

BC Hydro Board Attestation

To: Christina Zacharuk
CEO & President of PSEC Secretariat
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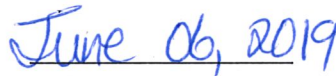
I am aware of the executive compensation paid in the prior fiscal year and verify that compensation provided was within approved compensation plans.



Valerie Lambert

Director, BC Hydro Board of Directors

Chair, Governance and Human Resources Committee



Date

PURPOSE

BC Hydro must disclose all compensation provided to the President and Chief Operating Officer and the next four highest ranking executives. This document outlines the governance, philosophy, design, and total value of executive compensation for the fiscal year ending March 31, 2019 for BC Hydro, and its two subsidiaries; Powerex and Powertech.

GOVERNANCE

As a Crown Corporation, BC Hydro designs and administers executive compensation within its approved compensation plan for executives as required under the Public Sector Employer's Act. Changes required aligning with our strategy and goals are reviewed and approved by the Board and/or the Governance and Human Resources Committee (GHRC) prior to submission to the Public Sector Employers' Council (PSEC) for final approval.

Executive compensation is reviewed by the Board and the GHRC as per the terms of reference outlined below.

Board of Directors

- Approves the President and Chief Operating Officer compensation structure, performance-based holdback awards and salary increases acting upon the recommendation of the GHRC.

GHRC

- Approves the total compensation philosophy and plan design.
- Reviews and recommends to the Board of Directors the President and Chief Operating Officer's performance-based holdback award and salary increase.
- Approves the Executive Team performance-based holdback awards and salary increases, acting upon the recommendation of the President and Chief Operating Officer.

TOTAL COMPENSATION PHILOSOPHY

BC Hydro's total rewards programs are designed to strengthen our proud and valued workforce and ensure alignment to our values. The following reflect the key total rewards design principles.

Performance: Reward programs align employees with strategic priorities and support a performance-based culture, where employees seek to meet and surpass key goals.

Differentiation: Differences in position scope and accountability, as well as the performance of individual employees, are the main drivers of the pay an employee receives.

Accountability: Reward programs are affordable, linked to business requirements, and are an appropriate expenditure of public dollars.

Transparency: Reward programs have clear rules and fair processes to ensure consistent and equitable application. Programs are designed and communicated in a manner that ensures they are clearly understood by employees and the public while protecting individual personal information.

Flexibility: Reward programs, where possible, allow employees choice to tailor solutions that best meet the needs of our diverse workforce and business.

Compliance: Reward programs are compliant with employment and tax laws, collective agreements, and policies set by the Public Sector Employers Council (PSEC).

Compensation is benchmarked to other public sector employers and to other Canadian electric utilities for industry specific jobs.

PERFORMANCE BASED PAY

Executives participate in both a merit program and a holdback program which together comprise the performance based pay for the job. The merit program is a review of an individual's performance against the mandate of their role/portfolio and may result in a change in base salary.

The objective of the executive holdback program is to put pay at risk, focus the Executive Team on specific performance objectives outlined in BC Hydro's Service Plan and provide a means to recognize achievements. At the end of the fiscal year each executive summarizes their performance. The process consists of a discussion between the President and Chief Operating Officer and each Executive Team member about the performance factors, measurement criteria and demonstrated results, including BC Hydro's overall performance. Based on these performance reviews, the President and Chief Operating Officer determines a final performance score and recommends to the GHRC performance based holdback awards for the Executive Team.

Executive holdback awards are based on objectives linked to BC Hydro's performance measures. The F2019 performance measures and results achieved can be viewed in [.BC Hydro's Service Plan.](http://www.bchydro.com/about/accountability_reports/financial_reports/service_plan.html) (http://www.bchydro.com/about/accountability_reports/financial_reports/service_plan.html)

ELEMENTS OF THE EXECUTIVE COMPENSATION PLAN

The current executive offer includes the following elements which align to and support the compensation philosophy described above. The design may differ for subsidiary executives and managers.

- **Salary:** A base salary that is determined and approved as described in the preceding sections.
- **Holdback Award:** A holdback award is a portion of salary that can be earned by the executive based on individual and company performance. The maximum holdback award possible is 20% of salary. The maximum holdback award possible for the BC Hydro President and Chief Operating Officer is 10% of salary.
- **Benefits:** Executives receive comparable benefits available to other management and exempt employees, though the employer paid coverage for life insurance, long term disability, extended health, and vision care are higher. The value of statutory benefits such as employer premiums for WorkSafe BC, Canada Pension Plan, and Employment Insurance are also included in the benefit amount reported.
- **Pension:** BC Hydro provides a defined benefit pension plan. The formula for calculating the pension is 2 per cent multiplied by an employee's best 5 average consecutive years of plan earnings multiplied by their years of contributory service. Executives receive additional benefits available through the Executive Pension Plan. These benefits include the option to purchase service, within the guidelines, to a maximum of 5 years.
- **All Other Compensation:** Executives may receive paid parking. The taxable benefit value is reported for paid parking usage. Executives may receive vacation payouts if they were unable to take the vacation days as time off. Executives receive a 4% of salary annual benefit credit. They

may use this credit to purchase additional days off, take as cash, and/or allocate towards other benefit programs. Benefit credits that are cashed out and/or allocated towards other benefit programs are reported under other compensation.

EXECUTIVE COMPENSATION DISCLOSURE

BC Hydro

Summary Compensation Table at 2019

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2018/2019 Total Compensation	Previous Two Years Totals Total Compensation	
							2017/2018	2016/2017
BC Hydro								
Chris O'Riley, President & COO	\$ 365,190	\$ 34,223	\$ 29,273	\$ 78,516	\$ 47,698	\$ 554,900	\$ 529,184	\$ 498,307
Maureen Daschuk, SVP, Integrated Planning	\$ 255,597	\$ 44,425	\$ 19,739	\$ 54,953	\$ 5,804	\$ 380,518		
Janet Fraser, EVP, People, Customer, Corp Affairs	\$ 281,332	\$ 53,238	\$ 20,385	\$ 60,486	\$ 2,809	\$ 418,250	\$ 397,208	\$ 379,592
Ryan Layton, EVP, Finance, Technology, Supply Chain & CFO (Former Acting)	\$ 77,380	\$ 8,438	\$ 5,741	\$ 5,807	\$ 973	\$ 98,339	\$ 42,052	
Mark Poweska, EVP, Operations	\$ 285,667	\$ 54,303	\$ 20,484	\$ 61,418	\$ 874	\$ 422,746	\$ 405,720	
David Wong, EVP, Finance, Tech, Supply Chain & CFO	\$ 176,640	\$ 35,866	\$ 15,266	\$ 37,978	\$ 2,304	\$ 268,054		
Powerex								
Thomas Bechard, Pres & CEO Powerex	\$ 358,800	\$ 540,000	\$ 19,348	\$ 17,512	\$ 2,839	\$ 938,499	\$ 898,258	\$ 884,767
Teresa Conway, President & CEO, Powerex (Former)	\$ 117,339	-	\$ 11,412	\$ 25,228	\$ 28,106	\$ 182,085	\$ 518,689	\$ 477,532
Michael MacDougall, VP, Trade Policy and IT	\$ 226,100	\$ 34,028	\$ 19,114	\$ 48,611	\$ 4,938	\$ 332,791	\$ 289,243	\$ 288,276
Amit Budhwar, Director, Risk Mgmt	\$ 235,182	\$ 18,878	\$ 16,949	\$ 19,956	\$ 14,866	\$ 305,831	\$ 295,708	\$ 284,748
Janette Lyons, CFO Powerex (Former)	\$ 203,625	\$ 9,807	\$ 16,337	\$ 16,539	\$ 25,538	\$ 271,846	\$ 249,848	\$ 248,892
Rebecca Richings, CFO Powerex	\$ 166,803	\$ 14,145	\$ 15,623	\$ 13,807	\$ 5,281	\$ 215,659	\$ 123,079	
Jay Ratzlaff, Chief Legal Officer, Pwx	\$ 190,005	-	\$ 16,073	\$ 14,569	\$ 18,905	\$ 239,552		
Powertech								
Raymond Lings, President & CEO, Powertech	\$ 222,555	\$ 40,742	\$ 19,033	\$ 47,849	\$ 15,037	\$ 345,216	\$ 341,097	\$ 302,675
David Facey, General Counsel & Senior Manager of Corporate Resources	\$ 163,457	-	\$ 15,558	\$ 12,336	-	\$ 191,351		
Ken Bogner, Director, Transmission & Distribution	\$ 149,719	-	\$ 15,291	\$ 11,181	\$ 7,137	\$ 183,328	\$ 176,635	\$ 187,206
Bruce Sunga, Director, Substation Technology and Testing	\$ 149,001	-	\$ 15,278	\$ 11,121	-	\$ 175,400	\$ 42,467	
Vidya Vankayala, Director, Grid Modernization	\$ 168,418	-	\$ 15,654	\$ 12,754	-	\$ 196,826	\$ 197,785	\$ 212,442

EXECUTIVE COMPENSATION DISCLOSURE

Notes

Chris O'Riley, President & COO	<p>General Note: Mr. O'Riley was promoted to President & COO in fiscal 2018. The fiscal 2019 disclosure represents his first full year of earnings in this position.</p> <p>Other Note: Other is taxable benefit for paid parking (\$1,968) and value of benefit credit taken as cash and/or allocated towards other benefit programs (\$14,656).</p>
Maureen Daschuk, SVP, Integrated Planning	<p>Other Note: Other is value of benefit credit taken as cash and/or allocated towards other benefit programs (\$5,202) and taxable benefit for paid parking (\$602).</p>
Janet Fraser, EVP, People, Customer, Corp Affairs	<p>General Note: Ms. Fraser was promoted to EVP, People, Customer & Corporate Affairs effective 2018-05-07.</p> <p>Other Note: Other is taxable benefit for paid parking.</p>
Ryan Layton, EVP, Finance, Technology, Supply Chain & CFO (Former Acting)	<p>General Note: Mr. Layton was the Acting CFO up to August 3, 2018. Only his earnings while in the acting role have been reported.</p> <p>Other Note: Other is taxable benefit for paid parking.</p>
Mark Poweska, EVP, Operations	<p>General Note: Mr. Poweska was promoted to EVP, Operations in fiscal 2018. The fiscal 2019 disclosure represents his first full year of earnings in this position.</p>
David Wong, EVP, Finance, Tech, Supply Chain & CFO	<p>General Note: Mr. Wong was hired on August 1, 2018 into the the EVP, Finance, Tech, Supply & CFO role.</p> <p>Other Note: Other is value of benefit credit taken as cash and/or allocated towards other benefit programs.</p>
Thomas Bechard, Pres & CEO Powerex	<p>Other Note: Other is taxable benefit for paid parking.</p>
Teresa Conway, President & CEO, Powerex (Former)	<p>General Note: Ms. Conway retired from Powerex on August 1, 2018.</p>
Michael MacDougall, VP, Trade Policy and IT	<p>General Note: Mr. MacDougall was promoted to VP, Trade Policy and IT effective May 1, 2018.</p> <p>Other Note: Other taxable benefit for paid parking.</p>
Amit Budhwar, Director, Risk Mgmt	<p>Other Note: Other is value of benefit credit taken as cash and/or allocated towards other benefit programs.</p>
Janette Lyons, CFO Powerex (Former)	<p>Other Note: Other is a taxable benefit for paid parking.</p>
Rebecca Richings, CFO Powerex	<p>General Note: Ms. Richings was promoted to CFO, Powerex effective January 1, 2019.</p> <p>Other Note: Other is taxable benefit for paid parking (\$4,575) and value of benefit credit taken as cash and/or allocated towards other benefit programs (\$707).</p>
Jay Ratzlaff, Chief Legal Officer, Pwx	<p>Other Note: Other is value of benefit credit taken as cash and/or allocated towards other benefit programs .</p>
Raymond Lings, President & CEO, Powertech	
David Facey, General Counsel & Senior Manager of Corporate Resources	<p>General Note: Mr. Facey was promoted to General Counsel & Director of Corporate Resources effective June 18, 2018.</p>
Ken Bognar, Director, Transmission & Distribution	
Bruce Sunga, Director, Substation Technology and Testing	
Vidya Vankayala, Director, Grid Modernization	