



Compensation Reporting

**Atlantic Lottery Corporation
Reporting for Fiscal Year 2020/21**

September 2021

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, 2021. 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 FY2020/21 for executive positions actively employed as of March 31, 2021, can be found in Table 1.

SALARY DISCLOSURE

Table 2 discloses those employees actively employed as of March 31, 2021, with an earned base salary of \$100,000 or more, during FY2020/21.

Table 1: Summary of Executive Compensation Earned¹

(For the year ending March 31, 2021)

Name	Title	Salary Earned	Short-term Incentive Earned ²	Total Benefits Earned ³	Total Earned FY2020/21
Daigle, Patrick	President & Chief Executive Officer	268,266	--	43,759	312,025
Doucet, Donald	Chief Strategy & Competitive Renewal Officer	265,931	--	43,334	309,265
Storey, Craig	Chief Commercial Officer	284,016	--	43,663	327,679
Cormier, Joey	Head of Channels	146,815	--	33,537	180,352
Kidney, Meredith	Head of Lottery	115,633	--	31,379	147,012
Lordon, Brian	Head of Digital	188,897	--	40,392	229,289
MacKinnon, Michael	Head of Gaming	160,955	--	35,568	196,523
Pringle-Carver, Courtney	Head of Brand & Communications	178,503	--	39,391	217,894
Stultz, Alison	Head of People & Culture	190,408	--	38,982	229,390
Sullivan, Thomas	Head of Risk & Assurance	148,132	--	21,958	170,090
Wojick, Maureen	Head of Living Lab	125,010	--	31,954	156,964
Young, Suzanne *	Head of Finance & Supply Chain	83,311	--	23,995	107,306

¹ This summary of compensation earned is for all executive incumbents actively employed as of March 31, 2021. The amounts represent 12 months of compensation earned by these employees, except for those executives hired externally during the year (noted by *) whose compensation earned is as of their start date.

² Short-term Incentive was not paid out in FY2020/21 for the achievement of its FY2019/20 objectives as the corporation did not meet the short-term incentive program payout threshold due to the impacts of COVID-19 on its operations.

³ Total Benefits earned includes 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, 2021)

Employee Full Name	Position
Aucoin, Robert	Head of Architecture and Delivery
Beaulieu, Nicole	Manager, Finance Systems
Belliveau, Julien	Living Lab Lead
Blackman, Lorraine	Manager, Analyst and Quality
Calvert, Megan	Head of Development and Operations
Chiasson, Paul	Manager, Supply Chain Management
Cooling, Derek	Head of Service
Cormier, Jason	Sales Operations Manager
Cowan, Scott	Manager, Gaming
DesRoche-Gallagher, Connie	Manager
Eagles, Scott	Manager, Sports Betting
England, Troy	Manager, Delivery and Performance
Fullerton, Merrill	Manager, eCommerce Growth
Gaudet, Solange	Head of Insights and Analytics
Grant, Scott	Head of Region
Harris, Tom	Head of Region
Hodd, Kevin	Manager, Infrastructure and Operations
Keddy, Bruce	Project Manager Lead
Lalonde, Robert	Manager, iGaming
Lussier, Louis-Philippe	Head of Web and Mobile Apps
MacKenzie, David	General Manager
McCluskey, David	Manager, Architecture
Meek, Scott	Head of Region
Merritt, Jay	Manager, Risk Management and Investigations
Millar, Stacy	Senior Manager
Parsley, William	General Counsel
Pedersen, Anna-Maria	Manager, Digital Operations
Rand, Darlene	Manager, Customer Care
Richard, Martin	Manager, Channel Strategy
Roberts, Leonard	Manager, Digital Marketing
Ryan, Stephanie	Head of Social Responsibility and Learning
Salisko, Richard	Senior Information Security Specialist
Sandalis, Michael	Living Lab Lead
Sherwood, Reginald	Architect
St Amand, Eric	Manager, Gaming Strategy
Stacey, Cory	Manager, Development Services
Steeves, Jason	Manager, Integration Services
Sullivan, Allan	Head of Public Affairs
Youssef, John	Head of Information Security