

Performance Management (PM) and Annual Incentive Plan (AIP):

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Lead Role:	GM	Replaces:	N/A
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Policy Statement

As an organization, BMS is committed to the delivery of outstanding services that delight our customers. Accordingly, BMS encourages and supports a pay-for-performance program that aligns employees with the BMS Strategic Plan, supports the development of employees and creates an engaging work environment.

Accordingly, BMS is committed to providing a Performance Management (PM) program, which includes an Annual Incentive Plan (AIP), which functions as a reward tool for attracting, motivating and retaining a performance-driven workforce that is the envy of our industry, and is symbolic of BMS being considered an employer of choice.

Guidelines

BMS acknowledges the following guidelines as integral to support this policy:

1. Have a performance management process (includes both PM and AIP) that is meaningful and user friendly
2. Ensure the performance review process is meaningful and efficient
3. Develop and document objectives that are core to individuals roles and responsibilities
4. Provide forms that are straightforward and easy to complete; with tools that are concise
5. Support sharing of goals across teams, and the organization, in order to provide visibility and build awareness

The organization's leadership will provide understanding that the framework is part of an annual cycle that will align the salary increase and bonus payout processes. The annual cycle will align all employees around the fiscal year of the organization. The two major components of the review process include:

1. Goals and results – uses the AIP Scorecards and included Financial, Process, HSE and Individual rating parameters
2. Competencies – 6 major competencies that are reviewed in the Performance Management reviews

This policy is intended to apply to all Regular (full and part-time) Employees of BMS who have completed their probationary period.

AIP Governance Rules Summary:

1. For ensuring BMS' financial health in current operations and future investment, a key financial threshold is required. Key financial thresholds will be between 85% - 125% of target metric.
2. When the key financial threshold is not met, the Board has the right to evaluate the situation and the ability to determine if the payout for other performance categories should be made in full or in reduced portion. The Board's discretion will consider all relevant external and internal factors during the decision-making process.
3. Under exceptional situations, the Board will have the overall discretionary right to adjust the aggregate AIP payout, either positively or negatively, after full financial and relevant performance information is made available.
4. Should the Personal Performance Rating (including Behavior) within the Performance Management (PM) Process does not meet the minimum requirement, Management will reserve the right to cancel or otherwise reduce the AIP payout.
5. An employee receiving 2 disciplinary actions during the AIP period automatically disqualifies the person from AIP payout.
6. An employee directly involved, whether willfully or otherwise, in an incident causing property damage of \$10,000.00 or more may not be entitled to AIP payout during the year.
7. An employee going on prolonged sick leave (continuously 10 working days per occurrence) or disability will receive AIP payout on a pro-rated basis.
8. New employees will be eligible to participate in the AIP program on a pro-rated basis based on performance
9. An employee who is under a PIP (Performance Improvement Plan) at any time during the year will receive AIP payout on a pro-rated basis to exclude the time the employee is under PIP.

Roles and Responsibilities

Performance Management:

Leadership Team (Refer to Organizational Chart)

1. Champion, oversee the process and be the role model
2. Ensure that the weighting of performance management competencies and metrics are fair across the organization
3. Read completed reviews to verify that they are complete, constructive and appropriate
4. Coach supervisors to increase the overall quality and their skills
5. Hold supervisors accountable to complete constructive reviews
6. Address critical performance issues and address deficiencies

Supervisors (Refer to Organizational Chart)

1. Ensure overall review is fair, balanced, complete and accurate
2. Ensure objectives are aligned with department and BMS
3. Complete the review on time
4. Conduct an effective and collaborative performance meeting with the employee and listen to feedback from employee
5. Sign off on the finalized review to ensure the process has been completed and that the supervisor stands behind the contents of the review documents
6. Develop an action plan and support the employee

Employees

1. Work with Supervisor to draft and review objectives
2. Actively participate in the review meeting
3. Work with supervisor to finalize, review and then sign the finalized review as an acknowledgment of the receipt of the review
4. Act on the action plan

Human Resources

1. Coordinate with supervisors to ensure the review timelines are met
2. Assist and coach supervisors throughout the process as needed
3. Ensure final copies are signed off and filed appropriately
4. Collate the reviews and coordinate the corresponding merit increases, in accordance with employee pay grids approved per the annual Business plan

Annual Incentive Plans:

Leadership Team (Refer to Organizational Chart)

1. Set the corporate metrics and ensure performance weightings are approved by the Board
2. Along with Supervisors develop the other performance measures that align with BMS strategy

Supervisors (Refer to Organizational Chart)

1. Deliver and discuss target metrics with employees
2. Review metrics throughout the year to ensure employees are on track
3. Address issues and deficiencies

Employees

1. Actively participate in setting individual metrics
2. Track personal progress
3. Check in with supervisors regarding progress, address any issues

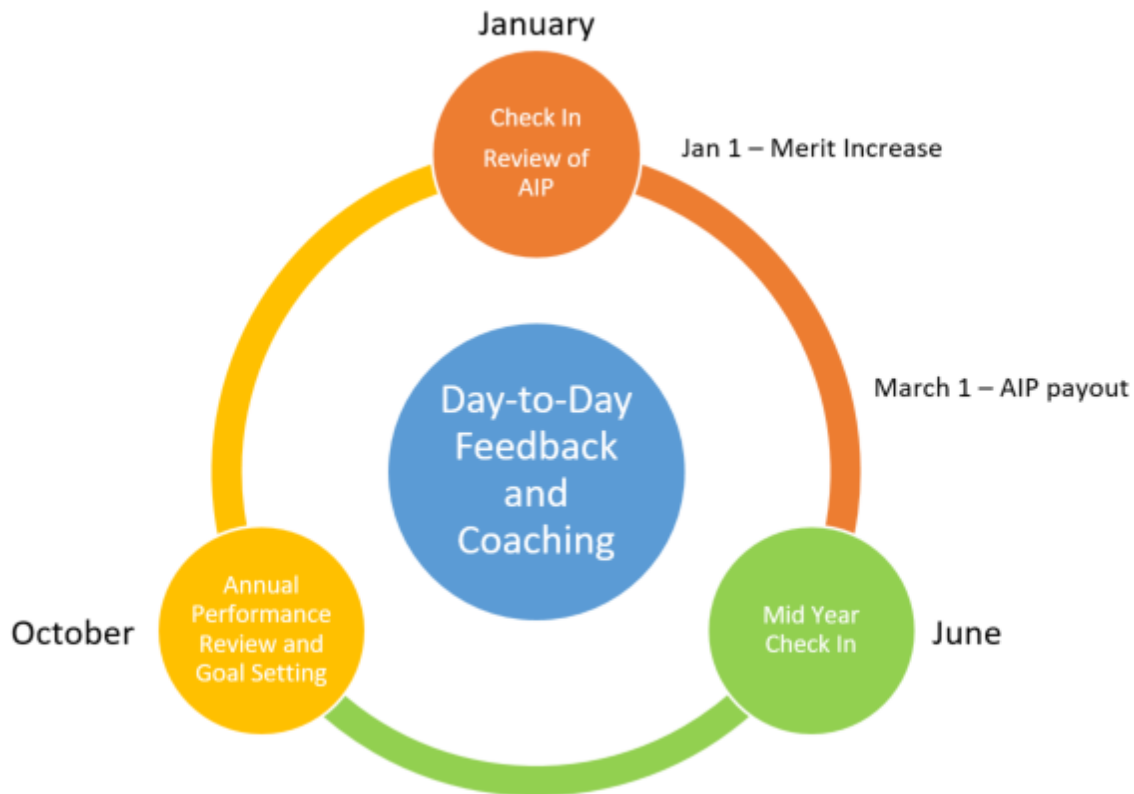
Human Resources

1. Ensure corporate metrics are confirmed and communicated to Supervisors
2. Assist and coach supervisors throughout the process
3. Finalize the scorecards at year end (with supervisor input) then coordinate the corresponding AIP bonus payments.

Procedures

Timelines

1. January/February – check in on performance goals, evaluate previous year AIP metrics (including employee sign off), Board approve AIP payout (March 1 payout deadline)
 2. June – Mid-year check-in on performance/training goals and update on AIP metric measurements
 3. October – employee annual review and performance/training goal setting for next 12 months, salary increase discussions/recommendations based on employee annual review
 4. January 1st – salary increase (pay grid) take effect
- Year-round – ongoing feedback



Related Policies and Forms

1. The implantation of this policy will be through the General Manager.
2. Related policies:
 - Employee Handbook
 - HUM-003 Staff Learning Development and Growth
 - HUM-005 Staff Suspension Termination Re-assignment and Demotion
 - BRD-005 Strategic Planning and Business Planning
 - BRD-019 Approval of Organizational Changes and Position Roles.
3. Forms:
 - Appendix A-1: Performance Management Form – Annual*
 - Appendix A-2: Performance Management Form – Check In*
 - Appendix B: PM Core Competencies*
 - Appendix C: AIP Weighting Matrix*
 - Appendix D: AIP Scorecard template*