	25 days per year
➤ 12 through 14 years of service	28 days per year
➤ 15 or more years	30 days per year

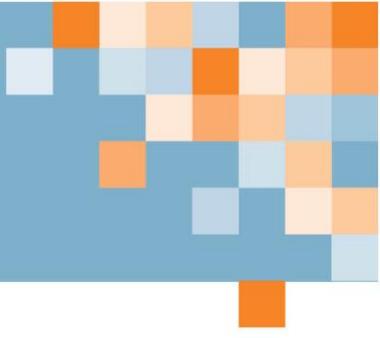
Exceptions to this entitlement may be made as part of the negotiation process for new employees. Should a new employee negotiate a different vacation benefit, progression to the next higher level will change with tenure as noted above; however such movement will not be restricted as a result of that higher entitlement. *For example, a employee who commences employment with ITA and successfully negotiates 20 days of vacation, will move to a 23 days per year entitlement after completion of 2 years of service.*

See **Appendix A** for a full listing of compensation and non-compensation benefits

The Compensation Governance Framework has been reviewed and approved on behalf of the Industry Training Authority Board of Directors.

Roberta Ellis, Board Chair

March 28, 2018



ita YOUR TICKET.

APPENDIX A: Components of Total Compensation for all employees

- Compensation
 - Regular Pay
 - Substitution/Acting Pay (for temporarily fulfilling duties of a position at a higher pay-band)
- Non-compensation benefits
 - Life Insurance
 - Accidental Death & Dismemberment Insurance
 - Sick Leave
 - Long Term Disability Insurance (*provided on a cost-shared arrangement with employees*)
 - Medical Services Plan
 - Extended Health Benefits
 - Dental Plan
 - Employee & Family Assistance Program
 - Maternity/Paternal Leave
 - BC Public Service Pension Plan
 - Vacation
 - Statutory Holidays
 - Employment Insurance
 - Workers' Compensation
 - Canada Pension Plan
- Perks
 - Healthy employee benefits (up to \$200 year)
 - 2 Floater days

Note: Floater days are to be used within the calendar year granted and will not be carried over to subsequent years.

Industry Training Authority

Summary Compensation Table at 2018

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2017/2018 Total Compensation	Previous Two Years Totals Total Compensation	
							2016/2017	2015/2016
Gary Herman, Chief Executive Officer	\$ 200,261	-	\$ 11,706	\$ 21,071	\$ 200	\$ 233,238	\$ 229,321	\$ 224,780
Shelley Gray, COO	\$ 75,088	-	\$ 5,954	\$ 7,593	\$ 663	\$ 89,298		
Jeff Lekstrom, Chief Operating Officer	\$ 18,841	-	\$ 2,101	\$ 1,832	\$ 5,907	\$ 28,681	\$ 188,164	\$ 104,072
Farnaz Riahi, CFO	\$ 143,851	-	\$ 7,644	\$ 14,883	\$ 1,536	\$ 167,914	\$ 164,377	\$ 162,772

Summary Other Compensation Table at 2018

Name And Position	All Other Compensation	Severance	Vacation payout	Leave payout	Vehicle / Transportation Allowance	Perquisites / other Allowances	Other
Gary Herman, Chief Executive Officer	\$ 200	-	-	-	-	-	\$ 200
Shelley Gray, COO	\$ 663	-	-	-	-	-	\$ 663
Jeff Lekstrom, Chief Operating Officer	\$ 5,907	-	\$ 5,801	-	-	-	\$ 106
Farnaz Riahi, CFO	\$ 1,536	-	-	-	-	-	\$ 1,536

Notes

Gary Herman, Chief Executive Officer	General Note: Received 2% salary increase Jul 1, 2017 Other Note: Healthy Employee Program
Shelley Gray, COO	General Note: Started COO position Oct 16, 2017 Other Note: \$250 cell phone taxable benefit, \$413 cell stipend non-taxable
Jeff Lekstrom, Chief Operating Officer	General Note: Last day worked May 11, 2017 Other Note: \$5,801 vacation payout, \$106 cell phone stipend non-taxable
Farnaz Riahi, CFO	General Note: Received 2% salary increase Jul 1, 2017 Other Note: \$386 Healthy Employee Program, \$250 cell phone benefit taxable, \$900 cell stipend non-taxable