

**British Columbia Transmission
Corporation**

F2008 Statement of Executive Compensation

June 30, 2008

BCTC F2008 Statement of Executive Compensation

Compensation Philosophy & Governance

BCTC's compensation plan is overseen by the Human Resources, Safety & Environment Committee (the Committee) of the Board on behalf of the BCTC's Board of Directors. The Committee is responsible for providing guidance in the development of human resource policies, including BCTC's compensation policy, in accordance with the expectations of the Shareholder, the Province of British Columbia. The Committee is composed of three Directors and the Board Chair serves as an ex-officio member, all of whom are independent.

BCTC's compensation plan is consistent with the requirements of the *Transmission Corporation Act (2003)* and the public sector compensation guidelines established by the Province of British Columbia and overseen by the Public Sector Employers' Council (PSEC). Within these guidelines, the Committee endorses the Corporation's overall compensation strategy and programs relative to appropriate market comparisons, and approves payments made under the programs. To assess alignment with comparative markets, an external consultant is periodically engaged to review and compare the Corporation's compensation plan with that of similar organizations. Results of this review are presented to the Committee.

Application of the public sector compensation guidelines results in an overall executive compensation plan which is below market for base salaries and short term incentive compensation and does not offer a long term incentive program. To partially offset this, BCTC provides enhanced value in pension plans and paid time-off programs.

Determining Base Salaries

Base salary levels are managed within pre-determined salary ranges which form part of the approved compensation plan. The salary ranges are regularly reviewed, with any adjustments approved by the Committee and by representatives of the shareholder (Government of British Columbia).

Individual executive base pay is set within the approved salary ranges taking into account individual performance, relevant experience level and the particular responsibilities assigned to the executive. The CEO completes an annual review of executive base salaries, with any recommendations for adjustment prepared and submitted to the Committee and the Board for approval. The CEO's base pay is similarly determined within the scope of the approved salary range following an annual review by the Board.

See column (b) of the Compensation Summary Table.

Establishing Expectations and Rewarding Performance

BCTC's executive variable performance pay is based on the outcomes of organizational goals and individual objectives. BCTC's corporate goals are approved annually by the Board and reported publicly through the Corporation's [Service Plan](#). Performance against the corporate goals established for each fiscal year is disclosed through the Corporation's [Annual Report](#) on the Service Plan.

The Board is responsible for approving the CEO's individual objectives at the beginning of each fiscal year. At the close of the fiscal year, the Board reviews the Corporation's performance against established goals and completes an evaluation of the CEO's performance against the CEO's individual objectives. The performance pay program in place for the CEO has a target award of 30% of base pay with 70% of the award based on the

achievement of corporate goals and 30% based on the achievement of individual objectives. The maximum award under the program is capped at two times the target award.

The CEO is responsible for completing an assessment of individual executive performance against the individual objectives established at the beginning of the fiscal year. The Committee and the Board review and approve the outcomes of the CEO's assessment of individual executive performance. The performance pay program in place for executives has a target award of 20% of base pay with 60% of the award based on the achievement of corporate goals and 40% based on the achievement of individual objectives. The maximum award under the program is capped at two times the target award.

See column (c) of the Compensation Summary Table.

Pension Plans

As required by the *Transmission Corporation Act*, BCTC's pension plans were established August 1, 2003 in a form substantially similar to those of the predecessor employer, BC Hydro.

BCTC's pension plans include a registered defined benefit pension plan and a supplemental pension plan to provide benefits in excess of the *Income Tax Act* maximums. These plans provide a retirement benefit which is based on service in the plans and earnings level. For the executives listed in this disclosure, base salaries and payments under the performance pay program are pensionable earnings.

The value of the pension reported in column (d) of the Compensation Summary Table is an actuarial calculation and represents the total of BCTC's contributions to the registered pension plan and the current service cost of the unfunded supplemental pension plan for each executive listed in the table.

In addition to the provisions of the registered and supplemental plans, the executives listed in this disclosure are able to purchase additional service. For the most recently completed fiscal year all listed executives, except Janet Woodruff who was ineligible in her first year of employment, elected to purchase 12 months of additional service. This purchase of service is elective and its value varies greatly based on individual circumstance such as age, service, gender and earnings. This value is estimated to range from \$27,000 to \$50,000 and has not been included in the summary table.

See column (d) of the Compensation Summary Table.

Benefits, Paid Time Off and Other Compensation

BCTC provides a benefit plan for executives that includes preventative health screening services and health flex credit, extended health and dental coverage, group life and accident insurance, a long term disability plan and payment of Provincial medical premiums.

Time off programs, including annual vacation and flex days, form an integral part of BCTC's total compensation plan.

Annual vacation entitlements range from 20 to 25 days for the listed executives. Upon completion of each two years of service, this entitlement increases by one additional day to a maximum of 30 days. Executives receive 20 flex days per year which can be taken as time off, use as credits towards the purchase of additional benefits coverage, directed into an employee-funded RRSP or paid out in cash.

In addition to health benefits and paid time off, other compensation includes a vehicle allowance, paid parking, statutory benefits (CPP, EI, WorkSafeBC premiums), any payouts of earned time-off, and any other cash payments.

In F2008, other compensation for Bruce Barrett, VP Major Projects, included a retention payment of \$60,000 under a retention agreement approved by the Board and the Minister of Finance. This agreement was designed to ensure the retention of Mr. Barrett and stable leadership for BCTC's Major Projects division through the completion of critical capital expansion projects.

See column (e) of the Compensation Summary Table.

F2008 Compensation Summary Table

Name & Principal Position	Base Salary (\$)	Incentive Plan Award (\$)	Pension (\$)	Other Compensation (\$)	Total (\$)
(a)	(b)	(c)	(d)	(e)	(f)
Jane Peverett, President & CEO	282,134	107,303	51,853	39,996	481,286
¹ Janet Woodruff, VP Corporate Services & CFO	101,583	35,616	23,406	38,743	199,348
² Brian Gabel, VP Corporate Services & CFO	89,941	21,244	19,931	29,186	160,302
John Irving, VP & General Counsel	204,163	47,792	36,492	40,002	328,449
Doug Little, VP Customer & Strategy	193,955	46,968	30,172	44,403	315,498
Bruce Barrett, VP Major Projects	187,450	51,680	33,686	105,830	378,645
¹ New hire - Oct 1/07. F2008 annual base salary was \$212,000.					
² Employment ended - Aug 17/07. F2008 annual base salary was \$226,600.					

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