



BC Hydro Board Attestation

To:

John Davison, President & CEO

PSEC Secretariat

Suite 210 - 880 Douglas Street Victoria, B.C. V8W 2B7

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 Executive 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, 2021 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 Executive 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 Executive 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 Executive Officer.

TOTAL COMPENSATION PHILOSOPHY

BC Hydro's total rewards programs are designed to attract and retain qualified employees. 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 Executive 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 Executive 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 Fiscal 2021 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 President and Chief Executive 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 additional service, within the guidelines, to a maximum of 5 years.

- **All Other Compensation:** Executives may receive paid parking or transit pass, and the taxable benefit value is reported. 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.

BC Hydro

Summary Compensation Table at 2021

| Name and Position | Salary | Holdback/Bonus/ Incentive Plan Compensation | Benefits | Pension | All Other Compensation (expanded below) | 2020/2021 Total Compensation | Previous Two Years Totals Total Compensation | |
|--|------------|---|-----------|-----------|--|------------------------------------|---|------------|
| | | | | | | | 2019/2020 | 2018/2019 |
| BC Hydro | | | | | | | | |
| Chris O'Riley, President & CEO | \$ 378,338 | \$ 31,641 | \$ 23,427 | \$ 95,719 | \$ 60,989 | \$ 590,114 | \$ 566,084 | \$ 554,900 |
| Maureen Daschuk, SVP, Integrated Planning | \$ 268,565 | \$ 44,920 | \$ 20,617 | \$ 67,947 | \$ 1,100 | \$ 403,149 | \$ 390,464 | \$ 380,518 |
| Janet Fraser, EVP, People, Customer, Corp Affairs | \$ 294,278 | \$ 44,477 | \$ 21,275 | \$ 74,452 | - | \$ 434,482 | \$ 421,205 | \$ 418,250 |
| Charlotte Mitha, EVP, Operations | \$ 273,323 | \$ 45,716 | \$ 20,738 | \$ 69,151 | - | \$ 408,928 | \$ 352,756 | |
| David Wong, EVP, Finance, Tech, Supply Chain & CFO | \$ 297,374 | \$ 49,739 | \$ 21,354 | \$ 75,236 | \$ 3,455 | \$ 447,158 | \$ 437,755 | \$ 268,054 |
| Powerex | | | | | | | | |
| Thomas Bechard, Pres & CEO Powerex | \$ 358,800 | \$ 540,000 | \$ 18,280 | \$ 17,441 | - | \$ 934,521 | \$ 937,845 | \$ 938,499 |
| Michael MacDougall, VP, Trade Policy and IT | \$ 238,364 | \$ 43,323 | \$ 19,843 | \$ 60,306 | - | \$ 361,836 | \$ 349,867 | \$ 332,791 |
| Amit Budhwar, Director, Risk Mgmt | \$ 235,182 | \$ 21,237 | \$ 17,249 | \$ 20,084 | \$ 10,344 | \$ 304,096 | \$ 320,169 | \$ 305,831 |
| Jay Ratzlaff, Chief Legal & Compliance Officer - Pwx | \$ 212,340 | \$ 19,373 | \$ 16,753 | \$ 18,006 | \$ 16,450 | \$ 282,922 | \$ 275,560 | \$ 239,552 |
| Rebecca Richings, CFO, Powerex | \$ 196,388 | \$ 19,788 | \$ 16,407 | \$ 16,699 | \$ 7,124 | \$ 256,406 | \$ 232,584 | \$ 215,659 |
| Powertech | | | | | | | | |
| Raymond Lings, President & CEO, Powertech | \$ 236,446 | \$ 29,529 | \$ 19,794 | \$ 59,821 | \$ 8,116 | \$ 353,706 | \$ 372,953 | \$ 345,216 |
| Ken Bogнар, Director, Transmission & Distribution | \$ 160,687 | - | \$ 15,632 | \$ 12,033 | - | \$ 188,352 | \$ 191,153 | \$ 183,328 |
| David Facey, General Counsel & Director of Corporate Resources | \$ 172,303 | - | \$ 15,884 | \$ 13,010 | \$ 11,945 | \$ 213,142 | \$ 208,923 | \$ 191,351 |
| Taramatee Ramnial, Director, HSEQ Accreditation & Compliance | \$ 154,858 | - | \$ 15,506 | \$ 11,543 | \$ 53,522 | \$ 235,429 | \$ 180,334 | |
| Vidya Vankayala, Director, Grid Modernization | \$ 175,422 | - | \$ 15,952 | \$ 13,272 | \$ 7,206 | \$ 211,852 | \$ 221,980 | \$ 196,826 |

Summary Other Compensation Table at 2021

| Name and Position | All Other Compensation | Severance | Vacation Payout | Paid Leave | Vehicle / Transportation Allowance | Perquisites / Other Allowances | Other |
|--|-------------------------------|------------------|------------------------|-------------------|---|---------------------------------------|--------------|
| BC Hydro | | | | | | | |
| Chris O'Riley, President & CEO | \$ 60,989 | - | \$ 38,781 | - | \$ 6,960 | - | \$ 15,248 |
| Maureen Daschuk, SVP, Integrated Planning | \$ 1,100 | - | - | - | - | - | \$ 1,100 |
| Janet Fraser, EVP, People, Customer, Corp Affairs | - | - | - | - | - | - | - |
| Charlotte Mitha, EVP, Operations | - | - | - | - | - | - | - |
| David Wong, EVP, Finance, Tech, Supply Chain & CFO | \$ 3,455 | - | - | - | - | - | \$ 3,455 |
| Powerex | | | | | | | |
| Thomas Bechard, Pres & CEO Powerex | - | - | - | - | - | - | - |
| Michael MacDougall, VP, Trade Policy and IT | - | - | - | - | - | - | - |
| Amit Budhwar, Director, Risk Mgmt | \$ 10,344 | - | \$ 905 | - | - | - | \$ 9,439 |
| Jay Ratzlaff, Chief Legal & Compliance Officer - Pwx | \$ 16,450 | - | \$ 7,840 | - | - | - | \$ 8,610 |
| Rebecca Richings, CFO, Powerex | \$ 7,124 | - | - | - | - | - | \$ 7,124 |
| Powertech | | | | | | | |
| Raymond Lings, President & CEO, Powertech | \$ 8,116 | - | \$ 7,163 | - | - | - | \$ 953 |
| Ken Bognar, Director, Transmission & Distribution | - | - | - | - | - | - | - |
| David Facey, General Counsel & Director of Corporate Resources | \$ 11,945 | - | \$ 5,698 | - | - | - | \$ 6,247 |
| Taramatee Ramnial, Director, HSEQ Accreditation & Compliance | \$ 53,522 | - | \$ 41,011 | - | - | - | \$ 12,511 |
| Vidya Vankayala, Director, Grid Modernization | \$ 7,206 | - | \$ 139 | - | - | - | \$ 7,067 |

Notes

| | |
|--|---|
| Chris O'Riley, President & CEO | <p>General Note: Received a 2% performance based increase effective June 1, 2020 for the Fiscal 2020 performance year. In accordance with the B.C. Public Sector Executive Compensation Freeze Policy implemented on August 31, 2020, executives will not receive performance based increases for the Fiscal 2021 performance year.</p> <p>Other Note: Other is value of benefit credit taken as cash and/or allocated towards other benefit programs.</p> |
| Maureen Daschuk, SVP, Integrated Planning | <p>General Note: Received a 2% performance based increase effective June 1, 2020 for the Fiscal 2020 performance year. In accordance with the B.C. Public Sector Executive Compensation Freeze Policy implemented on August 31, 2020, executives will not receive performance based increases for the Fiscal 2021 performance year.</p> <p>Other Note: Other is taxable benefit for paid transit pass.</p> |
| Janet Fraser, EVP, People, Customer, Corp Affairs | <p>General Note: Received a 2% performance based increase effective June 1, 2020 for the Fiscal 2020 performance year. In accordance with the B.C. Public Sector Executive Compensation Freeze Policy implemented on August 31, 2020, executives will not receive performance based increases for the Fiscal 2021 performance year.</p> |
| Charlotte Mitha, EVP, Operations | <p>General Note: Promoted to EVP, Operations effective 2019-09-03. Fiscal 2021 was first full year of earnings in the EVP, Operations position. Received a 2% performance based increase effective June 1, 2020 for the Fiscal 2020 performance year. In accordance with the B.C. Public Sector Executive Compensation Freeze Policy implemented on August 31, 2020, executives will not receive performance based increases for the Fiscal 2021 performance year.</p> |
| David Wong, EVP, Finance, Tech, Supply Chain & CFO | <p>General Note: Received a 2% performance based increase effective June 1, 2020 for the Fiscal 2020 performance year. In accordance with the B.C. Public Sector Executive Compensation Freeze Policy implemented on August 31, 2020, executives will not receive performance based increases for the Fiscal 2021 performance year.</p> <p>Other Note: Other is taxable benefit for transit pass (\$1,058) and value of benefit credit taken as cash and/or allocated towards other benefit programs (\$2,397).</p> |
| Thomas Bechard, Pres & CEO Powerex | |
| Michael MacDougall, VP, Trade Policy and IT | |
| 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> |
| Jay Ratzlaff, Chief Legal & Compliance Officer - Pwx | <p>Other Note: Other is value of benefit credit taken as cash and/or allocated towards other benefit programs.</p> |
| Rebecca Richings, CFO, Powerex | <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 | <p>General Note: Received a 2% performance based increase effective June 1, 2020 for the Fiscal 2020 performance year. In accordance with the B.C. Public Sector Executive Compensation Freeze Policy implemented on August 31, 2020, executives will not receive performance based increases for the Fiscal 2021 performance year.</p> <p>Other Note: Other is value of benefit credit taken as cash and/or allocated towards other benefit programs.</p> |
| Ken Bognar, Director, Transmission & Distribution | |
| David Facey, General Counsel & Director of Corporate Resources | <p>Other Note: Other is value of benefit credit taken as cash and/or allocated towards other benefit programs.</p> |
| Taramatee Ramnial, Director, HSEQ Accreditation & Compliance | <p>Other Note: Other is value of benefit credit taken as cash and/or allocated towards other benefit programs.</p> |
| Vidya Vankayala, Director, Grid Modernization | <p>Other Note: Other is value of benefit credit taken as cash and/or allocated towards other benefit programs.</p> |