
Vestcor Compensation Philosophy Overview

Vestcor's Board of Directors has developed a Compensation Philosophy, which supports our strategy, desired organizational culture, and compensation positioning within the competitive market place.

Compensation Philosophy

- Vestcor believes that employees are key to the performance of the Corporation; as such it is committed to providing them with a positive working environment and competitive compensation.
- Vestcor's Compensation Philosophy aims to provide professional investment management and benefit administration services in order to ensure the future financial security for all of its clients.

Compensation Principles

The compensation program design focuses employees on delivering on the service targets and investment goals of our clients. The compensation program promotes a pay-for-performance culture, which focuses employee efforts on critical business/performance targets and rewards for superior performance results. More specifically:

- Vestcor's Human Resources and Compensation Committee will review, and recommend for approval to the Board, the compensation program and respective levels for the President and CEO annually.
- There is a direct correlation between the level of employee responsibility and at-risk compensation.
- Vestcor's Total Compensation Package is designed to attract, engage and retain high quality professionals by emphasizing a "team" culture that supports communication, transparency and accountability. The team culture endorses decentralized decision making and ensures employee interests align with our clients' interests and objectives.
- Vestcor Management will review the compensation program levels of all employees annually to make sure they are in line with the Compensation Philosophy.
- Vestcor's Board of Directors, or a Committee thereof, will endeavor to conduct an Independent Compensation Review on an as needed basis or at least every four (4) years.
- Vestcor operates on the general principle that base salaries will be paid at the median of the respective comparator group, while also taking into account service delivery complexity, asset size, investment strategy and internal equity.

- Vestcor's employees are subject to a pay-for-performance incentive program, which can depend on both quantitative and qualitative measures. Incentive programs will pay in the top quartile of the comparator group only when maximum performance and results are achieved for the stakeholders.
 - The Senior Management positions are compared to pension organizations of similar asset size and operational complexity.
 - The Investment Team positions are compared to pension organizations of similar asset size and investment strategies;
 - Investment employee short and long-term compensation is aligned close to the investment returns that they are responsible for.
 - The Financial Services, Pension Benefit Administration and Information Technology Team positions are compared to both Atlantic Canada organizations and other pension organizations of similar asset size and complexity