

Partnerships BC  
Compensation Guidelines

August 2014

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

## 1 COMPENSATION PHILOSOPHY

Partnerships BC is committed to a total compensation perspective that views compensation as including base salary, benefits, pension, vacation and perquisites.

Partnerships BC recognizes that a key component of an effective compensation philosophy is benchmarking to the relevant external labour market. Given the unique mandate of Partnerships 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. In particular, Partnerships 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.

The key elements of Partnerships BC's compensation offering include cash and non-cash compensation as follows:

### 1.1 CASH COMPENSATION

Total cash compensation comprises base annual salary. Base salary is targeted to be at the 50<sup>th</sup> percentile of the composite market (the mid-point), 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.

#### 1.1.1 Executive Cash Compensation

As per current Provincial mandate, the compensation structure for the individual currently filling the position of Vice-President, Finance and Administration, includes a 10% holdback.

The holdback structure applies to any new external hires for executive positions within the organization.

### 1.2 NON-CASH COMPENSATION

Non-cash compensation includes the following:

**Benefits package** – Competitive benefits package based on the government standard.

**Pension** – Competitive retirement benefits based on the government standard.

**Vacation** – Competitive vacation time capped at five weeks due to the project-based nature of the organization.

**Perquisites** – Discretionary car and parking allowance.<sup>1</sup>

## 2 COMPENSATION REVIEWS

On an annual basis, Partnerships 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 3).

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

## 3 BASE SALARY MANAGEMENT

Every Partnerships 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.

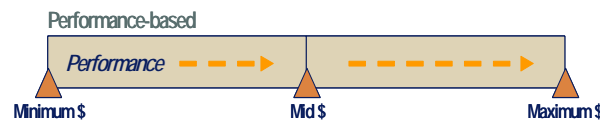
Generally speaking, new employees developing in the position would be paid between the minimum and the mid-point. Staff will progress through the salary ranges as they develop skills and competence, and are promoted.

Placement and movement within the salary range is based on an employee's performance and competence level in the role. The following illustrations show how progression through a salary range reflects performance and/or competency growth:

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<sup>1</sup> Assistant vice-president level and above.

**Figure 1: Performance-Based**



**Figure 2: Competency-Based**



An employee who consistently performs all aspects of the position in a fully competent manner would be paid at or near the market mid-point.

In order to merit a salary increase which would place his or her salary above the market mid-point, an employee would have to demonstrate performance during the year which clearly surpasses the fully competent level. An employee who reaches this level of excellence does so through unique and exceptional application of knowledge, skills and/or effort over a consistent, sustained period.

Partnerships 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.

### 3.1 COMPETENCE RATINGS FOR SALARY MOVEMENTS

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

- Developmental
- Fully Competent
- Exceptional

### 3.2 DETERMINING SALARY INCREASES

An employee's competence rating and current placement within the existing salary range are used in determining annual salary increases. The application of employee competence and position in the salary range to determine salary increases is illustrated in the example below.

**Table 1: Salary Increase Grid - Guidelines**

| Employee's Competence Rating | Employee's Present Salary within Current Salary Range |              |                  |
|------------------------------|---|--------------|------------------|
|                              | At Range Minimum                                      | At Mid-Point | At Range Maximum |
| Developmental                | 2-5%  | 0-2%         | 0%               |
| Fully Competent              | 3-6%  | 1-3%         | 0%*              |
| Exceptional                  | 4-7%  | 2-5%         | 0%*              |

*\*any increase is at the discretion of the Corporate Management team.*

An employee's performance is assessed each year and changes in salary are determined accordingly. In a year in which an employee does not substantially achieve his or her performance plan goals, the company may not increase the employee's salary, or may increase the employee's salary by less than the salary increase grid.

An employee may not 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.

May 4, 2015

Ms. Christine Zacharuk  
Interim President and CEO of PSEC Secretariat  
2<sup>nd</sup> Floor, 880 Douglas Street  
Victoria B.C.  
V8W 2B7

Dear Ms. Zacharuk:

**Re: Public Sector 2014-15 Executive Compensation Disclosure for Partnerships  
British Columbia Inc.**

On behalf of the Partnerships British Columbia Inc. Board of Directors, I confirm that the 2014-15 Executive Compensation Disclosure report as attached is consistent with the company's executive compensation plan.

Yours truly,



Dana Hayden  
Chair  
Partnerships British Columbia Inc.  
Board of Directors

Attachments

**Partnerships British Columbia Inc.**  
**Summary of Performance – Fiscal 2013-14**  
**In Support of Performance Payments to Executives in 2014-15**

| Performance Goal  | Performance Measurement   |
|---|---|
| Plan and structure partnerships delivery solutions for public infrastructure which are expected to achieve value for money.                           | <ul style="list-style-type: none"> <li>• 100% of projects aligned with government objectives</li> <li>• Each project which reached financial close achieved value for money</li> </ul>  |
| Successfully implement partnerships delivery solutions for public infrastructure through leadership in procurement, practices and market development. | <ul style="list-style-type: none"> <li>• Participated in 17 active procurements               <ul style="list-style-type: none"> <li>• Nine (9) projects reached final project agreement</li> </ul> </li> <li>• Active market development which contributed to increased market participation               <ul style="list-style-type: none"> <li>• Every competitive selection process had in excess of a minimum four (4) qualified bidders at the RFQ stage</li> </ul> </li> <li>• Active involvement in post financial close initiatives               <ul style="list-style-type: none"> <li>• Exceeded post financial close engagement target of 5% of annual revenue target</li> </ul> </li> <li>• Positive client and shareholder feedback</li> <li>• Positive media coverage – local, national and international</li> <li>• 1 silver award for PPP project</li> <li>• Achieved procurement benchmark of 18 months from RFQ to financial close applied for Design Build Finance and Maintain projects with two exceptions</li> </ul> |
| Maintain a self-sustaining organization and provide added value to an increasingly diverse client base.   | <ul style="list-style-type: none"> <li>• Exceeded financial plan target               <ul style="list-style-type: none"> <li>• Net income margin of 7.0% vs. budget of 3.8%</li> </ul> </li> <li>• Achieved appropriate balance between work with Province and work with other jurisdictions</li> <li>• Achieved employee satisfaction target: BC Business Best Companies to Work for in BC results – 4 out of 5</li> </ul>   |

**Note: Detailed description of Partnerships BC's Performance Goals and Measurement can be found in the Company's 2013-14 Annual Report at [www.partnershipsbc.ca](http://www.partnershipsbc.ca).**



**Summary Compensation Table  
Fiscal 2014-2015  
Partnerships British Columbia Inc.**

| Name and Position<br>(a)                        | Salary<br>(b) | Bonus and / or<br>Incentive Plan<br>Compensation<br>(c) | Benefits<br>(d) | Pension<br>(e) | All Other<br>Compensation<br>(expanded<br>below) | 2014/15<br>Total | Previous Two Years Totals |            |
|---|---------------|---|-----------------|----------------|--|------------------|---------------------------|------------|
|   |               |   |                 |                |  |                  | 2013/14                   | 2012/13    |
| Susan Tinker, VP, Partnerships Services         | \$ 103,459    | \$ 35,240   | \$ 6,123        | \$ 18,777      | \$ 81,485  | \$ 245,085       | \$ 235,450                | \$ 230,982 |
| Chan-Seng Lee, VP, Finance & Administration     | \$ 168,080    | \$ 41,300   | \$ 9,808        | \$ 17,522      | \$ 10,505  | \$ 247,216       | \$ 228,502                | \$ 224,830 |
| Sarah Clark, President and CEO                  | \$ 55,224     | \$ -  | \$ 1,131        | \$ 5,876       | \$ 2,808   | \$ 65,038        | \$ 303,544                | \$ 302,015 |
| Doug Ewing, VP, Projects                        | \$ 16,022     | \$ 47,500   | \$ 505          | \$ 1,728       | \$ 1,061   | \$ 66,816        | \$ 277,358                | \$ 273,612 |
| Mark Liedemann, VP, Projects                    | \$ 192,711    | \$ 28,910   | \$ 10,101       | \$ 20,100      | \$ 6,404   | \$ 258,225       | \$ -                      | \$ -       |
| Michael Houle, VP, Client and Market Engagement | \$ 191,124    | \$ 28,470   | \$ 10,162       | \$ 19,917      | \$ 5,809   | \$ 255,482       | \$ -                      | \$ -       |
| Amanda Farrell, President and CEO               | \$ 224,483    | \$ 34,850   | \$ 9,638        | \$ 23,641      | \$ 12,917  | \$ 305,528       | \$ -                      | \$ -       |
|   | \$ -          | \$ -  | \$ -            | \$ -           | \$ -   | \$ -             | \$ -                      | \$ -       |
|   | \$ -          | \$ -  | \$ -            | \$ -           | \$ -   | \$ -             | \$ -                      | \$ -       |
|   | \$ -          | \$ -  | \$ -            | \$ -           | \$ -   | \$ -             | \$ -                      | \$ -       |
|   | \$ -          | \$ -  | \$ -            | \$ -           | \$ -   | \$ -             | \$ -                      | \$ -       |
|   | \$ -          | \$ -  | \$ -            | \$ -           | \$ -   | \$ -             | \$ -                      | \$ -       |
|   | \$ -          | \$ -  | \$ -            | \$ -           | \$ -   | \$ -             | \$ -                      | \$ -       |
|   | \$ -          | \$ -  | \$ -            | \$ -           | \$ -   | \$ -             | \$ -                      | \$ -       |

Summary Other Compensation Table at FISCAL, 2015

| Name and Position<br>(a)                        | All Other<br>Compensation | Severance<br>(f) | Vacation<br>payout<br>(g) | Leave<br>payout<br>(h) | Vehicle /<br>Transportation<br>Allowance<br>(i) | Perquisites /<br>other<br>Allowances<br>(j) | Other<br>(k) |
|---|---------------------------|------------------|---------------------------|------------------------|---|---|--------------|
| Susan Tinker, VP, Partnerships Services         | \$ 81,485                 | \$ 76,150        | \$ -                      | \$ -                   | \$ 4,005  | \$ 1,330                                    | \$ -         |
| Chan-Seng Lee, VP, Finance & Administration     | \$ 10,505                 | \$ -             | \$ -                      | \$ -                   | \$ 6,942  | \$ 3,563                                    | \$ -         |
| Sarah Clark, President and CEO                  | \$ 2,808                  | \$ -             | \$ -                      | \$ -                   | \$ 2,115  | \$ 692                                      | \$ -         |
| Doug Ewing, VP, Projects                        | \$ 1,061                  | \$ -             | \$ -                      | \$ -                   | \$ 668  | \$ 393                                      | \$ -         |
| Mark Liedemann, VP, Projects                    | \$ 6,404                  | \$ -             | \$ -                      | \$ -                   | \$ 3,284  | \$ 3,120                                    | \$ -         |
| Michael Houle, VP, Client and Market Engagement | \$ 5,809                  | \$ -             | \$ -                      | \$ -                   | \$ 3,284  | \$ 2,525                                    | \$ -         |
| Amanda Farrell, President and CEO               | \$ 12,917                 | \$ -             | \$ -                      | \$ -                   | \$ 9,353  | \$ 3,563                                    | \$ -         |
|   | \$ -                      | \$ -             | \$ -                      | \$ -                   | \$ -  | \$ -  | \$ -         |
|   | \$ -                      | \$ -             | \$ -                      | \$ -                   | \$ -  | \$ -  | \$ -         |
|   | \$ -                      | \$ -             | \$ -                      | \$ -                   | \$ -  | \$ -  | \$ -         |
|   | \$ -                      | \$ -             | \$ -                      | \$ -                   | \$ -  | \$ -  | \$ -         |
|   | \$ -                      | \$ -             | \$ -                      | \$ -                   | \$ -  | \$ -  | \$ -         |
|   | \$ -                      | \$ -             | \$ -                      | \$ -                   | \$ -  | \$ -  | \$ -         |
|   | \$ -                      | \$ -             | \$ -                      | \$ -                   | \$ -  | \$ -  | \$ -         |

**Notes:**

|   |   |
|---|---|
| Susan Tinker, VP, Partnerships Services         | 2013-14 Bonus paid in 2014-15; Annual compensation = 180,610 Salary + 18,060 Holdback; All Other Compensation = Salary continuance 10/17/14 through 12/18/15 (f); Car allowance (i) and Parking allowance (j) |
| Chan-Seng Lee, VP, Finance & Administration     | Annual compensation = 169,010 Salary + 16,900 Holdback; 2013-14 Bonus paid in 2014-15; Car allowance (i) and Parking allowance (j)  |
| Sarah Clark, President and CEO                  | Car allowance (i) and Parking allowance (j); Resigned from Partnerships BC June 6/14  |
| Doug Ewing, VP, Projects                        | 2013-14 Bonus paid in 2014-15; Car allowance (i) and Parking allowance (j); Resigned from Partnerships BC April 25/14   |
| Mark Liedemann, VP, Projects                    | Salary as AVP - 96,733; Promoted to VP Projects Oct 1/14; Salary as VP - 95,978; 2013-14 Bonus (earned as AVP) paid in 2014-15; Car allowance (i) and Parking allowance (j)                                   |
| Michael Houle, VP, Client and Market Engagement | Salary as AVP - 95,111; Promoted to VP Client and Market Engagement Oct 1/14; Salary as VP - 96,013; 2013-14 Bonus (earned as AVP) paid in 2014-15; Car allowance (i) and Parking allowance (j)               |
| Amanda Farrell, President and CEO               | 2013-14 Bonus (earned as AVP) paid in 2014-15; Promoted to VP Projects Apr 14/14; Salary as VP - 43,067; Promoted to CEO Jun 7/14; Salary as CEO - 180,726; Car allowance (i) and Parking allowance (j)       |