

MD&A SUPPLEMENT - COMPENSATION DISCLOSURE

For the Year Ended March 31, 2009

COMPENSATION STRUCTURE

We are accountable to the provincial legislature and the public through the Minister of Finance. Our compensation plan requires *Public Sector Employers' Council* approval.

The BCSC manages its compensation through effective internal governance policies (see page 10 for more information) and practices, including as follows:

- Our Audit and Human Resources committees comprise only independent commissioners appointed by the Lieutenant Governor-in-Council
- The Audit Committee oversees the BCSC's annual budget and the Human Resources Committee oversees the design and administration of BCSC performance management and compensation practices
- Semi-annually, the Human Resources Committee reviews the Chair's performance against his objectives. In consultation with the Chair, the Human Resources Committee reviews the performance of other executives and senior managers.
- The Human Resources Committee recommends, for Board approval, the Chair's incentive compensation for the preceding year and the Chair's salary for the ensuing year
- The Chair and Executive Director consult the Human Resources Committee on the incentive compensation and salaries of the other executives and senior managers

We compete with law and accounting firms, the securities industry, and other securities regulators to hire and retain professional staff with securities market expertise.

COMPENSATION PHILOSOPHY

We strive to offer remuneration comparable to that offered by competing organizations. To remain competitive, we conduct annual salary surveys and propose adjustments when surveyed position salaries are significantly below the median. Like most of our competitors, our compensation plan includes performance-based incentives.

INCENTIVE PRINCIPLES

Employees participate in an incentive plan, following these principles:

- Incentive awards depend on our ability to fund them
- Incentives are based on individual, divisional and Commission performance

INCENTIVE TARGETS

Incentive targets vary depending on positions' potential impact on Commission performance. Named officers (Chair, Vice Chair, Executive Director, Director of Enforcement, and the Director of Corporate Finance) have incentive targets ranging from 20 - 40%.

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FISCAL 2009 COMPENSATION SUMMARY

POSITION	NAME	BASE SALARY	PERFORMANCE INCENTIVE	DEFINED BENEFIT PENSION	ALL OTHER COMPENSATION ⁵	TOTAL FISCAL 2009	TOTAL FISCAL 2008 ⁶	MEETINGS ATTENDED ⁷
EXECUTIVE COMMISSIONERS								
Chair	Hyndman, Douglas M.	\$ 343,592	\$ 143,237	\$ 34,111	\$ 28,152	\$ 549,092	\$ 543,957	18
Vice Chair	Aitken, Brent W.	\$ 313,409	\$ 89,926	\$ -	\$ 14,312	\$ 417,647	\$ 361,744	17
SENIOR MANAGEMENT								
Executive Director	Brenda M. Leong	\$ 260,793	\$ 86,684	\$ 25,724	\$ 14,931	\$ 388,132	\$ 379,415	N/A
Director of Enforcement	Langley E. Evans	\$ 196,354	\$ 35,638	\$ 19,196	\$ 11,243	\$ 262,431	\$ 242,345	N/A
Director of Corporate Finance	Martin D.C. Eady	\$ 184,645	\$ 34,081	\$ 18,010	\$ 8,821	\$ 245,557	\$ 230,051	N/A

POSITION	NAME	FEES	ALL OTHER COMPENSATION ⁵	TOTAL FISCAL 2009	TOTAL FISCAL 2008	MEETINGS ATTENDED ⁷
INDEPENDENT COMMISSIONERS						
Commissioner	Doney, Bradley	\$ 40,771	\$ 1,197	\$ 41,968		16
Commissioner	Hanna, Kenneth G.	\$ 70,275	\$ -	\$ 70,275	\$ 39,950	18
Commissioner	Rowlatt, Don	\$ 40,927	\$ 1,205	\$ 42,132		15
Commissioner	Smith, David	\$ 59,625	\$ -	\$ 59,625	\$ 36,300	18
Commissioner	Williams, Shelley	\$ 53,990	\$ 1,852	\$ 55,842		17
Commissioner	Wiltshire, Suzanne K.	\$ 70,863	\$ 2,346	\$ 73,209	\$ 51,424	18

COMPENSATION CONSULTANTS

During the year, we hired Western Compensation & Benefits Consultants to perform a salary survey and L.D. Bell Consulting to review incentive plan design.

⁵ Other compensation includes long-term disability plan premiums, Canada Pension Plan premiums, transportation allowances, parking, extended health and dental plan premiums, professional membership fees, Medical Services Plan premiums, Employment Insurance premiums, Workers Compensation Plan premiums, group life insurance premiums, fitness reimbursements, and imputed interest benefit on interest-free computer purchase loans.

⁶ Mr. Aitken worked on contract until January 31, 2008 at which time he became an employee. He did not participate in the fiscal 2008 incentive plan.

⁷ During fiscal 2009, the Board scheduled, and held during the year, 12 monthly meetings, 4 enforcement policy meetings, and 2 strategic planning meetings.