



STATEMENT OF EXECUTIVE COMPENSATION – 2015/2016 EXCLUDED COMPENSATION PHILOSOPHY

OBJECTIVES

- At PSECs request the Commission's Excluded Compensation Philosophy (ECP) was refreshed and approved by the Public Sector Employer's Council (PSEC) in 2015.
- The Board of Directors provided development oversight and approval of the Commission's ECP, prior to PSEC's approval.
- The Board Chair approved(s) the Commissioner, CEO's salary.
- The CEO determines the salary for all Named Executive Officers (NEOs) based upon the Commission's ECP.
- NEOs do not receive any incentives or bonuses; total compensation includes base salary and benefits.
- The Commission is in compliance with the excluded and executive compensation policy guidelines for public sector Crown Corporations.

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 increases reflect individual, divisional and organizational performance
- Implement fair and consistent annual performance management practices

ACCOUNTABILITY

- Ensure Board of Directors governance for CEO compensation is consistent with Government mandate
- Maintain affordability and alignment with the Taxpayer Accountability Principles
- Establish market appropriate benchmark comparisons to determine most appropriate compensation to support the recruitment and retention of talented leadership
- Apply role assignment consistent with BC Public Service Agency Management Classification and Compensation Framework (MCCF)

DIFFERENTIATION

- Ensure fair, equitable, flexible and competitive 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

TRANSPARENT

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

2015/16 COMPENSATION DISCLOSURE

Summary Compensation Table at Fiscal, 2016

| Name and Position (a) | Salary (d) | Bonus and / or Incentive Plan Compensation (e) | Benefits (f) | Pension (g) | All Other Compensation (o)* | Total Compensation 2015/16 (r) | Previous Two Years Totals | |
|---|---------------|---|-----------------|----------------|-----------------------------------|---|---------------------------|----------------|
| | | | | | | | 2014 /15 (s) | 2013/14 (t) |
| Paul Jeakins, Commissioner, CEO | \$194,917 | \$ - | \$ 6,570 | \$ 21,284 | \$ 7,934 | \$ 230,705 | \$ 234,011 | \$ 232,652 |
| Randall Smith, Executive Vice President, Chief Financial Officer | \$147,474 | \$ - | \$ 6,048 | \$ 16,126 | \$ 66,985 | \$ 236,633 | \$ 197,780 | \$ 197,305 |
| Kenneth Paulson, Executive Vice President, Chief Operating Officer | \$ 164,434 | \$ - | \$ 4,453 | \$ 17,675 | \$ 1,200 | \$ 187,762 | \$ 189,014 | \$ 188,512 |
| Trevor Swan, Executive Vice President, Chief Legal & Regulatory Officer | \$ 164,434 | \$ - | \$ 5,999 | \$ 17,675 | \$ 7,524 | \$ 195,632 | \$ 194,418 | \$ 199,015 |
| James O'Hanley, Vice President, Permitting & Authorizations | \$ 157,759 | \$ - | \$ 5,529 | \$ 16,924 | \$ 6,280 | \$ 186,492 | \$ 197,293 | \$ 194,647 |

*expanded below

Summary Other Compensation Table at FISCAL 2016

| Name and Position (a) | All Other Compensation (o) | Severance (h) | Vacation payout (i) | Leave payout (h) | Vehicle / Transportation Allowance (k) | Perquisites / other Allowances* (l) | Other (m) |
|--|----------------------------------|------------------|---------------------------|------------------------|---|--|--------------|
| Paul Jeakins, Commissioner, CEO | \$ 7,934 | \$ - | \$ 6,734 | \$ - | \$ - | \$ - | \$ 1,200 |
| Randall Smith, Executive Vice President, Chief Financial Officer | \$ 66,985 | \$ - | \$ 28,920 | \$ - | \$ - | \$ 37,050 | \$ 1,015 |
| Kenneth Paulson, Executive Vice President, Chief Operating Officer | \$ 1,200 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,200 |
| Trevor Swan, Executive Vice President, Chief Legal & Regulatory Officer | \$ 7,524 | \$ - | \$ 6,324 | \$ - | \$ - | \$ - | \$ 1,200 |
| James O'Hanley, Vice President, Permitting & Authorizations | \$ 6,280 | \$ - | \$ 5,864 | \$ - | \$ - | \$ - | \$ 415 |

Notes:

- Paul Jeakins Decrease in 2015/16 - Less vacation paid out, less health spending dollars used. Other (m) parking benefit. Previous transportation allowance(k) rolled into salary (d).
- Randall Smith Increase in 2015/16 - Retired Jan 29, 2016 - retirement allowance* and vacation pay out; retirement allowance calculated at 28 years of public service . Other (m) parking benefit
- Kenneth Paulson Decrease in 2015/16 - Less health spending dollars used, lower employer pension contribution. Other (m) parking benefit
- Trevor Swan Increase in 2015/16 - More vacation hours paid out, less health spending dollars used. Other (m) parking benefit
- James O'Hanley Decrease in 2015/16 - Less vacation paid out, less health spending dollars used, less parking as taxable benefit. Other (m) parking benefit

*The Commission offers a Retirement Allowance to both Included and Excluded employees. Upon retirement an employee who has completed twenty years of service as per their employment contract is entitled to an amount set out in the Collective Agreements and the Excluded Terms of Employment.