

TERMS OF REFERENCE FOR THE CHIEF EXECUTIVE OFFICER

Introduction

The Chief Executive Officer is the senior management officer of BC Hydro.

While the Board supports the concept that the role of Chief Executive Officer is separate from that of Board Chair, it acknowledges that there may be exceptional circumstances when it is appropriate to combine the roles of Chair and Chief Executive Officer. Refer to *Tab 2 - Chair of the Board* - for more discussion on this matter.

The Board also acknowledges that it is usual practice for the Chief Executive Officer to be appointed by the Shareholder as a member of the Board of Directors. However, in those instances when the Chief Executive Officer has not been appointed to the Board, it will be Board policy that the Chief Executive Officer can expect to receive the same information as any other Director, except that information relating to the Chief Executive Officer's performance, as appropriate. Refer to *Tab 2 - Chief Executive Officer - Board Appointment or Otherwise*.

Chief Executive Officer's Duties and Responsibilities

- Lead and manage BC Hydro within the parameters established by the Board and its Committees.
- Report to the Board.
- Develop and recommend the strategic business plan to the Board and successfully implement corresponding corporate operational plans, capital plans and other supporting initiatives.
- Ensure the Corporation's public policy responsibilities that have been assigned by the Government have been incorporated into the strategic business plan.
- Direct and monitor the Corporation's activities in a manner that ensures the assets of BC Hydro are safeguarded and optimized.
- Develop and implement operational policies to guide BC Hydro within the limits prescribed by the framework of the strategic directions adopted by the Board.
- Ensure the integrity of BC Hydro's internal control and management systems.
- Identify and report to the Board principal risks of the business and ensure the implementation of systems to manage these risks.
- Ensure the safe efficient operation of BC Hydro and ensure compliance with BC Hydro's environment, health and safety policies and practices. Refer to Tab 5 detailing specific Environmental Management System responsibilities delegated to the Chief Executive Officer by the Board of Directors.
- Ensure BC Hydro achieves and maintains a satisfactory competitive position within its industry and a high standard for its products and services.
- Develop and recommend to the Board the overall corporate organizational structure.
- Prior to appointing Vice-Presidents, review their appointment with the Board.
- Annually establish and maintain a Board approved plan for senior management development and succession.
- Provide the Board, at Board and Committee meetings, with exposure to the Corporation's key management.
- Together with the Chair, act as a primary spokesperson for BC Hydro and oversee the Corporation's interfaces with the Government and other stakeholders including:

- developing and implementing a communications program; and
- representing the Corporation in its interface with Government, regulatory bodies and other stakeholders.
- Collaborate closely and rigorously exchange information with the Chair:
 - to maintain a close liaison regarding communication strategies with the Government and other stakeholders; and
 - to review material issues and to ensure the Chair and other Directors are provided with relevant and timely information.
- Foster a corporate culture that promotes ethical practices and encourages individual integrity and social responsibility.
- When considering any significant public service commitments and/or accepting outside Board appointments, seek Board approval and ensure appointments are in accordance with applicable Government policies.
- Seek Board approval for expenditures, revenue measures, leases or other actions or transactions falling outside the plans approved by the Board.