



May 19, 2021

John Davison, President & CEO
Chief Executive Officer & President
Public Sector Employers' Council Secretariat
2nd Floor, 880 Douglas Street
Victoria, BC V8W 2B7

Dear Mr. Davison,

On behalf of the Board of Directors of BC Financial Services Authority ("BCFSA"), I confirm the BCFSA's Compensation Philosophy and the amounts paid to BCFSA's highest paid employees in the fiscal year 2020/2021 included with this letter. This represents the period from April 1, 2020 to March 31, 2021.

The disclosed information is accurate and includes all compensation paid by the employer. This also includes the value of any pre- or post-employment payments made during the 12-month period before or after the term of employment. The compensation provided is in accordance with the compensation plan approved for BCFSA and complies with the Executive Compensation Disclosure guidelines issued by Public Sector Employers' Council Secretariat.

Yours truly,

A handwritten signature in black ink that reads 'Stanley Hamilton'.

Stanley Hamilton,
BCFSA Board Chair

COMPENSATION PHILOSOPHY

BCFSA provides a total compensation package that balances our need to attract and retain employees in a competitive marketplace with our responsibility to operate in an affordable and sustainable manner. Our total compensation package consists of direct (e.g., salary) and indirect (e.g., pension, health and dental benefits, and vacation) compensation components.

Our compensation philosophy reflects the following principles:

- Decisions will be objective;
- Salary design will consider job attributes;
- Salary increases will be performance based; and
- Employees and the public will understand the compensation program.

We strive to offer a total compensation package that reflects median placement in our targeted employment sector marketplace. We conduct periodic surveys and propose adjustments where appropriate. All proposed adjustments to our total compensation program are presented to the Board of Directors for endorsement and then to the Minister of Finance, through the Public Sector Employers Council ("PSEC"), for approval.

To maintain our diverse regulatory and financial services industry expertise, we benchmark total compensation against similar organizations in the following sectors:

1. Core BC public service;
2. Broader BC public service;
3. Canadian provincial and federal regulators; and
4. Private sectors (used when public sector comparators are not available).

We maintain a comprehensive compensation and performance management policy for employees. We award performance-based salary increases. We meet with employees to review and formally document their performance, at least bi-annually.

BCFSA acknowledges the communication sent to the Board Chair by the Minister of Finance dated August 31, 2020 that freezes any compensation increases for CEO, Vice President (and equivalent) positions for the 2020/21 performance year. BCFSA will not propose or initiate any executive compensation increases until such time the freeze is rescinded.

Information and documents related to Compensation matters, included those set out below, can be found at www.bcfsa.ca:

- Board of Directors Compensation Policy;
- Annual Financial Information Act Report; and
- Annual Executive Compensation Disclosure.

BC Financial Services Authority

Summary Compensation Table at 2021

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2020/2021 Total Compensation	Previous Two Years Totals Total Compensation	
							2019/2020	2018/2019
Blair Fraser Morrison, Chief Executive Officer and Chief Statutory Officer	\$ 300,000	-	\$ 11,405	\$ 29,550	\$ 8,049	\$ 349,004	\$ 137,919	
Christopher Carter, Vice President and Deputy Superintendent Market Conduct, Deputy Superintendent Mortgage Brokers	\$ 188,500	-	\$ 9,910	\$ 18,567	\$ 4,335	\$ 221,312	\$ 99,648	
Frank Chong, Vice President and Deputy Superintendent Financial Institutions Regulations	\$ 188,500	-	\$ 9,910	\$ 18,567	\$ 9,393	\$ 226,370	\$ 101,717	
Christopher Robin Elgar, Vice President and Deputy Superintendent Financial Institutions Supervision	\$ 222,600	-	\$ 10,159	\$ 21,926	\$ 6,542	\$ 261,227	\$ 99,139	
David Weiss, Vice President Corporate Services	\$ 176,500	-	\$ 9,417	\$ 17,385	\$ 6,765	\$ 210,067		

Summary Other Compensation Table at 2021

Name and Position	All Other Compensation	Severance	Vacation Payout	Paid Leave	Vehicle / Transportation Allowance	Perquisites / Other Allowances	Other
Blair Fraser Morrison, Chief Executive Officer and Chief Statutory Officer	\$ 8,049	-	\$ 8,049	-	-	-	-
Christopher Carter, Vice President and Deputy Superintendent Market Conduct, Deputy Superintendent Mortgage Brokers	\$ 4,335	-	\$ 4,335	-	-	-	-
Frank Chong, Vice President and Deputy Superintendent Financial Institutions Regulations	\$ 9,393	-	\$ 9,393	-	-	-	-
Christopher Robin Elgar, Vice President and Deputy Superintendent Financial Institutions Supervision	\$ 6,542	-	\$ 6,542	-	-	-	-
David Weiss, Vice President Corporate Services	\$ 6,765	-	\$ 6,765	-	-	-	-

Notes

Blair Fraser Morrison, Chief Executive Officer and Chief Statutory Officer	General Note: This is Blair Morrison's first full year in the CEO position.
Christopher Carter, Vice President and Deputy Superintendent Market Conduct, Deputy Superintendent Mortgage Brokers	General Note: This is the first full year Christopher Carter served in this role. BCFSA provided a 3% performance based increase effective April 1, 2020 for the 2019 performance year. As the executive freeze was implemented on August 31, 2020, executives will forgo standard performance based increases for the 2020/21 performance year.
Frank Chong, Vice President and Deputy Superintendent Financial Institutions Regulations	General Note: This is the first full year Frank Chong served in this role. BCFSA provided a 3% performance based increase effective April 1, 2020 for the 2019 performance year. As the executive freeze was implemented on August 31, 2020, executives will forgo standard performance based increases for the 2020/21 performance year.
Christopher Robin Elgar, Vice President and Deputy Superintendent Financial Institutions Supervision	General Note: This is the first full year Christopher Elgar served in this role. BCFSA provided a 6% performance based increase effective April 1, 2020 for the 2019 performance year. As the executive freeze was implemented on August 31, 2020, executives will forgo standard performance based increases for the 2020/21 performance year.
David Weiss, Vice President Corporate Services	General Note: This is the first full year David Weiss served in this role. BCFSA provided a 9% performance based increase effective April 1, 2020 for the 2019 performance year. As the executive freeze was implemented on August 31, 2020, executives will forgo standard performance based increases for the 2020/21 performance year.