



## BRITISH COLUMBIA FERRY SERVICES INC.

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*Coastal Ferry Act* - Executive Compensation Disclosure  
For the fiscal year ended March 31, 2018

June 19, 2018

**COASTAL FERRY ACT**  
**EXECUTIVE COMPENSATION DISCLOSURE**

**1.0 PURPOSE**

In accordance with the *Coastal Ferry Act*, as amended by the *Miscellaneous Statutes Amendment Act (No.3) - 2010* ("Bill 20") in June 2010, the compensation for three executive positions of British Columbia Ferry Services Inc. ("BC Ferries" or the "Company") – Chief Executive Officer ("CEO"), Chief Operating Officer and Chief Financial Officer - is set and administered within a total annual remuneration limit prescribed by an executive compensation plan approved by the shareholder of the Company, B.C. Ferry Authority. This document sets out the details of the remuneration provided to the individuals who held these positions in the fiscal year ended March 31, 2018 ("fiscal 2018").

**2.0 EXECUTIVE COMPENSATION PLAN**

The *Coastal Ferry Act* requires that the compensation of the individuals holding the positions of, or acting in a similar capacity or performing similar functions to, the CEO or an Executive Vice President of BC Ferries be set and administered within a remuneration limit prescribed by an executive compensation plan approved by B.C. Ferry Authority.<sup>1</sup> In fiscal 2018, the remuneration of the following executives was administered within a remuneration limit prescribed by an executive compensation plan:

Mark F. Collins	President & CEO
Corrine E. Storey	Vice President & Chief Operating Officer
M. Alana Gallagher	Vice President, Finance & Chief Financial Officer
Dennis M. Dodo	Former Vice President, Finance & Chief Financial Officer

An executive compensation plan describes the philosophy for executive compensation and the maximum remuneration that the individuals whose compensation is governed by such plan can receive in any fiscal year. The *Coastal Ferry Act* requires that the remuneration provided to the applicable executives be consistent with the remuneration that is provided to individuals who, in organizations in Canada that are of a similar size and scope to BC Ferries, perform similar services or hold similar positions, and not be greater than the remuneration that provincial public sector employers in British Columbia provide to individuals who, in those organizations, perform similar services or hold similar positions.

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<sup>1</sup> Pursuant to Bill 20, an individual who held such a position on the date Bill 20 received first reading in 2010 is excluded from the provisions of an executive compensation plan for so long as that individual remains in that executive position with BC Ferries.

In the fiscal year ended March 31, 2017, B.C. Ferry Authority approved an executive compensation plan with an effective date of September 1, 2016 (the “2017 plan”). The annual remuneration limits set out in the 2017 plan are as follows:

Chief Executive Officer	\$495,000
Chief Operating Officer	\$489,000
Chief Financial Officer	\$482,000

The 2017 plan governs the remuneration of those executives who were appointed to their current positions subsequent to September 1, 2016 – Mr. Collins, Ms. Storey and Ms. Gallagher. The plan is available for public view on B.C. Ferry Authority’s website ([www.bcferryauthority.com](http://www.bcferryauthority.com)).

The 2017 plan provides that the remuneration of an individual that was set under an executive compensation plan previously approved by B.C. Ferry Authority will continue to be governed by that original plan for so long as that individual’s remuneration remains unchanged. Mr. Dodo’s remuneration, which was set under an executive compensation plan approved by B.C. Ferry Authority in the fiscal year ended March 31, 2012 (the “2012 plan”), remained unchanged following the effective date of the 2017 plan and, accordingly, his remuneration continued to be governed by that plan for the duration of his employment.

Both the 2012 plan and the 2017 plan were developed with the assistance of an independent compensation advisor.

### **3.0 COMPENSATION DISCLOSURE**

The total remuneration provided to each of the executives in fiscal 2018 is set out below.

**Remuneration  
for the year ended March 31, 2018**

(\$)

Name and position	Salary <sup>5</sup>	Benefits and Statutory Contributions						All Other <sup>11</sup>	TOTAL
		Pension <sup>6</sup>	Benefits <sup>7</sup>	Statutory Contributions <sup>8</sup>	Vehicle Allowance <sup>9</sup>	Other <sup>10</sup>	Total		
<b>Mark F. Collins<sup>1</sup></b> President & CEO	425,000	40,914	14,975	3,582	8,211	1,719	73,172	-	494,400
<b>Corrine E. Storey<sup>2</sup></b> Vice President & Chief Operating Officer	335,454	31,258	13,778	3,582	6,365	376	55,359	-	390,813
<b>M. Alana Gallagher<sup>3</sup></b> Vice President, Finance & Chief Financial Officer	315,650	30,108	13,477	3,582	9,315	3,368	59,849	-	375,500
<b>Dennis M. Dodo<sup>4</sup></b> Vice President, Finance & Chief Financial Officer	207,923	22,726	12,491	2,378	3,921	1,655	43,172	519,616	770,711

Notes:

1. Mr. Collins served as President and CEO for the period April 1, 2017 to March 31, 2018.
2. Ms. Storey served as Vice President & Chief Operating Officer for the period October 16, 2017 to March 31, 2018, and prior to that time as Vice President, Customer Care.
3. Ms. Gallagher served as Vice President, Finance & Chief Financial Officer for the period July 1, 2017 to March 31, 2018, and prior to that time as Treasurer.
4. Mr. Dodo served as Vice President, Finance & Chief Financial Officer for the period April 1, 2017 to June 23, 2017.
5. Salaries include the earned salary holdback under the salary holdback compensation plan. Under that plan, a percentage of the participant's maximum salary is held back and paid out based on the achievement of certain corporate and individual objectives and targets.

In fiscal 2018, the held back portion of annual maximum salary for Mr. Collins was 10 percent (\$43,000), for Ms. Storey it was 10 percent in her position as Vice President & Chief Operating Officer and 15 percent in her position as Vice President, Customer Care (\$41,800), for Ms. Gallagher it was 10 percent (\$31,650), and for Mr. Dodo it was 15 percent (\$14,000).

Mr. Collins, Ms. Storey and Ms. Gallagher each earned and received 100 percent of their maximum entitlements under the salary holdback compensation plan for fiscal 2018.

Mr. Dodo was not eligible for and did not receive his salary holdback in fiscal 2018. The salary shown for Mr. Dodo for fiscal 2018 is composed of the amount he received in base salary during the period

he served as Chief Financial Officer (\$73,385) and the amount he received in base salary continuance for the period following his departure from that position on June 23, 2017 until November 24, 2017 (\$134,538).

6. The pension figures shown are the amounts contributed by the Company to the Public Service Pension Plan of British Columbia, in which each of the executives have a vested and payable interest.
7. The executives each receive health and welfare benefits paid by the Company, such as medical, dental, extended health, life insurance, long term disability, workers' compensation and health spending that are available to other management and exempt employees.
8. The statutory contributions shown are the Company's contributions to the Canada Pension Plan and Employment Insurance.
9. The amounts shown include, as applicable, taxable monthly cash payments for vehicle expenses, reimbursement of fuel and vehicle insurance costs, and taxable income arising from the provision of head office parking.
10. The amount shown as other compensation is the taxable income arising from the ferry travel pass program.
11. In fiscal 2018, following his departure from the position of Vice President, Finance & Chief Financial Officer, Mr. Dodo received a mediated settlement award of \$593,000 of which \$134,538 was paid as base salary continuance (see Note 5) and \$458,462 was paid in two lump sum payments. Mr. Dodo also received a lump sum payment of \$61,154 for accrued vacation time in fiscal 2018 and vacation time banked in prior fiscal years.