

## DIRECTOR REMUNERATION AND EXPENSES

The Board is responsible for setting Director compensation.<sup>1</sup> Director remuneration falls in the following three categories:

- (a) annual retainer;
- (b) per meeting fee compensation for attending meetings and other work performed on behalf of the authority;
- (c) reimbursement for reasonable expenses incurred in connection with authorized work performed on behalf of the Authority.

The Board Chair receives an annual salary and does receive meeting fee payments for Board Meetings, but does not receive meeting fee payments for Committee Meetings, including Special Committee meetings or those of ad hoc Committees. The Board Chair is entitled to reimbursement for all reasonable expenses incurred in connection with the authorized work performed on behalf of the Authority.

### ANNUAL RETAINER

Directors receive the following annual retainers:

- (a) for the Board Chair, \$100,000;
- (b) for the Vice Chair, \$25,000;
- (c) for Director, \$15,000;
- (d) for Committee Chairs, an additional \$6,000; for all committees except the Audit Committee which will receive \$8,000 and the Human Resources & Compensation Committee which will receive \$7,000.

The retainer is for such responsibilities as reviewing Board and Committee materials and participating in an annual performance review. The Committee Chair retainer includes meetings with executive regarding committee related issues.

### MEETING FEE PAYMENTS

In addition to the annual retainer, all Directors are entitled to the following meeting fee payments:

- (a) \$1,250 for attendance at regular Board meetings, whether in person or by teleconference;
- (b) \$750 for attendance at ad hoc Board meetings and regular or ad hoc Committee meetings, whether in person or by teleconference;

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<sup>1</sup> s. 30, *Port Authorities Management Regulations*

- (c) \$500 for attendance at Board teleconferences under two hours;
- (d) \$1,000 for special work for the Authority for four or more hours in duration, and \$500 for less than four hours;
- (e) \$2,500 for the Director orientation process;
- (f) \$1,000 for out of Province travel, or any travel in excess of four hours on the Authority's business for travel occurring on a day other than a day set for a meeting;
- (g) \$1,000 Conference Fee for attendance at any conference, which the Director had the Board Chair's prior approval.

Notwithstanding the foregoing, a Director cannot earn a per diem fee of more than \$1,500 in any one day, except at the discretion of the Board Chair. When a Committee meeting is held on the same day as a Board meeting, Committee members will be entitled to an additional fee.

## **RETAINER AND MEETING FEE REVIEW**

The Board, assisted by the Governance Committee, shall review Director retainers and meeting fee payments bi-annually to ensure the level of compensation is appropriate.

## **MEETING EXPENSES**

Directors are entitled to be reimbursed for reasonable expenses incurred in connection with attending Board and Committee meetings.

## **TRAVEL EXPENSES**

Directors are entitled to be reimbursed for reasonable expenses incurred when travelling in connection with Authority business, in accordance with the following guidelines. Itemized receipts or clear imaged documents describing what was included in the travel expense must be included in the expense claim for all expenses. If an itemized receipt or clear imaged document for more than \$20 has been lost and a duplicate cannot be obtained or the receipt is not the acceptable form/format, the line item must specifically be approved by the Board Chair.

- (a) **Air**

Directors are encouraged to travel economy class whenever practical. Directors may travel executive class on journeys over three hours. When time and opportunity are available, Directors shall take advantage of price reductions related to pre-booking flights.
- (b) **Rail**

Directors may travel first class whenever appropriate, including parlour car seat and sleeping accommodation when required.
- (c) **Automobile**

The mileage/kilometre rates are equivalent to those authorized by the federal Treasury Board. The Authority updates the mileage/kilometre rates on April 1 and October 1 each year.

(d) Vehicle Rental

Vehicle rentals must be justified in terms of economy and convenience and in light of alternative forms of transportation. Receipts for vehicle rental must be attached to the travel expense claim for reimbursement. When renting a vehicle for Authority business, Directors should, wherever possible, contact the Corporate Secretary at least three business days in advance to obtain Daily Rental Vehicle Insurance. When Daily Rental Insurance is purchased, Directors are to waive the "Collision Damage" coverage for collision or liability offered by the rental car company. Vehicles must be rented in the name of the insured Director. This insurance is available only to residents of British Columbia.

In the event that a vehicle must be rented and sufficient notice cannot be provided to the Corporate Secretary, Directors should obtain insurance through the car rental company. Insurance should cover damage to the vehicle and include third party liability coverage.

(e) Taxis, Airport Bus or Airport Limousine

Full reimbursement.

(f) Accommodation

Directors may book accommodation in reasonably priced hotels/motels of their preference. Government discounts shall be requested whenever these are available. If requested, the Corporate Secretary will assist with any necessary hotel reservations and providing confirmation prior to departure. Actual hotel bills must be presented for reimbursement.

(g) Meal Allowances

Directors may claim either the meal allowance authorized by Treasury Board (in which case no receipts are required) or actual, reasonable expenses (in which case itemized receipts, original or photocopies, are required). The Authority updates the meal allowance rates on April 1 and October 1 each year.

(h) Incidentals

Incidentals are intended to cover the cost of items that can be attributed to a period in travel, but for which no other reimbursement or allowance is provided. The intention is for Directors to not be out-of-pocket for such items as gratuities (excluding gratuities on meals and taxis) and newspapers. The daily incidental allowance (without receipt) is \$17.30.

(i) Other Expenses

Directors may claim the actual cost of:

- (i) telephone calls and wireless connection fees required in connection with Authority business;
- (ii) conversion of foreign currencies purchased or sold while on business outside Canada; and
- (iii) laundry/dry-cleaning for trips in excess of two days.

## **HOSPITALITY**

Directors may be reimbursed for costs incurred while extending hospitality to others in connection with Authority business based on the following guidelines:

- (a) Directors may extend hospitality on behalf of the Authority where hospitality is considered to be essential to facilitate the conduct of Authority business;
- (b) itemized receipts and/or vouchers for the actual expenditures incurred must be attached to all claims for hospitality and must be approved in accordance with this document;
- (c) the number and names of the person(s) to whom hospitality was extended must be shown clearly on the claim, as well as the reason for the hospitality; and
- (d) in exceptional cases where hospitality is extended to a group and where it is impractical to obtain a list of names, the claim may disclose the name or nature of the group, its size, its relationship to the Authority and the purpose and nature of the hospitality, in lieu of the requirements stated in paragraph (c) above.

Expense claim forms are posted in Diligent Boardbooks or can be provided by the Corporate Secretary upon request. If an itemized receipt or clear imaged document for more than \$20 has been lost and a duplicate cannot be obtained or the receipt is not the acceptable form/format, the line item must specifically be approved by the Board Chair.

## **PAYMENT OF COMPENSATION**

Annual retainers and meeting fees are payable in accordance with the following:

- (a) annual retainers are paid monthly in arrears. No claim form is required;
- (b) meeting fees are paid monthly in arrears;
- (c) Directors are responsible for submitting a detailed account of meeting fee payments payable for each month to the Office of the Corporate Secretary. Payment will be issued accordingly, less the applicable deductions;
- (d) in accordance with instructions issued by Canada Revenue Agency, the following deductions are required:
  - (i) Canada Pension Plan - up to and including the month that age 70 is reached, unless there has been an election to claim Canada Pension entitlement on reaching age 60; and
  - (ii) Income Tax - where the total amount to be paid during the year will exceed the amount of exemptions claimed on Form TD1.