

May 11, 2018

PSEC Secretariat
2nd Floor, 880 Douglas Street
Victoria, BC
V8W 2B7

Attention: Christina Zacharuk, President and CEO

Dear Ms. Zacharuk:

Re: 2017/18 Executive Compensation Disclosure – Columbia Basin Trust

Enclosed please find the Executive Compensation Disclosure report for Columbia Basin Trust (Trust) for fiscal year 2017/18.

I confirm that the Trust's Board of Directors is aware of the executive compensation paid in the prior fiscal year and that all compensation disclosed is accurate. Due to the unique arrangement wherein the President and CEO of the Trust is also the Acting President and CEO of Columbia Power, and compensation for this role is shared by both organizations, all compensation is disclosed in the attached report for transparency purposes. The CEO's compensation is paid 50% by each corporation. There were no pre-employment payments made prior to the employment contracts. All compensation provided was within the Trust's approved compensation plan and complies with the Public Sector Executive Compensation Reporting Guidelines dated April 2018.

Sincerely,



Rick Jensen
Chair, Board of Directors

COMPENSATION PHILOSOPHY

INTRODUCTION

This policy regarding the establishment and adjustment of salary levels shall apply to all employees of the Trust, subject to the provisions of specific employment contracts, Public Sector Employer's Council (PSEC) approvals and guidelines and budget approvals.

POLICY

1. CORE PRINCIPLES

The following core principles guide the design, implementation and administration of the Trust compensation philosophy:

- *Performance:* Compensation programs support and promote a performance based (merit) organizational culture. All salary increases are merit based.
- *Differentiation:* Differentiation of salary is supported where there are differences in the scope of the position and/or due to superior individual performance.
- *Accountability:* Compensation decisions are objective and based upon a clear and well documented business rationale.
- *Transparency:* Compensation programs are designed, managed and communicated in a manner that ensures the program is clearly understood by employees and the public while protecting individual personal information.

2. MARKET COMPARATOR GROUP(S)

The Trust's job rate (100%) reflects the target level of compensation for each position and is set at the market average level of compensation (P50) for comparable positions. The comparator group selected includes all sectors in the BC job market excluding Metro Vancouver.

Salary ranges for each position correspond to a point range distribution reflected for each of the 11 salary bands. Each band has a salary range between (85%) minimum and (100%) maximum. There is an ability to pay up to (10%) above the job rate maximum for special cases (e.g. exceptional performance or market conditions). The Trust does not offer bonus, incentive, holdback or any other related compensation.

3. BENCHMARKING

The Trust evaluates and compensates positions using a point Job Evaluation Factor Plan and jobs are placed into one of 11 salary grades based on the point ratings. The Compensation Plan is approved by the Public Sector Employer's Council.

4. CURRENT COMPENSATION INFORMATION

There are 11 salary ranges. The lowest minimum (85%) salary range starts at \$29,600 and the highest maximum (100%) salary range is \$138,000.

JG	Minimum (85%)	Maximum (100%)
JG12	117,300	138,000
JG11	101,600	119,500
JG10	90,100	106,100
JG9	80,300	94,500
JG8	70,600	83,000
JG7	62,100	73,100
JG6	53,700	63,200
JG5	46,900	55,200
JG4	40,100	47,200
JG3	34,900	41,000
JG2	29,600	34,800

5. ELEMENTS OF TRUST COMPENSATION PLAN

1. Base Pay

2. Leave and Statutory Holidays:

a. *Statutory Holidays: The Trust observes the following 12 statutory holidays:*

- New Year's Day
- Family Day
- Good Friday
- Easter Monday
- Victoria Day
- Canada Day
- BC Day
- Labour Day
- Thanksgiving Day
- Remembrance Day
- Christmas Day
- Boxing Day.

b. *Vacation*

Employees will earn vacation based on total years of service to the Trust to a maximum of 35 days per year. This accrual will continue to end of employment or until otherwise amended by mutual agreement.

c. *Special Leave*

Eight days per year, not cumulative, for family emergencies or unplanned obligations.

d. *Sick Leave*

Eight days per year cumulative to a maximum of 85 days.

e. *Flex Days*

Management roles only. Maximum of seven days per year, not cumulative.

3. Benefits include:

- MSP
- Extended Health
- Dental
- Life
- Dependent Life
- Accidental Death and Dismemberment
- Short Term Disability
- Long Term Disability
- Health Spending Account
- Employee Family Assistance Program
- Healthy Active Employee Policy
- Long Service Awards.

4. Pension:

A defined benefit pension plan through the Public Service Pension Plan (PSPP) is available to all Trust employees.

Employees hired prior to June 30, 2012 were provided the option to receive a (20%) benefit allowance to cover pension and benefits and not subscribe to the pension and benefits plans. Employees that elected to join PSPP continue to receive a reduced benefit allowance to pay for their benefit premiums.

Columbia Basin Trust

Summary Compensation Table at 2018

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2017/2018 Total Compensation	Previous Two Years Totals Total Compensation	
							2016/2017	2015/2016
Johnny Strilaeff, President & CEO	\$ 206,168	-	\$ 44,224	-	\$ 9,388	\$ 259,780	\$ 215,025	\$ 184,466

Summary Other Compensation Table at 2018

Name And Position	All Other Compensation	Severance	Vacation payout	Leave payout	Vehicle / Transportation Allowance	Perquisites / other Allowances	Other
Johnny Strilaeff, President & CEO	\$ 9,388	-	\$ 9,388	-	-	-	-

Notes

Johnny Strilaeff, President & CEO

General Note: Statutory and Health Benefits of \$44,224 includes Benefits Allowance plus statutory benefit premiums (EI, CPP, WCB). Johnny Strilaeff is the CEO of the Trust with a salary of \$187,425. On April 10, 2017, Johnny was also appointed the Acting CEO of Columbia Power Corporation and receives an additional 10% of his Trust salary as compensation for this role. For transparency purposes, his total compensation is disclosed by both organizations.