

May 17, 2022

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

Re: Executive Compensation Letter of Attestation

Dear Mr. John Davison,

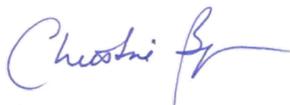
This letter is to attest that all PSEC requirements for Compensation Disclosure for Executives for the InBC Investment Corp. (InBC) have been met for the 2021/22 fiscal year. Please find enclosed a Statement of Executive Compensation for the year ended March 31, 2022.

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

- The compensation information disclosed within this report is accurate and includes all compensation paid by InBC, subsidiaries, or any other organization related to or associated with InBC; and,
- The compensation paid in 2021/2022 is within the approved compensation plan and complies with these guidelines.

The InBC Board is aware of the executive compensation paid in the prior fiscal year and have verified that compensation provided was within approved compensation plan.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Christine Bergeron'.

Christine Bergeron  
Chair, InBC Investment Corp.

## STATEMENT OF EXECUTIVE COMPENSATION FOR THE YEAR ENDED MARCH 31, 2022

### Compensation Discussion and Analysis

#### About InBC

InBC Investment Corp. (InBC) is an independent \$500 million strategic investment fund created by the Government of British Columbia in 2020. InBC's mission is to make life better for British Columbians through thoughtful investment decisions that will support innovation, equity, sustainability and job creation while achieving a financial return on investment.

InBC is established and governed through the [InBC Investment Corp. Act](#), which also specifies independence of investment decision-making and establishes the Chief Investment Officer with the sole statutory authority to make investment decisions.

InBC provides a local source of capital to invest in high growth potential firms in B.C. with the aims of: achieving a financial return on investment; promoting values that make life better for people in B.C. including job creation, advancing reconciliation with Indigenous peoples, and promoting diversity and inclusion; and establishing B.C. as a globally competitive low-carbon jurisdiction.

#### Compensation Philosophy

InBC relies on the contribution of all its employees to be successful and the compensation program plays a key role in the ability to attract, motivate and retain talented, engaged employees. InBC believes in compensating staff comparably to other similar organizations and 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.

Compensation is guided by the following core principles:

- Performance – compensation programs support and promote 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 impact of the position within the organization.
- 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.

#### Benchmarking

InBC conducts biennial external reviews of competitiveness with the relevant external labour market. These reviews include analysis of total compensation paid by comparator organizations.

## Classification Framework

InBC's compensation classification system places all employees into two categories: investment or non-investment. InBC's philosophy is to pay median base pay salary levels for both categories of employees.

Compensation for investment employees is complemented by performance-based compensation, designed to align employee performance with InBC's triple bottom line investment objectives. Investment roles include the Chief Investment Officer (CIO), Investment Principals and Investment Associates, who are involved in activities that require the expertise of an investment professional.

## Elements of Compensation

InBC's compensation program is founded on a view of total compensation that includes cash and non-cash compensation.

### *Cash Compensation*

Cash compensation is comprised of base salary, health and wellness account, vacation payout, and perquisites in the form of vehicle allowance for the Chief Executive Officer (CEO) and CIO.

Cash compensation is also comprised of performance-based compensation for investment employees. Performance based compensation is a market standard component of compensation for investment professionals. InBC's performance-based compensation will align investment employee performance compensation to the triple bottom line investment objectives of InBC.

The maximum achievable performance-based compensation for the CIO is up to 60% of their base salary. The maximum achievable performance-based compensation for other investment employees is up to 50% of their base salary.

InBC is in the early stages of development. Performance-based compensation will recognize that not all triple bottom line investment objectives will be achieved in the early stages of operations. Accordingly, performance-based compensation will be phased-in, in 25% increments over the next 4 years.<sup>1</sup>

### *Non-Cash Compensation*

Non-cash compensation is comprised of:

- **Benefits:** Benefits are based on government standards, and the employer pays coverage for extended health, dental, life insurance and long-term disability.
- **Pension:** a defined benefit pension delivered through the Public Service Pension Plan. Performance based compensation is not pensionable.
- **Vacation:** four to six weeks of vacation each year. Unused vacation may be carried forward to the following calendar year and any amounts carried over and not used before the end of that year is paid out.

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<sup>1</sup> As of the date of reporting, performance-based compensation metrics remained subject to board approval and approval of the Minister of Finance as the Minister responsible for the *Public Sector Employers Act*.

- Perquisites: Parking is provided as part of the compensation package of the CEO and CIO

### **Performance Management**

InBC conducts an internal compensation review annually in conjunction with its assessment of employee performance. This review determines individual employee movement within the approved salary ranges

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 Secretariat guidelines.

### **Executive Compensation for 2021/22**

The government-wide reporting protocol stipulates public disclosure of compensation for “the CEO and the next four highest ranking corporate officers, administrators, corporate administrators, executives or executive officers in charge of the management of a corporation, company, organization or agency and whose base salary was \$125,000 or greater.” To be part of the disclosure, a position must also be recognized as part of the decision-making team with significant authority and responsibility for the direction of the organization.

Investment BC

Summary Compensation Table at 2022

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2021/2022 Total Compensation	Previous Two Years Totals Total Compensation	
							2020/2021	2019/2020
Jill Eathy, Chief Executive Officer	\$ 61,040	-	\$ 6,250	\$ 6,013	\$ 3,152	\$ 76,455		
David Mortimer, Chief Financial Officer	\$ 97,622	-	\$ 15,180	\$ 9,616	\$ 6,583	\$ 129,001		

**Summary Other Compensation Table at 2022**

<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>
Jill Earthy, Chief Executive Officer	\$ 3,152	-	-	-	\$ 1,735	\$ 1,417	-
David Mortimer, Chief Financial Officer	\$ 6,583	-	\$ 6,583	-	-	-	-

**Notes**

Jill Earchy, Chief Executive Officer	<b>General Note:</b> Jill Earchy joined InBC Investment Corp. as Chief Executive Officer on December 13, 2021 <b>Perquisite/Other Allowance Note:</b> Parking Benefit
David Mortimer, Chief Financial Officer	<b>General Note:</b> Compensation reflects service from July 1, 2021 as a seconded employee. Employee became permanent March 7, 2022