

ORIENTATION PROCESS FOR DIRECTORS

Introduction

The Chair, with the assistance of Management, ensures that there is an orientation program for new Directors and an ongoing development program for existing Directors.

The orientation program is aimed at increasing a Director's familiarity with the Corporation, its industry, and the unique responsibilities of Crown Corporation Directors, as well as equipping Directors with sufficient information and resources that facilitate fully-informed decisions.

The orientation program will utilize materials and resources that inform and educate Directors on the Corporation's corporate governance framework, its businesses, operations, and current issues and strategies.

The Corporate Governance Committee will receive suggestions from Directors and Management and will annually recommend a list of orientation topics.

Process - New Directors

Each new Director will be asked to participate in a special orientation. An orientation program outline endorsed by the Board of Directors is described in the following Schedule "A".

The Chair, through the Corporate Secretary, will arrange for the orientation which will include a review of the Board Governance Manual, the Strategic and Business Planning Process as well as appropriate additional briefing materials that are germane to the strategic business directions of the Corporation.

An initial orientation for new Directors will be scheduled shortly after appointment and preferably before a Director's first Board meeting. The first orientation will address governance policies and practices as well as briefings on historical, financial and business information, and key strategic issues.

Process - Existing Directors

Directors will be provided with special ongoing orientation that educates and informs them on issues that are deemed to be of strategic importance to the Corporation. These sessions will be scheduled separately from regular Board and Committee meetings.

Management will provide Directors with materials or presentations at Board meetings on matters of policy and key strategic issues where the Corporation may expect change or anticipate potential concerns or risks.

Board meetings may be scheduled in different regions of the Province to provide Directors with additional insight into the Corporation's operations.

Special site visits or retreats may also be scheduled to gain understanding of a particular issue, business area or strategic direction of the Corporation.

Schedule "A"

New Director Orientation Program Outline (Added May 2007)

Week One (half day)

- Receive Board Governance Manual
- Receive BC Hydro Issues Briefing Binder
- Meet with the Chair
- Meet with the Chief Executive Officer
- Meet with the Code of Conduct Advisor
- Meet with the Corporate Secretary

Week Two (full day)

- ½ day briefing session with other new board member(s) on selected issues to be selected by the Chief Executive Officer (for example, Energy Plan, Financial Overview, Major Pending Issues – refer to the following page)
- ½ day tour of Lower Mainland facilities (for example, Powerex Trade Floor, Coquitlam Dam, Inglewood Substation, Transmission line flyover, Burnaby Control Centre)

Weeks Four – Six (three days)

- Meet with Chairs of Board committees and/or Subsidiary Boards of Directors the new appointee will serve on
- Tour of larger facilities (for example, WAC Bennett Dam)
- In depth briefings on the Integrated Electricity Plan, the Call for Power process, the Regulatory framework/timetable and the Site C resource option

Orientation Topics Generally for New Appointees

Recognizing that some tailoring will continue to be necessary, the following represents the kind of areas that will be important for new Directors:

1. BC Hydro - the Company
 - History
 - Physical assets
 - How it is organized
 - Purpose and long term goals that support strategic direction
 - People, culture and safety
2. Financial overview
3. How we are regulated, recent BCUC decisions and the regulatory timetable
4. Provincial Energy Plans 1 and 2

Orientation Topics Generally for New Appointees (Cont'd)

5. Governance Structure

- Corporate governance culture (we subscribe to continuous improvement)
- Disclosure in response to Government guidelines
- How we manage risk
- How the board and its committees are organized
- Duties and obligations of BC Hydro directors
- Our conduct expectations, conflict of interest guidelines and role of the Code of Conduct Advisor
- Freedom of information, privacy and confidential information (also what we make publicly available)
- Accountability chart

6. The North America electricity marketplace - realities and emerging issues

7. Major initiatives underway, key policy issues and future major Board decisions

8. Powerex Corp

- History
- Financial overview and risk management
- WSCC interconnections, trading hubs and power pools
- Power Market Authorization, Trade Floor, role of POSSE at Powerex
- Canadian entitlement
- California history and where we are today

9. Corporate Ethos and Communications