British Columbia Securities Commission
Executive Compensation Report
For the Year Ended March 31, 2010

Organization

The BCSC is the independent provincial government agency responsible for regulating securities trading in British Columbia through the administration of the *Securities Act*.

Our mission is to protect and promote the public interest by fostering:

- A securities market that is fair and warrants public confidence
- A dynamic and competitive securities industry that provides investment opportunities and access to capital

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.

We manage compensation through effective internal governance policies and practices, including as follows:

- Audit and Human Resources committees comprised only of 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 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

Compensation philosophy

Securities markets are complex and constantly innovating. We compete with law and accounting firms, the securities industry, and other securities regulators to hire and retain professional staff with securities market expertise.

We target mid-market compensation. To remain competitive, we conduct annual salary surveys of our direct competitors. Like most of our competitors, our compensation plan includes performance-based incentives.

British Columbia Securities Commission
Executive Compensation Report
For the Year Ended March 31, 2010

Incentive principles

All employees participate in a performance-based incentive plan. Incentives are based on three levels of achievement - individual, divisional and commission performance:

- How well the employee met their personal objectives
- How well the division met its quality and efficiency targets
- How well the BCSC met its service plan and operating plan targets

Incentive component weights vary depending on positions' impact on BCSC performance.

Incentive targets

Incentive targets also vary depending on positions' impact on BCSC performance. Incentive targets for the disclosed positions range from 15 – 40%. Employees can achieve more than their target incentive depending upon the personal rating granted. Total compensation is subject to government compensation maximums.

Fiscal 2010 compensation summary

Name	Position	Base	Incentive	Pension	Other[1]	2010	2009	2008
Brenda M. Leong	Chair[2]	319,636	125,853	32,151	21,611	499,251	388,132	379,415
Douglas M. Hyndman	Chair[3]	100,131	-	10,346	11,621	122,098	549,092	543,957
Brent W. Aitken	Vice Chair[4]	326,384	122,267	-	16,037	464,688	417,647	361,744
Langley E. Evans	Director of Enforcement	204,728	40,765	20,338	12,167	277,998	262,431	242,345
Martin D.C. Eady	Director of Corporate Finance	194,839	38,334	19,321	11,486	263,980	245,557	230,051
David M. Thompson	General Counsel	177,350	26,934	17,524	17,152	238,960	238,014	222,721

[1] Other compensation includes long-term disability plan premiums, Canada Pension Plan premiums, transportation allowances, parking and transit, 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 on interest-free computer purchase loans.
[2] Ms. Leong was Executive Director until appointed Chair on October 13, 2009.
[3] Mr. Hyndman was Chair until secondment to the CSTO on July 13, 2009.
[4] Mr. Aitken was acting Chair July 13, 2009 to October 12, 2009. He did not participate in our incentive program in fiscal 2008.