
NBIMC Compensation Philosophy Overview

NBIMC's Board of Directors, with the assistance of expert governance advisors, developed a Compensation Philosophy, which supports NBIMC's strategy, desired organizational culture, and compensation positioning within the competitive market place.

NBIMC's Compensation Philosophy

- NBIMC 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.
- NBIMC's Compensation Philosophy aims to keep the pension promise in order to ensure the future financial security for all of its stakeholders.

Compensation Principles

The compensation program design focuses employees on delivering NBIMC's pension promise. 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;

- NBIMC's Human Resources 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 seniority and at risk compensation. The more senior the position within NBIMC, the greater the portion of "at-risk" compensation.
- NBIMC'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 pensioners and stakeholders interests and objectives.
- NBIMC Management will review the compensation program levels of all employees annually to make sure they are in line with the Compensation Philosophy.
- NBIMC operates on the general principle that base salaries will be paid at the median of the respective comparator group, while also taking into account the pension funds asset size, investment strategy and internal equity.

- The Finance and Administration team positions are compared to both Atlantic Canada organizations and pension funds of similar asset size and complexity.
- NBIMC's Investment Teams are subject to a pay-for-performance incentive program, which measures 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 funds of similar asset size and investment strategies.
 - The Investment Team positions are compared to pension funds 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.