

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.



Nalaine Morin

Director, BC Hydro Board of Directors

Chair, People & Culture 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, 2022 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 People & Culture Committee (P&CC) prior to submission to the Public Sector Employers' Council (PSEC) for final approval.

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

Board of Directors

- Approves the President and Chief Executive Officer compensation structure, performance-based incentive awards and salary increases acting upon the recommendation of the P&CC.

P&CC

- 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 incentive awards and salary increases.
- Approves the Executive Team performance-based incentive 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 an incentive 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. In accordance with the B.C. Public Sector Executive Compensation Freeze Policy implemented on August 31, 2020, executives did not receive performance-based salary increases in fiscal 2022.

The objective of the executive incentive 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 P&CC performance-based incentive awards for the Executive Team.

Executive incentive awards are based on objectives linked to BC Hydro's performance measures. The Fiscal 2022 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.
- **Incentive Award:** An incentive award based on individual and company performance. The maximum incentive award possible is 20% of salary. The maximum incentive 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 2022

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2021/2022 Total Compensation	Previous Two Years Totals Total Compensation	
							2020/2021	2019/2020
BC Hydro								
Chris O'Riley, President & CEO	\$ 379,942	\$ 31,488	\$ 24,246	\$ 96,125	\$ 57,577	\$ 589,378	\$ 590,114	\$ 566,084
Maureen Daschuk, SVP, Integrated Planning	\$ 269,704	\$ 44,704	\$ 21,424	\$ 68,235	\$ 5,387	\$ 409,454	\$ 403,149	\$ 390,464
Charlotte Mitha, EVP, Operations	\$ 274,482	\$ 45,496	\$ 21,547	\$ 69,444	\$ 247	\$ 411,216	\$ 408,928	\$ 352,756
Diana Stephenson, SVP, Customer and Corporate Affairs	\$ 72,738	\$ 13,540	\$ 6,702	\$ 18,403	-	\$ 111,383		
Janet Fraser, EVP, People, Customer, Corp Affairs (former)	\$ 235,964	\$ 29,800	\$ 16,931	\$ 59,699	\$ 13,867	\$ 356,261	\$ 434,482	\$ 421,205
David Wong, EVP, Finance, Tech, Supply Chain & CFO	\$ 298,635	\$ 49,500	\$ 22,165	\$ 75,555	\$ 3,474	\$ 449,329	\$ 447,158	\$ 437,755
Powerex								
Thomas Bechard, Pres & CEO Powerex	\$ 366,362	\$ 561,600	\$ 19,082	\$ 29,257	\$ 1,475	\$ 977,776	\$ 934,521	\$ 937,845
Michael MacDougall, VP, Trade Policy and IT	\$ 239,869	\$ 48,134	\$ 20,660	\$ 60,687	\$ 3,224	\$ 372,574	\$ 361,836	\$ 349,867
Amit Budhwar, Director, Risk Mgmt	\$ 235,182	\$ 23,597	\$ 18,027	\$ 20,209	\$ 16,887	\$ 313,902	\$ 304,096	\$ 320,169
Jay Ratzlaff, Chief Legal & Compliance Officer - Pwx	\$ 214,541	\$ 21,526	\$ 17,579	\$ 18,299	\$ 20,522	\$ 292,467	\$ 282,922	\$ 275,560
Rebecca Richings, CFO, Powerex	\$ 197,220	\$ 19,788	\$ 17,203	\$ 16,696	\$ 2,375	\$ 253,282	\$ 256,406	\$ 232,584
Powertech								
Raymond Lings, President & CEO, Powertech	\$ 237,341	\$ 42,388	\$ 20,596	\$ 60,047	\$ 11,928	\$ 372,300	\$ 353,706	\$ 372,953
David Facey, General Counsel & Director of Corporate Resources	\$ 172,955	-	\$ 16,677	\$ 12,991	\$ 10,123	\$ 212,746	\$ 213,142	\$ 208,923
Phil Horacek, Director, Business Operations	\$ 164,551	-	\$ 16,495	\$ 12,285	\$ 16,214	\$ 209,545		
Vidya Vankayala, Director, Grid Modernization	\$ 176,086	-	\$ 16,745	\$ 13,255	\$ 7,206	\$ 213,292	\$ 211,852	\$ 221,980
Ken Bognar, Director, T&D Technology & Testing	\$ 169,196	-	\$ 16,595	\$ 12,675	\$ 7,355	\$ 205,821	\$ 188,352	\$ 191,153

Summary Other Compensation Table at 2022

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	\$ 57,577	-	\$ 35,073	-	\$ 6,960	-	\$ 15,544
Maureen Daschuk, SVP, Integrated Planning	\$ 5,387	-	\$ 4,268	-	-	-	\$ 1,119
Charlotte Mitha, EVP, Operations	\$ 247	-	-	-	-	-	\$ 247
Diana Stephenson, SVP, Customer and Corporate Affairs	-	-	-	-	-	-	-
Janet Fraser, EVP, People, Customer, Corp Affairs (former)	\$ 13,867	-	\$ 13,858	-	-	-	\$ 9
David Wong, EVP, Finance, Tech, Supply Chain & CFO	\$ 3,474	-	-	-	-	-	\$ 3,474
Powerex							
Thomas Bechard, Pres & CEO Powerex	\$ 1,475	-	\$ 574	-	-	-	\$ 901
Michael MacDougall, VP, Trade Policy and IT	\$ 3,224	-	-	-	-	-	\$ 3,224
Amit Budhwar, Director, Risk Mgmt	\$ 16,887	-	\$ 7,448	-	-	-	\$ 9,439
Jay Ratzlaff, Chief Legal & Compliance Officer - Pwx	\$ 20,522	-	\$ 3,301	-	-	-	\$ 17,221
Rebecca Richings, CFO, Powerex	\$ 2,375	-	-	-	-	-	\$ 2,375
Powertech							
Raymond Lings, President & CEO, Powertech	\$ 11,928	-	\$ 11,928	-	-	-	-
David Facey, General Counsel & Director of Corporate Resources	\$ 10,123	-	\$ 6,652	-	-	-	\$ 3,471
Phil Horacek, Director, Business Operations	\$ 16,214	-	\$ 16,214	-	-	-	-
Vidya Vankayala, Director, Grid Modernization	\$ 7,206	-	\$ 139	-	-	-	\$ 7,067
Ken Bognar, Director, T&D Technology & Testing	\$ 7,355	-	\$ 7,355	-	-	-	-

Notes

Chris O'Riley, President & CEO	General Note: This position met criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was ineligible to receive a performance-based increase for the 2020/21 performance year. Other Note: Other is taxable benefit for paid parking (\$296) and value of benefit credit taken as cash and/or allocated towards other benefit programs (\$15,248).
Maureen Daschuk, SVP, Integrated Planning	General Note: This position met criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was ineligible to receive a performance-based increase for the 2020/21 performance year. Other Note: Other is taxable benefit for paid transit pass.
Charlotte Mitha, EVP, Operations	General Note: This position met criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was ineligible to receive a performance-based increase for the 2020/21 performance year. Other Note: Other is taxable benefit for paid parking.
Diana Stephenson, SVP, Customer and Corporate Affairs	General Note: Disclosure covers partial year as this individual was hired on December 6, 2021.
Janet Fraser, EVP, People, Customer, Corp Affairs (former)	General Note: Retired effective January 1, 2022. This position met criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was ineligible to receive a performance-based increase for the 2020/21 performance year. Other Note: Other is taxable benefit for paid parking.
David Wong, EVP, Finance, Tech, Supply Chain & CFO	General Note: This position met criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was ineligible to receive a performance-based increase for the 2020/21 performance year. Other Note: Other is taxable benefit for transit pass (\$1,077) and value of benefit credit taken as cash and/or allocated towards other benefit programs (\$2,397).
Thomas Bechard, Pres & CEO Powerex	General Note: Effective Nov 5, 2021 full salary became pensionable. Previously only \$225,000 of salary was pensionable. Received a 4% performance-based salary increase effective September 1, 2021 as had not previously received the 2% salary increase allowed for in fiscal 2019 and 2020 performance years. This position met criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was ineligible to receive a performance-based increase for the 2020/21 performance year. Other Note: Other is taxable benefit for paid parking.
Michael MacDougall, VP, Trade Policy and IT	Other Note: Other is taxable benefit for paid parking (\$2,550) and value of benefit credit taken as cash and/or allocated towards other benefit programs (\$674).
Amit Budhwar, Director, Risk Mgmt	Other Note: Other is value of benefit credit taken as cash and/or allocated towards other benefit programs.
Jay Ratzlaff, Chief Legal & Compliance Officer - Pwx	Other Note: Other is value of benefit credit taken as cash and/or allocated towards other benefit programs.
Rebecca Richings, CFO, Powerex	Other Note: Other is value of benefit credit taken as cash and/or allocated towards other benefit programs.
Raymond Lings, President & CEO, Powertech	General Note: This position met criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was ineligible to receive a performance-based increase for the 2020/21 performance year.
David Facey, General Counsel & Director of Corporate Resources	Other Note: Other is value of benefit credit taken as cash and/or allocated towards other benefit programs.

Phil Horacek, Director, Business Operations	General Note: This is the first year this individual is being disclosed as they were promoted effective March 15, 2021.
Vidya Vankayala, Director, Grid Modernization	Other Note: Other is value of benefit credit taken as cash and/or allocated towards other benefit programs.
Ken Bognar, Director, T&D Technology & Testing	