

VANCOUVER FRASER PORT AUTHORITY

EXECUTIVE COMPENSATION

Supplement to the Annual Report

A. Compensation

1. Base Salary

In order to attract, motivate and retain qualified employees, the Vancouver Fraser Port Authority targets its salaries and indirect compensation to be at the 60th percentile relative to the compensation paid by comparison organizations. A compensation review for benchmarked positions is undertaken every 3 – 5 years to ensure that our salary ranges retain their competitive position in the relevant market place.

2. Annual Incentive Plan

The Vancouver Fraser Port Authority provides an opportunity for employees to supplement their base salary by participating in VFPA's incentive compensation plan. An employees' average total compensation may increase beyond the 60th percentile and up to a maximum of the 75th percentile of the total compensation paid by competitors if performance exceeds the financial and operational targets. Incentive awards are determined by a combination of corporate financial performance and individual performance measured against pre-approved objectives consistent with the Corporate Business plan, which is approved annually by the Board of Directors. VFPA's annual net income is the criteria used to measure corporate performance. Individual performance is based on an assessment of achievements in key personal competencies and key result areas established at the beginning of each year.

3. Other Annual Compensation

Executives are entitled to additional benefits such as Financial Planning, a Health Spending Account and Fitness and Health Club Memberships. They are also entitled to automobile benefits including coverage for insurance, license fees and Air Care; and operating and maintenance costs up to an established annual maximum.

4. Summary Compensation Table as of December 31, 2009

Name & Principal Position	Year	Base Salary	Annual Incentive Plan ¹	Other Annual Compensation
Gordon Houston ²	2009	\$ 90,000		\$ 8,760
President & CEO	2008	\$ 315,000	\$ 189,000	\$ 20,433
Robin Silvester ³	2009	\$ 233,750	\$ 130,000	\$ 23,710
President & CEO				
Chris Badger	2009	\$ 233,000	\$ 116,917	\$ 19,678
Chief Operating Officer	2008	\$ 215,000	\$ 107,500	\$ 21,162
Allan Baydala	2009	\$ 195,000	\$ 62,560	\$ 22,710
Chief Financial Officer	2008	\$ 175,000	\$ 56,000	\$ 22,900
Tom Corsie	2009	\$ 158,000	\$ 44,315	\$ 18,267
Vice President, Real Estate	2008	\$ 145,000	\$ 42,000	\$ 21,500
Peter Xotta	2009	\$ 163,000	\$ 45,873	\$ 20,950
Vice President, Planning & Development	2008	\$ 150,000	\$ 42,000	\$ 18,714

- 1 Dollar value of all amounts paid in recognition of performance in the fiscal year specified, but paid the following fiscal year.
- 2 Mr. Houston retired from the Vancouver Fraser Port Authority, effective March 31, 2009.
- 3 Mr. Silvester's employment with the Vancouver Fraser Port Authority commenced March 16, 2009.

B. Pension Plans

The Vancouver Fraser Port Authority provides pension plans, as follows:

1. Defined Benefit Pension Plans

Employees hired by the Vancouver Port Authority (VPA) on or before December 31, 2007 are members of the VPA Defined Benefit Pension Plan. Membership in the Basic Pension Plan is restricted to employees employed by VPA on March 1, 1999. Employees' contributions are 4.0% of pensionable earnings, which is not in excess of the Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan; plus 7.5% of pensionable earnings, which is in excess of the YMPE. The amount of an employee's pension is based on 2% of the average of the best five years of pensionable earnings (salary and bonus) multiplied by credited years of service up to a maximum of 35 years. The annual pension payable is indexed based on increases in the Consumer Price Index.

Employees hired by the North Fraser Port Authority (NFPA) on or before December 31, 2007 are members of the NFPA Defined Benefit Pension Plan. Employees' contributions are 5.0% of pensionable earnings. The amount of an employee's pension is based on 2% of the average of the best five years of pensionable earnings (salary only) multiplied by credited years of service up to a maximum of 35 years.

VFPA also provides a Supplemental Pension Plan to defined benefit plan members. The Supplemental Pension Plan provides pension benefits in excess of the maximum permitted under current tax rules that apply to the Basic Pension Plans.

The normal retirement age under the Basic Pension Plans and the Supplemental Pension Plan is 65. Members are eligible to retire with an unreduced pension when they have attained age 60 and completed at least two years of membership service or attained age 55 and have at least 30 years of membership service.

Name of Executive Officer	Employer Contribution		Accrued Obligation at Dec. 31, 2009	Years of Credited Service at Dec. 31, 2009	Projected Annual Benefit Payable at age 65
	Year	Amount			
Gordon Houston	2009	\$ 73,891	\$ 3,106,000	21	\$ 185,000
	2008	\$ 162,179			
Chris Badger	2009	\$ 94,117	\$ 1,373,000	17	\$ 200,000
	2008	\$ 90,373			
Allan Baydala	2009	\$ 25,088	\$ 102,000	4	\$ 54,000
	2008	\$ 23,565			
Peter Xotta	2009	\$ 51,338	\$ 914,000	22	\$ 143,000
	2008	\$ 41,955			

2. Group Registered Retirement Savings Plan (RRSP) and Defined Contribution Pension Plan (DC RPP)

Employees hired by the VFPA after December 31, 2007, are members of the VFPA Group Registered Retirement Savings Plan. Employees' contributions are from 1% to 7% of annual earnings (salary and bonus), with VFPA making a matching contribution equal to the total required contributions of the employee.

Employees hired by the Fraser River Port Authority (FRPA) on or before December 31, 2007 are members of the FRPA Defined Contribution Pension Plan. Employees' contributions are from 5% to 7% of annual earnings (salary and bonus), with VFPA making a matching contribution equal to the total required contributions of the employee.

VFPA also provides a Supplemental Non-Registered Savings Plan for employees who are not members of the defined benefit plans, and are affected by the registered retirement savings plan contribution limit. Employees' contributions to the plan and those of VFPA represent those contributions made according to the provisions of the savings plan that are in excess of the maximum amounts allowable as a deduction under the Income Tax Act. VFPA contributes an amount equal to \$3 for every \$7 combined employee and employer contributions.

Name of Executive Officer	Year	RRSP Employer Contribution	DC RPP Employer Contribution
Robin Silvester	2009	\$ 21,388	
Tom Corsie	2009		\$ 11,000
	2008		\$ 10,258

C. Directors Compensation

1. Compensation Outline

The directors of Vancouver Fraser Port Authority are entitled to receive an annual fee for acting as a director on the Board and as a Chair for each committee served, plus a fee for each Board and committee meeting attended. The fees are outlined in the table below. In addition, directors are reimbursed for travel and other expenses incurred for attendance at Board, committee meetings, and other approved activities on behalf of the Board.

Regular Board service	
Annual Chair retainer	\$ 100,000
Annual Vice Chair retainer	\$ 22,000
Annual Member retainer	\$ 15,000
Meeting fee	\$ 1,000
Committee service	
Annual Audit Chair retainer	\$ 7,000
Annual Chair retainer	\$ 5,000
Meeting fee	\$ 500

2. Summary Compensation Table as of December 31, 2009

Director	Board Chair & Vice Chair Retainer	Board Member Retainer	Board & Committee Meeting Fees	Committee Chair Retainer	Special Meetings	Total Compensation
Sarah Morgan-Silvester, Chair	\$100,000					\$ 100,000
John Willcox, Vice Chair	\$ 22,000		\$ 14,000	\$ 7,000	\$17,500	\$ 60,500
Anne Bancroft-Jones		\$15,000	\$ 16,000		\$16,500	\$ 47,500
Doug Butterworth ¹		\$15,000	\$ 13,000	\$ 1,667	\$12,000	\$ 41,667
Robert Carwell		\$11,250	\$ 14,500		\$18,000	\$ 43,750
Trevor Klassen ²		\$ 3,750	\$ 6,000		\$ 4,500	\$ 14,250
Pat Jacobsen		\$15,000	\$ 14,000	\$ 833	\$16,500	\$ 46,333
Andrew Johnston		\$15,000	\$ 14,500		\$22,500	\$ 52,000
Thomas Longworth ³		\$ 3,000	\$ 3,500		\$ 4,000	\$ 10,500
Jack Matthews		\$15,000	\$ 12,000	\$ 1,667	\$10,000	\$ 38,667
Craig Neeser ⁴		\$ 3,000	\$ 3,500	\$ 417	\$ 4,500	\$ 11,417
Helen Sparkes		\$15,000	\$ 17,500	\$ 833	\$19,000	\$ 52,333
Richard Turner		\$ 6,750	\$ 5,500		\$ 1,500	\$ 13,750
Robert Wilds		\$15,000	\$ 16,000	\$ 5,000	\$18,500	\$ 54,500

- 1 Mr. Butterworth's appointment ended August 29, 2009.
- 2 Mr. Klassen's appointment ended February 28, 2009.
- 3 Mr. Longworth's appointment commenced September 9, 2009.
- 4 Mr. Neeser's appointment commenced August 30, 2009.