

May 21, 2020

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 2019/20

Excluded Compensation Philosophy

Objectives

The Commission's Excluded Compensation Plan (ECP) is aligned with 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 2020

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2019/2020 Total Compensation	Previous Two Years Totals Total Compensation	
							2018/2019	2017/2018
Paul W Jeakins, Commissioner, Chief Executive Officer	\$ 210,158	-	\$ 9,667	\$ 20,701	\$ 1,582	\$ 242,108	\$ 232,685	\$ 229,953
Len Dawes, Executive Vice President, Chief Financial Officer	\$ 186,240	-	\$ 9,787	\$ 18,345	-	\$ 214,372	\$ 205,203	\$ 197,923
Mayka Kennedy, Executive Vice President, Chief Engineer	\$ 186,240	-	\$ 9,478	\$ 18,345	\$ 5,904	\$ 219,967	\$ 209,725	\$ 206,097
Kenneth F Paulson, Executive Vice President, Chief Operating Officer	\$ 186,240	-	\$ 8,734	\$ 18,345	\$ 2,444	\$ 215,763	\$ 205,978	\$ 200,656
Ines C Piccinino, Executive Vice President, Legal & Regulatory Affairs	\$ 181,673	-	\$ 9,629	\$ 17,895	-	\$ 209,197	\$ 69,920	

Notes

Paul W Jeakins, Commissioner, Chief Executive Officer	General Note: Statutory and Health Benefits' show increase over previous years due to a reporting error. Benefits premiums missing from the 2018/19 disclosure amount to approximately \$214/month per executive Other Note: Employer paid parking for 9 months. Employee no longer required as of Jan 2020
Len Dawes, Executive Vice President, Chief Financial Officer	General Note: Statutory and Health Benefits' show increase over previous years due to a reporting error. Benefits premiums missing from the 2018/19 disclosure amount to approximately \$214/month per executive
Mayka Kennedy, Executive Vice President, Chief Engineer	General Note: Statutory and Health Benefits' show increase over previous years due to a reporting error. Benefits premiums missing from the 2018/19 disclosure amount to approximately \$214/month per executive
Kenneth F Paulson, Executive Vice President, Chief Operating Officer	General Note: Statutory and Health Benefits' show increase over previous years due to a reporting error. Benefits premiums missing from the 2018/19 disclosure amount to approximately \$214/month per executive Other Note: Employer paid parking \$1,444 and \$1,000 10 yr long service award (received as gift card)
Ines C Piccinino, Executive Vice President, Legal & Regulatory Affairs	General Note: Statutory and Health Benefits' show increase over previous years due to a reporting error. Benefits premiums missing from the 2018/19 disclosure amount to approximately \$214/month per executive