

BOARD MATTERS
(2396-13)

ON A MOTION duly made,
IT WAS RESOLVED that:

it is verified that Executive compensation paid in 2012/2013 was within the approved Compensation Plan. The Compensation Disclosure Report as presented to the Board is approved.

Certificate

Certified to be a true copy of a resolution of the Board of Directors of British Columbia Railway Company, duly passed in accordance with all requisite corporate proceedings and in full force and effect, unamended.



July 19, 2013

Corporate Secretary

Date

2012/2013 BRITISH COLUMBIA RAILWAY COMPANY COMPENSATION DISCLOSURE

BACKGROUND

British Columbia Railway Company (BCRC) is a Crown corporation incorporated under the British Columbia Railway Act.

BCRC's primary mandate is to support the Pacific Gateway Transportation Strategy 2012-2020, by acquiring, holding and managing railway corridor and strategic port lands and making related infrastructure investments to provide benefits to the Province. Specifically:

- BCRC retains ownership of all former BC Rail railway lands and track infrastructure and is responsible for the management of its long-term lease with CN Rail.
- BCRC retains ownership of two strategic port terminal lands and is responsible for the management of its long-term leases with Kinder Morgan and Squamish Terminals.
- BCRC retains ownership of the Port Subdivision, the 24-mile railway line accessing the port terminals at Roberts Bank and is responsible for maintaining the track infrastructure and managing all train operations for CN, CP and BNSF to service Deltaport Terminal and Westshore Coal Terminal.
- BCRC's subsidiary, BCR Properties Ltd., is mandated to acquire and retain ownership of strategic lands which support port terminal operations, and also continues its mandated disposition of all non-railway and non-port related surplus property holdings.

On April 1, 2010, the shares of BCRC were transferred from the Province to the British Columbia Transportation Finance Authority (BCTFA), resulting in BCRC becoming a wholly-owned subsidiary of the BCTFA, under the management control of the Ministry of Transportation and Infrastructure ("MoTI"). BCRC remains a self-supporting commercial Crown corporation and retains its legal and legislative authorities, assets and agreements.

BCRC'S COMPENSATION PLAN

Established within the Public Sector Compensation Guidelines, BCRC's approved Compensation Plan (the "Plan") identifies salary ranges that take into account: annual salary progression within the pay scales, employee performance, and individual career planning objectives. The Plan is also used to address retention issues and control salary costs from year to year. BCRC uses external professional Human Resources Consultants to analyze comparative markets for benchmarking compensation, benefits, and perquisites for all employees.

The Plan is designed to meet the following key objectives:

Retain Qualified Employees

BCRC established competitive salary ranges based on market data, a competitive benefits package and positive work environment in order to retain qualified employees.

Externally Competitive

As a commercial Crown Corporation, BCRC salary ranges take into consideration the local, provincial and/or national rates of pay in both the private and public sectors. Determination of salary ranges is done through participation in annual salary surveys, analysis of prevailing market pay rates and adjustments within salary ranges as appropriate.

Internally Equitable

Positions are evaluated based on market (pay) data from salary surveys. The basis for selecting market data is position comparison, determined by comparing the duties and responsibilities of the BCRC position with the best match of the survey positions. They are matched on content, not necessarily title. Several factors are considered to establish and maintain internal pay equity among employees. These factors include applicable work experience, education, appropriate certifications, performance, and consistent application of pay policies and practices.

BCRC'S PENSION PLAN

Effective July 14, 2004, BCRC no longer offered a Pension Plan to its employees. All permanent full time employees are eligible for an RRSP with employer contributions at a level equivalent to the value of the former BC Rail Ltd. registered pension plan.

BCRC PAY PHILOSOPHY

Established within the Public Sector Compensation Guidelines, the salary ranges within the Plan for each position reflects the organization's pay philosophy. BCRC sets its competitive target market at the 50th percentile or median of the comparative market. This means that the midpoint of BCRC salary ranges approximates the median of the market. There have been no changes to BCRC's approved salary ranges since 2008.

BCRC Executive Compensation Disclosure 2012 2013.xls

Name and Principal Position (a)	Salary (\$) (b)	Benefits (\$) (c)	RRSP (\$) (d)	All Other Compensation (\$) (e) ⁽¹⁾	Previous 3 Years Totals (\$) (f)	
Kevin Steinberg, VP Finance & CFO	\$ 160,000	\$ 14,630	\$ 14,400	\$ 14,789	2010	\$ 203,819
	\$ 43,077	\$ 6,488	\$ 3,877	\$ 3,400	Jan-Mar 2011	\$ 56,842
	\$ 160,000	\$ 15,654	\$ 14,400	\$ 13,741	2011/12	\$ 203,795
	\$ 160,000	\$ 15,680	\$ 14,400	\$ 14,537	2012/13	\$ 204,617
Gordon Westlake, VP Operations & Corporate Affairs	\$ 160,890	\$ 14,647	\$ 14,480	\$ 21,680	2010	\$ 211,697
	\$ 43,317	\$ 6,494	\$ 3,899	\$ 3,600	Jan-Mar 2011	\$ 57,310
	\$ 160,890	\$ 15,672	\$ 14,480	\$ 19,921	2011/12	\$ 210,963
	\$ 160,890	\$ 15,697	\$ 14,480	\$ 18,630	2012/13	\$ 209,697

Fiscal year end for BCRC changed from December 31/2010 to March 31/2011 - Subsequent reporting is for the period April 1 to March 31

Benefits (c) includes: Statutory Deductions, WCB, Extended Health & Dental Benefits and Medical Services Plan Benefits

All other Compensation (e) includes: Car Allowance, Vehicle Operating Expenses and Vacation (unused)

⁽¹⁾ Breakdown of (e) other Compensation

		Car Allowance	Vehicle Op Exp	Vacation (unused)	All Other Compensation
Kevin Steinberg	2010	\$ 10,800	\$ 3,989	\$ -	\$ 14,789
	Jan-Mar 2011	\$ 2,700	\$ 700	\$ -	\$ 3,400
	2011/12	\$ 10,800	\$ 2,941	\$ -	\$ 13,741
	2012/13	\$ 10,800	\$ 3,737	\$ -	\$ 14,537
Gordon Westlake	2010	\$ 10,800	\$ 4,692	\$ 6,188	\$ 21,680
	Jan-Mar 2011	\$ 2,700	\$ 900	\$ -	\$ 3,600
	2011/12	\$ 10,800	\$ 2,933	\$ 6,188	\$ 19,921
	2012/13	\$ 10,800	\$ 4,427	\$ 3,403	\$ 18,630