

16 May 2019

Christine Zacharuk, President & CEO  
Public Sector Employers' Counsel Secretariat  
PO Box 9400 STN PROV GOVT  
Victoria, British Columbia V8W 9V1

Dear Ms. Zacharuk

**Re: Statement of Executive Compensation – BC Oil and Gas Commission**

The attached Statement of Executive Compensation has been reviewed and approved by the Board of Directors.

This correspondence is to confirm that the compensation provided to the Commission's Executive, as disclosed in the attached report, is accurate and within the Commission's approved compensation plan.

Yours sincerely,



Dave Nikolejsin  
Board Chair

## **STATEMENT OF EXECUTIVE COMPENSATION 2018/19**

### **Excluded Compensation Philosophy**

#### **Objectives**

The Commission's Excluded Compensation (ECP) has been updated to reflect the changes outlined in the *B.C. Public Sector Employers' Guide to Accountable Compensation* which came into effect 1 September 2018. The Commission's ECP meets the direction provided by PSEC while ensuring the organization is well placed to attract, recruit and retain the necessary talent pool to meet its corporate strategy and goals.

With Board and Executive oversight and approval, the ECP ensures alignment in a manner consistent with the broader public sector to strengthen accountability and promote cost control. The ECP demonstrates alignment with other broader public sector compensation plans demonstrating greater rigor and consistency by following key Government recommendations. The Commission's ECP must align with the mandate of the province, through the Public Sector Employers' Council Secretariat (PSEC).

The Commission's approved excluded compensation plan supports and adheres to the following four core operating principles:

#### **Excluded Compensation Philosophy Core Principles**

##### **Performance**

- Ensure corporate mandate of regulatory compliance is achieved
- Ensure fairness to the employer who recruits and retains required staff to achieve mandate
- Align employees with the Commission's strategic objectives by ensuring that annual, merit-based increases reflect individual, divisional, and organizational performance
- Implement fair, transparent and consistent annual merit-based performance management practices

##### **Differentiation**

- Ensure fair, equitable, flexible, and competitive merit-based compensation is applied
- Recognize special individual and team accomplishments
- Balance internal equity with external competitiveness
- Ensure financial sustainability by being fair to the employee who performs the job

##### **Accountability**

- Ensure Board of Director's governance for the CEO compensation is consistent with Government mandate
- Establish market appropriate benchmark comparisons to determine most appropriate compensation to support the recruitment and retention of talented leadership
- Apply role assignment and classification consistent with the BC Oil and Gas Commission's Management Classification and Compensation Framework (MCCF)

### **Transparency**

- Communicate and publish the excluded compensation philosophy and all updates internally as well as externally as mandated by legislation
- Develop and utilize fair, just, consistent, and easy to implement staffing practices
- Report to PSEC the terms and conditions of employment for employees who have a base salary over \$125K
- Report publically as requested and in accordance with the Financial Information Act (FIA) all employees who earn a base salary over \$75K.

**Oil and Gas Commission**

**Summary Compensation Table at 2019**

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2018/2019 Total Compensation	Previous Two Years Totals Total Compensation	
							2017/2018	2016/2017
Paul W Jeakins, Commissioner, Chief Executive Officer	\$ 205,888	-	\$ 5,212	\$ 20,280	\$ 1,305	\$ 232,685	\$ 229,953	\$ 226,622
Len Dawes, Executive Vice President, Chief Financial Officer	\$ 180,970	-	\$ 6,408	\$ 17,825	-	\$ 205,203	\$ 197,923	\$ 140,888
Mayka Kennedy, Executive Vice President, Chief Engineer	\$ 180,970	-	\$ 6,315	\$ 17,825	\$ 4,615	\$ 209,725	\$ 206,097	\$ 190,135
Kenneth F Paulson, Executive Vice President, Chief Operating Officer	\$ 180,970	-	\$ 5,878	\$ 17,825	\$ 1,305	\$ 205,978	\$ 200,656	\$ 197,711
Ines C Piccinino, Executive Vice President, Legal & Regulatory Affairs	\$ 58,438	-	\$ 5,726	\$ 5,756	-	\$ 69,920		
Trevor P Swan, Executive Vice President, Chief Legal & Regulatory Officer	\$ 117,238	-	\$ 1,773	\$ 11,548	\$ 753	\$ 131,312	\$ 204,476	\$ 193,443



**Notes**

Paul W Jeakins, Commissioner, Chief Executive Officer	<b>Other Note:</b> Employer Paid Parking
Len Dawes, Executive Vice President, Chief Financial Officer	
Mayka Kennedy, Executive Vice President, Chief Engineer	
Kenneth F Paulson, Executive Vice President, Chief Operating Officer	<b>Other Note:</b> Employer Paid Parking
Ines C Piccinino, Executive Vice President, Legal & Regulatory Affairs	
Trevor P Swan, Executive Vice President, Chief Legal & Regulatory Officer	<b>General Note:</b> Trevor's benefits are lower due to reaching max of CPP and EI contributions in 2018 (2017/2018 reporting) and not employed with BCOGC in 2019. <b>Other Note:</b> Employer Paid Parking