

May 14, 2020

Ms. Christina Zacharuk  
President and CEO  
PSEC Secretariat  
Suite 210, 880 Douglas Street  
Victoria, B.C.  
V8W 2B7

Dear Ms. Zacharuk,

**RE: FY 2020 Executive Compensation Disclosure – BC Infrastructure Benefits Inc.**

Please find attached the Statement of Executive Compensation covering the Fiscal 2020 period for BC Infrastructure Benefits Inc. (BCIB).

As per the Public Sector Executive Compensation Disclosure Guidelines, I, the undersigned, hereby attest the following:

- The compensation information disclosed within this report is accurate and includes all compensation paid by BCIB, foundations, subsidiaries, or any other organization related to or associated with BCIB.
- The compensation paid in 2019/2020 is within the approved compensation plan and complies with these guidelines.

Yours sincerely,



Allan Bruce  
Chair, Board of Directors  
BC Infrastructure Benefits Inc.

CC: Irene Kerr, President & CEO

**BC Infrastructure Benefits  
Statement of Executive Compensation**

Reporting Period: Fiscal Year 2020  
(April 1, 2019 – March 31, 2020)

**INTRODUCTION**

British Columbia Infrastructure Benefits Inc., (“BCIB” or “the corporation”) is a Crown corporation wholly owned by the Province of British Columbia and was established on July 16, 2018, under B.C.’s Business Corporations Act.

BCIB is responsible for mobilizing and growing a diverse, safe and skilled workforce through the implementation of the Community Benefits Agreement (“CBA”). As the employer for workers on select public infrastructure projects, BCIB prioritizes safety and supports British Columbians access to good-paying careers, skills development and apprenticeships.

BCIB is comprised of union and exempt employees. Compensation for employees that are members of the collective bargaining unit, is in accordance with the terms and conditions of the Community Benefits Agreement (CBA) between BCIB and the Allied Infrastructure and Related Construction Council of BC (AIRCC). Corporate employees of BCIB are excluded from the CBA.

**CORE PRINCIPLES**

BCIB considers the following principles in the design, implementation and administration of its compensation programs:

**Performance** – Compensation programs support and promote a performance-based organization 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 or team contributions

**Accountability** – Compensation decisions are objective and based upon a clear and well documented business rationale that demonstrates the appropriate expenditure of funds

**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

**COMPENSATION DISCUSSION AND ANALYSIS**

In order to achieve business, operational, and service objectives, BCIB relies on the contribution of its employees. The compensation program plays a key role in BCIB’s ability to attract, motivate and retain quality employees.

BCIB's compensation plan has been approved by the Minister of Finance. BCIB has worked closely with PSEC to develop a compensation plan which closely mirrors the public service compensation plan. It reflects the perspective that total compensation includes 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, BCIB reviews the plan annually.

### **TOTAL COMPENSATION PHILOSOPHY**

BCIB recognizes that a key component of an effective compensation philosophy is the need to maintain a meaningful degree of competitiveness with the relevant external labour market. BCIB must balance public sector and crown corporation equity and relativity with industry-specific comparability given the unique nature of its mandate.

#### *Cash & Non- Cash Compensation*

Cash compensation is comprised of base salary, vacation payout and perquisites. BCIB's non-cash compensation is comprised of benefits, pension and vacations.

**Benefits:** Benefits are based on government standards, and the employer pays coverage for extended health, dental, life insurance and long term disability for managers and excluded employees.

**Pension:** BCIB provides a joint trustee benefit pension plan which is aligned with other public sector pension plans.

**Vacation:** BCIB provides between four to six weeks of vacation each year. Unused vacation may be carried forward to the following calendar year.

**Perquisites:** Vehicle allowance is permitted to the CEO.

### *Base Salary Management*

The classification system mirrors that of the BC public service and the base salary for executive employees fits within one of the following two compensation bands.

| <b>Classification</b>                       | <b>Salary Range</b>   |
|---|-----------------------|
| President and Chief Executive Officer (CEO) | \$215,000 - \$295,000 |
| Vice Presidents                             | \$145,000 - \$195,000 |

### **PERFORMANCE EVALUATION**

In the case of the CEO, the performance review is conducted by the Board and is based on achievement of agreed upon performance goals, objectives and competencies. The CEO conducts the annual review of the executive leadership team on the same basis. All executive assessments resulting in compensation changes are reviewed with the Board and in accordance with the PSEC guidelines.

**BC Infrastructure Benefits**

**Summary Compensation Table at 2020**

| Name and Position                                   | Salary     | Holdback/Bonus/<br>Incentive Plan<br>Compensation | Benefits  | Pension   | All Other<br>Compensation<br>(expanded<br>below) | 2019/2020<br>Total<br>Compensation | Previous Two Years Totals<br>Total Compensation |           |
|---|------------|---|-----------|-----------|--|------------------------------------|---|-----------|
|   |            |   |           |           |  |                                    | 2018/2019                                       | 2017/2018 |
| Irene Kerr, President & CEO                         | \$ 237,940 | -   | \$ 13,928 | \$ 23,437 | \$ 17,694  | \$ 292,999                         | \$ 89,602                                       |           |
| Mario Piscitelli, Vice President, Finance & CFO     | \$ 171,183 | -   | \$ 13,189 | \$ 16,862 | \$ 1,799   | \$ 203,033                         | \$ 49,668                                       |           |
| Svetislav Plavsic, Vice President, Operations & COO | \$ 171,183 | -   | \$ 13,189 | \$ 16,862 | \$ 327   | \$ 201,561                         | \$ 49,668                                       |           |

**Summary Other Compensation Table at 2020**

| <b>Name and Position</b>                            | <b>All Other Compensation</b> | <b>Severance</b> | <b>Vacation Payout</b> | <b>Paid Leave</b> | <b>Vehicle / Transportation Allowance</b> | <b>Perquisites / Other Allowances</b> | <b>Other</b> |
|---|-------------------------------|------------------|------------------------|-------------------|---|---------------------------------------|--------------|
| Irene Kerr, President & CEO                         | \$ 17,694                     | -                | \$ 10,154              | -                 | \$ 7,540                                  | -                                     | -            |
| Mario Piscitelli, Vice President, Finance & CFO     | \$ 1,799                      | -                | \$ 1,799               | -                 | -   | -                                     | -            |
| Svetislav Plavsic, Vice President, Operations & COO | \$ 327                        | -                | \$ 327                 | -                 | -   | -                                     | -            |

**Notes**

|   |  |
|---|--|
| Irene Kerr, President & CEO                         | <b>General Note:</b> 1. Ms. Kerr commenced December 3rd, 2018      |
| Mario Piscitelli, Vice President, Finance & CFO     | <b>General Note:</b> 2. Mr. Piscitelli commenced January 1st, 2019 |
| Svetislav Plavsic, Vice President, Operations & COO | <b>General Note:</b> 3. Mr. Plavsic commenced January 1st, 2019    |