

## DIRECTOR ORIENTATION AND DEVELOPMENT

### 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 *Development Program* will consist of ongoing briefings, tutorials and workshops on matters relevant to the Board in consideration of the issues expected to come before it. The *Development Program* will also address educational needs of Directors in respect of their duties generally and will encourage participation in course offerings in this regard provided by third party institutions.

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

### Director Orientation

Each new Director will be required to participate in an *Orientation Program* consisting of the following:

1. Initial Orientation: This initial meeting should be scheduled as soon as possible after appointment of the new Director, preferably within **two weeks**. It is anticipated to take approximately three hours, and will include the following:
  - a) Receiving the following documentation:
    - Board Governance Manual
    - BC Hydro Issues Briefing Binder
    - Director Indemnity Package
    - BC Hydro ID, parking passes, etc.
  - b) Meeting with the following people:
    - Board Chair
    - Chief Executive Officer
    - Code Advisor
    - Corporate Secretary
  - c) Demonstration of the Board Portal

2. Issues Briefing: The following briefings can be held separately, or combined:
  - a) This briefing session is to be led by members of the management team on issues to be selected by the Chief Executive Officer (see Schedule A for listing of sample topics). The session should be scheduled within the **four weeks** following a new Director being appointed to the Board. If there is more than one new Director appointed during the period, this could be combined with other Directors. It is anticipated to be a full day session, either occurring in one day, or spread over two.
  - b) Also during the initial **four week** period, meetings between new Directors and Chairs of the standing committees of the Board of Directors shall be arranged. The purpose of these meetings will be for the Committee Chairs to provide insight to incoming Directors of the business, issues and risks presently before the Committee, or anticipated in the foreseeable future.
3. Site Tours: Site tours can be set up at suitable time or times during the first **three months** after the appointment of a new Director. These should include sites in the lower mainland, as well as some of the larger and more remote sites. Consideration should be given to including tours of sites that are representative of the breadth of BC Hydro's business and those which are relevant to issues requiring Board attention in the foreseeable future.
4. Quarterly Meeting Cycle: New Directors shall, to the extent possible, attend all meetings of the various committees of the Board during the first quarterly meeting cycle after their appointment.

The Chair, through the Corporate Secretary, will schedule the *Orientation Program*.

#### Director Development

Directors will be provided with ongoing development opportunities that educate and inform them on issues that are 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.

With respect to more general director education pertaining to corporate governance and directors duties and obligations, training programs through third party providers will be supported. Based on prior written approval from the Board Chair, Directors shall be entitled to reimbursement of 50% of fees associated with such director training programs. Such programs may or may not lead to certification.

## Schedule "A"

### Sample Topics for Issues Briefings for New Directors

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
  - People, culture and safety
2. Strategic Direction and Corporate Vision and performance goals
3. Financial overview and Capital Plan
4. Regulation
  - Revenue Requirements
  - Long Term Acquisition Plan (LTAP)
  - Recent BCUC Decisions
5. Provincial Energy Plans and Power Acquisitions programs
6. Governance Structure
  - Corporate governance culture
  - Disclosure in response to Government guidelines
  - Risk Management
  - Board and Committee Organization
  - Duties and obligations of BC Hydro directors
  - Our conduct expectations, conflict of interest guidelines and role of the Code Advisor
  - Freedom of information, privacy and confidential information (also what we make publicly available)
  - Accountability
7. The North America electricity marketplace - realities and emerging issues
8. Major initiatives underway, key policy issues and future major Board decisions
9. 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
10. Corporate Ethos and Communications