



Compensation Reporting

**Atlantic Lottery Corporation
Reporting for Fiscal Year 2018/19**

July 2019

PURPOSE

Given the Atlantic Lottery Corporation's (AL) commitment to transparency, as well as that of its shareholders, the four provincial governments, the corporation is publishing this report. This report discloses the compensation earned by its executive positions, as well as those employees with an earned base salary of \$100,000 or over, for the fiscal year (FY) ending March 31, 2019. It also includes the philosophy and design of its executive compensation program.

TOTAL COMPENSATION

AL's compensation philosophy is an integral and foundational part of AL's People Strategy, which is derived from its business strategy as a commercially competitive crown corporation.

Total Rewards Philosophy

To attract, motivate, engage, and retain a qualified and diverse workforce by creating a comprehensive Total Rewards Strategy that is aligned with the business strategy, operating principles and communicates the value of working for AL. It is designed to:

- **Motivate** excellent performance by individuals and the corporation.
- **Promote** teamwork and collaboration.
- **Reward** accountability for appropriate actions as well as timely and informed decisions.
- **Support** development of individuals and our business practices.
- **Adaptable, flexible and scalable.**
- **Encourage innovation** through measured risk taking.

Total Rewards Principles

Differentiated Based on Performance. Reward accountability and results at both corporate and individual performance levels. Financial results, as well as demonstrating AL's core values and operating principles, are measures defining performance. AL will recognize, reward and develop employees who demonstrate actions that support business process renewal/innovative practices. The relative value of performance will vary by role within the organization.

Adaptable, Flexible and Scalable. Responsive to the needs of a fast moving organization. Compensation strategy will reflect how markets value different skill sets. Programs will be designed, implemented and administered to allow for alignment with business strategy and the changing marketplace, while being fiscally responsible, to reflect the commitments made to our shareholders and the interdependency between how employee performance drives business results.

Market Competitive. The overall total rewards package (i.e., compensation, benefits, work life management, learning and development, career opportunities, and work/life management programs and policies) will be market competitive at the 50th percentile of our market comparator group. Market comparator groups for both AL executives (national market) and employees (regional market) include a composition of 75% Broader Public Sector (BPS) and 25% Commercial Industrial (CI) markets. The Red Shores comparator market includes sources within

the Atlantic Hospitality & Tourism sector; casinos within Atlantic Canada; as well as casinos within Canada.

Openness, Simplicity and Clarity. Promote an employee's total rewards package and its connection to both corporate and individual performance. AL will create simplicity and clarity in program design and communication to build employee awareness of how their behaviours and performance can influence results. To reinforce employee trust and engagement, these principles will be shared in an open and direct manner.

GOVERNANCE

The Board of Directors (Board) and the People & Culture (P&C) Committee have oversight of AL's executive compensation. The terms of reference as it pertains to total compensation are outlined below.

Board of Directors (Human Resources Management)

- Review ALC's approach to human resource management, including AL's overall compensation policies.
- Approve the performance goals for the President & CEO annually. And at least annually, review the President & CEO's performance against agreed upon annual objectives.
- Approve the President & CEO's compensation philosophy and principles, including the President & CEO's compensation, such as incentives, bonus, benefit and retirement plans.
- Approve any arrangement with the President & CEO relating to employment terms, termination, severance, change in control or any similar arrangements.
- Approve changes to the executive team structure.
- Approve executive compensation philosophy and principles, including compensation plan for the executive team (salary, incentive, benefit and pension plans) to ensure AL can attract and retain qualified candidates.
- Approve AL's performance targets in the form of a corporate balanced scorecard as part of the annual business planning process.
- Approve the People & Culture budgets (i.e., salaries & benefits budget) as part of the annual business planning process.

People & Culture Committee

President & CEO Specific

- Review and recommend for Board approval the performance goals for the President & CEO.
- Develop and recommend for Board approval, the President & CEO compensation philosophy and principles. On matters of President & CEO and executive compensation, select and retain advice from an independent consultant, legal counsel or other subject matter expert as required.

- Review and recommend for Board approval the President & CEO's compensation, including salary, incentive, benefits and retirement plans.
- Recommend for Board approval a performance evaluation process for the President & CEO and when approved, ensure the process is implemented annually.
- Lead annual and mid-year performance review process of the President & CEO.
- Review and recommend for Board approval any arrangement with the President & CEO relating to employment terms, termination, severance, change in control or any similar arrangement.

People & Culture Specific

- Works with the President & CEO to develop and recommend for Board approval executive compensation philosophy and principles.
- Approve AL's compensation philosophy and principles.
- Review and recommend for Board approval, the appropriate corporate balanced scorecard objectives, targets and ranges.
- Review and recommend for Board approval, the People & Culture budgets (i.e., salaries & benefits budget).
- Review and recommend for Board approval, changes to the executive team structure. Review with the President & CEO, the executive team's skill requirements/assessments, and the overall executive team compensation allocation according to the compensation philosophy and principles.

FORMS OF COMPENSATION FOR EXECUTIVE POSITIONS

Total compensation for executive positions includes base pay, short-term incentive, benefits, executive health allowance, pension, supplemental pension, and vehicle allowance. The summary of compensation earned during FY2018/19 for executive positions actively employed as of March 31, 2019, can be found in Table 1.

SALARY DISCLOSURE

Table 2 discloses those employees actively employed as of March 31, 2019, with an earned base salary of \$100,000 or more, during FY2018/19.

Table 1: Summary of Executive Compensation Earned¹

(For the year ending March 31, 2019)

Name	Title	Salary Earned	Short-term ² Incentive Earned	Total Benefits ³ Earned	Total Earned FY2018/19
Scrimshaw, Brent	President & CEO	296,673	40,313	48,395	385,381
Daigle, Patrick	Chief Financial Officer	250,558	34,036	46,163	330,757
Doucet, Donald	Chief Strategy & Competitive Renewal Officer	117,693	n/a	31,293	148,986
Storey, Craig	Chief Commercial Officer	108,997	n/a	28,895	137,892
King, Greg	VP, Finance & Corporate Services	95,540	n/a	27,480	123,020
Landry, Jean-Marc	VP, Player Experience & Innovation	113,118	8,304	27,732	149,154
Pringle-Carver, Courtney	VP, External Affairs	161,424	6,602	37,388	205,414
Root, Kristin	VP, Technology & Digitization	180,705	17,326	40,770	238,801
Stultz, Alison	VP, People & Culture	184,392	18,255	40,463	243,110

¹ This summary of compensation earned is for all executive incumbents actively employed as of March 31, 2019.

² Short-term Incentive earned is for the achievement of FY2017/18 objectives and paid in July 2018.

³ Total Benefits earned include employer contributions for Flex Benefits, Executive Health Allowance, Pension, Vehicle Allowance and Statutory Benefits (CPP/QPP, EI, WCB).

Table 2: Employees with an Earned Base Salary of \$100,000 or more (For the year ending March 31, 2019)

Employee Full Name	Position
Aucoin, Robert	Director, IT Delivery
Beaulieu, Nicole	Manager, Financial Systems and Process Optimization
Belliveau, Julien	Manager, Salesforce and Retailer Effectiveness
Bridger, Byron	Director, Planning and Strategy
Burns, Paul	Sr. Manager, Strategy and Marketing Destination
Campbell, Robert	Director, IT Operations and Support Services
Cormier, Jason	Sr. Key Account Manager
Cormier, Joey	Director, iGaming
Desroche-Gallagher, Connie	Sr. Project Manager
Ferron, Patrice	Manager, IT Operations
Fullerton, Merrill	Manager, Marketing, Instant Games
Gaudet, Solange	Director, Research and Player Insights
Grant, Scott	Regional Director, NB/PEI
Haldahalli, Ravi	Director, Architecture and Development
Harris, Tom	Regional Director, NL
Hodd, Kevin	Manager, Infrastructure Services
Leblanc, Robert	Sr. Manager, Supply Chain Management & Logistics
Lussier, Louis-Philippe	Sr. Manager, User Experience
MacKinnon, Michael	Managing Director, Destination Gaming
Meek, Scott	Regional Director, NS
Parsley, William	General Counsel
Pedersen, Anna-Maria	Manager, iLottery Operations
Pettis, Denise	Manager, Corporate Social Responsibility
Porter, Jillian	Manager, Finance Investments
Rand, Darlene	Manager, Customer Care Center
Richard, Martin	Manager, Digital MarTech Strategy
Ryan, Stephanie	Director, People and Culture
Sandalis, Michael	Manager, Innovation Execution
Sherwood, Reginald	Delivery Architect
Stokes, Robert	Director, Governance and Corporate Secretary
Sullivan, Thomas	Director, Information Management and Regulations
Vermette, Paul	Enterprise Architect
White, Chad	Director, Risk & Assurance
Wojick, Maureen	Director, Retail
Youssef, John	Director, Information Security