



BRITISH COLUMBIA FERRY SERVICES INC.

Coastal Ferry Act - Executive Compensation Disclosure
For the fiscal year ended March 31, 2020

June 11, 2020

COASTAL FERRY ACT
EXECUTIVE COMPENSATION DISCLOSURE

1.0 PURPOSE

The *Coastal Ferry Act* (British Columbia) contemplates that B.C. Ferry Authority (“BCFA”) will approve and publish an executive compensation plan which will govern the remuneration of certain executives of British Columbia Ferry Services Inc. (“BC Ferries” or the “Company”).

This document sets out the details of the remuneration provided to the individuals who held certain executive positions with BC Ferries in the fiscal year ended March 31, 2020 (“fiscal 2020”).

2.0 EXECUTIVE COMPENSATION PLAN

An executive compensation plan describes the philosophy for executive compensation and the maximum remuneration that the executives 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.

An executive compensation plan applies to the executives¹ of the Company whose remuneration is set or changed on or after the effective date of that plan. In fiscal 2020, executives of the Company were the individuals holding the positions of, or acting in a similar capacity or performing similar functions to, the Chief Executive Officer (“CEO”), Executive Vice President (“EVP”), or Vice President of BC Ferries. Pursuant to *Miscellaneous Statutes Amendment Act (No.3) - 2010* (“Bill 20”), an individual who held the positions of, or acted in a similar capacity or performed similar functions to, the CEO or an EVP, 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 fiscal 2020, as a consequence of amendments to the *Coastal Ferry Act* effective May 16, 2019, which broadened the definition of “executive” to include Vice Presidents, a committee

¹ The *Coastal Ferry Amendment Act - 2019* broadened the definition of “executive” in the *Coastal Ferry Act* to include Vice Presidents, effective May 16, 2019.

of members of the BCFA Board of Directors and the BC Ferries Board of Directors, with the assistance of an independent compensation advisor, undertook a review of executive remuneration limits in conjunction with market data from appropriate Canadian general industry and transportation sector companies and provincial public sector employer organizations. Based on this review, a new executive compensation plan was approved by BCFA, with an effective date of September 1, 2019 (the "2020 Plan"). The annual remuneration limits set out within it are as follows:

President & Chief Executive Officer	\$611,000
Executive Vice President/Chief Officer	\$517,000
Vice President	\$415,000

Prior to May 2019, the remuneration of Vice Presidents was not required by the *Coastal Ferry Act* to be governed by an executive compensation plan and the 2020 Plan will be applicable only upon their remuneration being set or changed.

3.0 COMPENSATION DISCLOSURE

The total remuneration provided to the individuals who held certain executive positions with BC Ferries in fiscal 2020 is set out below.

Remuneration for the year ended March 31, 2020

(\$)

Name and position	Salary ⁷	Benefits and Statutory Contributions					All Other	TOTAL	
		Pension ⁸	Benefits ⁹	Statutory Contributions ¹⁰	Vehicle Allowance ¹¹	Other ¹²			
Mark F. Collins President & CEO	416,415	37,627	14,642	3,811	9,408	2,649	68,137	-	484,551
Corrine E. Storey Vice President & Chief Operating Officer	398,969	35,147	13,484	3,645	6,713	905	59,894	-	458,863
M. Alana Gallagher ¹ Former Vice President, Finance & Chief Financial Officer	356,984	31,914	8,644	3,811	9,795	3,033	57,196	-	414,180

Name and position	Salary ⁷	Benefits and Statutory Contributions						All Other	TOTAL
		Pension ⁸	Benefits ⁹	Statutory Contributions ¹⁰	Vehicle Allowance ¹¹	Other ¹²	Total		
Jamie D.W. Marshall² Vice President, Shipbuilding & Innovation (was Vice President, Business Development & Innovation)	302,968	27,069	13,687	3,811	11,225	2,489	58,281	-	361,249
Jason W. Barabash³ Vice President, General Counsel & Corporate Secretary	233,665	12,066	11,392	4,447	3,881	1,436	33,223	-	266,888
John D'Agnolo⁴ Vice President, People	233,808	12,066	9,754	4,299	3,487	997	30,604	-	264,411
Brian J. Anderson⁵ Vice President, Strategy and Community Engagement	140,529	12,066	7,536	7,666	3,969	194	31,431	-	171,960
Jill N. Sharland⁶ Vice President, Finance & Chief Financial Officer	61,875	5,171	5,014	3,855	1,620	-	15,660	-	77,535

Notes:

- Ms. Gallagher served as Vice President, Finance & Chief Financial Officer for the period April 1, 2019 to March 1, 2020.
- Mr. Marshall served as Vice President, Shipbuilding & Innovation from February 21, 2020 to March 31, 2020, and prior to that time as Vice President, Business Development & Innovation.
- Mr. Barabash served as Vice President, General Counsel & Corporate Secretary for the period from September 1, 2019 to March 31, 2020, and prior to that time as Corporate Counsel.
- Mr. D'Agnolo served as Vice President, People for the period from October 1, 2019 to March 31, 2020, and prior to that time as Director, Corporate Human Resources.
- Mr. Anderson served as Vice President, Strategy and Community Engagement for the period from September 23, 2019 to March 31, 2020.
- Ms. Sharland served as Vice President, Finance & Chief Financial Officer for the period from March 2, 2020 to March 31, 2020.

7. 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 2020, the held back portion of annual maximum salary for each of the executives was 10 percent (\$43,000 for Mr. Collins, \$39,900 for Ms. Storey, \$36,000 for Ms. Gallagher, and \$30,000 for Mr. Marshall). The pro-rated amount for each of Mr. Barabash, Mr. D'Agnolo, and Mr. Anderson was \$15,750 and for Ms. Sharland was \$9,375.

Mr. Collins, Ms. Storey, Ms. Gallagher, Mr. Marshall, Mr. Barabash, Mr. D'Agnolo, and Mr. Anderson each earned 73.2, 98.7, 84.7, 86.7, 84.7, 83.7, and 79.9 percent, respectively, of their maximum entitlement under the salary holdback compensation plan for fiscal 2020. Ms. Sharland earned 100 percent of her maximum entitlement under the salary holdback plan for fiscal 2020.
8. 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.
9. 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, which are available to other management and exempt employees.
10. The statutory contributions shown are the Company's contributions to the Canada Pension Plan and Employment Insurance.
11. 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.
12. The amount shown as other compensation is the taxable income arising from the ferry travel pass program.