

IN BRIEF:

- **This policy applies to:** *All Directors of VIA Rail Canada Inc. (hereinafter “VIA Rail”).*
- **Under the authority of:** *Corporate Secretariat*
- **Summary:** *This policy provides guidelines for the remuneration of Directors, including per annum and daily fees, and the reimbursement of reasonable expenses incurred by Directors in the execution of their functions.*
- **In place since:** *2012/11/18*
- **Revised on:** *2024/08/22*

GUIDING PRINCIPLE

Directors’ compensation (annual retainer and per diem ranges) is established by the Privy Council Office. Directors are entitled to be reimbursed for reasonable out of pocket expenses incurred while in the execution of their functions of Directors of VIA Rail.

SCOPE / APPLICATION

DIRECTORS ARE REMUNERATED AS FOLLOWS:

- (a) An annual retainer of \$6,200, payable monthly;
- (b) An additional annual retainer of \$6,200 for Committee Chairpersons, payable monthly;
- (c) A daily fee (1 fee per 24 hours calendar day) of \$485 payable for:
 - Meeting attendance (Board and Committees);
 - Travelling time if greater than 3 hours between meeting place and normal place of residence;
 - Special executive, analytical or representational responsibilities explicitly designated by the Chairperson of the Board of Directors, the Chairperson of the

Committee or the Chief Executive Officer (“Special Assignment”) (e.g. meetings with suppliers, speaking on behalf of VIA Rail in a conference, representation of VIA Rail during special events, representation of VIA Rail before governmental bodies, political office holders or government officials); and

- Preparation time for Board and Committee meetings and strategic planning sessions, for meetings of more than 3 hours. Preparation includes the review of documentation provided in advance of meetings and potential consultation of fellow Directors and/or management before such meetings.
- Preparation time for Special Board meetings or ad hoc strategic planning sessions, for meetings of 3 hours or less, if the documentation that is provided in advance by management is not issued at least 5 days before such meetings, or that the documentation does not provide reasonable and sufficient time in advance for Directors to otherwise properly exert their Duty of care, should the analytical responsibilities associated to such meetings be explicitly designated as such by the Chairperson of the Board of Directors or the Chief Executive Officer.

(d) An additional daily fee of \$485 payable for:

- Preparation time for Board and Committee meetings, for the Quarterly Board and Committee meetings. Preparation includes the review of documentation provided in advance of meetings and potential consultation of fellow Directors and/or management before such meetings.

These amounts are deposited directly into the directors' bank accounts, as applicable.

REIMBURSEMENT OF EXPENSES INCURRED TO ATTEND BOARD AND COMMITTEE MEETINGS, OR SPECIAL ASSIGNMENTS:

- (a) Directors will be reimbursed for all reasonable out of pocket expenses incurred to attend Board of Directors and Committee meetings or attend to Special Assignments. Here are examples of reasonable out of pocket expenses:
- Transportation fees:
 - Train: VIA Rail’s services should be used to the fullest extent possible by Directors while traveling on corporate business on behalf of VIA Rail; and
 - Air Travel: Directors may fly business class, except in the Montreal-Ottawa-Toronto (M-O-T) triangle unless such travel in business class in the M-O-T is approved by the Chairperson of the Board of Directors.

Whenever possible, the services of Canadian owned airlines are to be used.

- Lodging¹;
- Taxis;
- Reasonable meals;
- Parking; and
- Long-distance call fees.

Note: In all cases, Directors will use available government or group discounts, early booking rates and other promotional fares or rates with a view to minimize expenses.

Directors will **not** be reimbursed, in whole or in part, for the following:

- Personal expenses (e.g. in-room entertainment, cleaning, laundry, photocopies, cell phone use, except under special circumstances);
 - Alcoholic beverage expenses in absence of third parties; and
 - Transportation and telecommunication expenses exceeding usual expenses incurred when travelling or calling from normal place of work or residence (e.g. airfares or long-distance calls from United States, Europe, etc.), unless Director's physical presence or phone participation is required by VIA Rail.
- (b) Directors must submit their expense account supported by original receipts to the Corporate Secretary at their earliest convenience following each meeting or Special Assignment;
- (c) Reimbursements will be mailed directly or, upon request, deposited directly into the bank account; and
- (d) If a Director incurs authorized expenses in advance (e.g. plane tickets), he / she will be reimbursed for any out-of-pocket expenses resulting from any required cancellations or changes (e.g. non-reimbursable portion of tickets or unused credits).

WHERE TO SEEK CLARIFICATION

Should the Directors wish to discuss this policy, please contact the Chairperson of the Board of Directors or the Corporate Secretary.