



BC Hydro Board Attestation

To: Christina Zacharuk
CEO & President of PSEC Secretariat
2nd Floor, 880 Douglas St
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.

A handwritten signature in black ink that reads "Jarline North". The signature is written in a cursive style and is positioned above the printed name.

Jarline North
Director, BC Hydro Board of Directors
Chair, Governance and Human Resources Committee

A handwritten date in black ink that reads "June 15, 2017". The date is written in a cursive style and is positioned above the printed word "Date".

Date

PURPOSE

BC Hydro must disclose all compensation provided to the Chief Executive Officer (CEO) 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, 2017 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 CEO 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 CEO'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 CEO.

TOTAL COMPENSATION PHILOSOPHY

BC Hydro total rewards programs are designed to strengthen our proud and valued workforce and ensure alignment to our values. 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 process 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 CEO 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 CEO 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 F2017 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 BC Hydro CEO 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 service, within the guidelines, to a maximum of 5 years.
- **All Other Compensation:** Executives may receive paid parking. The taxable benefit value is reported for paid parking usage. 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 2017

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2016/2017 Total Compensation	Previous Two Years Totals Total Compensation	
							2015/2016	2014/2015
BC Hydro								
Jessica McDonald, President & CEO	\$ 361,790	\$ 33,396	\$ 22,964	\$ 77,785	\$ 32,408	\$ 528,343	\$ 489,111	\$ 348,700
Janet Fraser, SVP, Corporate Affairs and CHRO	\$ 254,150	\$ 47,858	\$ 20,122	\$ 54,642	\$ 2,820	\$ 379,592	\$ 369,097	
Christopher O'Riley, Deputy CEO & Cap Infrastructure Proj Del	\$ 326,658	\$ 61,512	\$ 22,036	\$ 70,231	\$ 17,870	\$ 498,307	\$ 489,535	\$ 450,771
Greg Reimer, EVP, Transmission & Distribution	\$ 294,142	\$ 36,596	\$ 21,178	\$ 63,241	\$ 41,832	\$ 456,989	\$ 432,878	\$ 443,400
Cheryl Yaremko, EVP, Finance, Business Services & CFO	\$ 282,503	\$ 53,158	\$ 20,871	\$ 60,738	\$ 13,671	\$ 430,941	\$ 401,880	\$ 398,409
Powerex								
Teresa Conway, Pres & CEO Powerex	\$ 326,562	\$ 57,667	\$ 22,034	\$ 70,211	\$ 1,058	\$ 477,532	\$ 470,946	\$ 511,343
Thomas Bechard, Managing Director, Trading	\$ 359,421	\$ 487,800	\$ 18,389	\$ 16,870	\$ 2,287	\$ 884,767	\$ 876,019	\$ 957,703
Amit Budhwar, Director, Risk Mgmt	\$ 235,182	\$ 4,719	\$ 17,332	\$ 18,076	\$ 9,439	\$ 284,748	\$ 286,866	\$ 292,805
Janette Lyons, CFO, Powerex	\$ 197,651	\$ 12,890	\$ 16,491	\$ 15,700	\$ 6,160	\$ 248,892	\$ 244,949	\$ 249,777
Michael MacDougall, Director, Trade Policy and IT	\$ 222,759	\$ 17,880	\$ 17,053	\$ 18,135	\$ 12,449	\$ 288,276	\$ 284,811	\$ 311,322
Powertech								
Raymond Lings, President & CEO	\$ 220,110	\$ 38,280	\$ 17,776	\$ 26,509	-	\$ 302,675	\$ 333,441	\$ 286,199
Don Stuckert, President & CEO Powertech, and VP Technology & Security (Former)	\$ 80,666	\$ 36,227	\$ 4,365	\$ 17,343	\$ 15,251	\$ 153,852	\$ 355,858	\$ 365,634
Ken Bogнар, Director, Transmission & Distribution	\$ 139,689	-	\$ 15,193	\$ 9,968	\$ 22,356	\$ 187,206		
John Vandermaar, Director, High Voltage Laboratory	\$ 155,301	-	\$ 15,542	\$ 11,231	\$ 22,244	\$ 204,318	\$ 203,607	\$ 203,864
Vidya Vankayala, Director, Grid Modernization	\$ 166,568	-	\$ 15,795	\$ 12,143	\$ 17,936	\$ 212,442	\$ 153,289	
Lei Wang, Director, Software Technology	\$ 180,092	-	\$ 16,098	\$ 13,237	-	\$ 209,427	\$ 220,291	\$ 221,762

Summary Other Compensation Table at 2017

Name And Position	All Other Compensation	Severance	Vacation payout	Leave payout	Vehicle / Transportation Allowance	Perquisites / other Allowances	Other
BC Hydro							
Jessica McDonald, President & CEO	\$ 32,408	-	\$ 18,480	-	-	-	\$ 13,928
Janet Fraser, SVP, Corporate Affairs and CHRO	\$ 2,820	-	-	-	-	-	\$ 2,820
Christopher O'Riley, Deputy CEO & Cap Infrastructure Proj Del	\$ 17,870	-	\$ 3,350	-	-	-	\$ 14,520
Greg Reimer, EVP, Transmission & Distribution	\$ 41,832	-	\$ 30,027	-	-	-	\$ 11,805
Cheryl Yaremko, EVP, Finance, Business Services & CFO	\$ 13,671	-	-	-	-	-	\$ 13,671
Powerex							
Teresa Conway, Pres & CEO Powerex	\$ 1,058	-	-	-	-	-	\$ 1,058
Thomas Bechard, Managing Director, Trading	\$ 2,287	-	-	-	-	-	\$ 2,287
Amit Budhwar, Director, Risk Mgmt	\$ 9,439	-	-	-	-	-	\$ 9,439
Janette Lyons, CFO, Powerex	\$ 6,160	-	-	-	-	-	\$ 6,160
Michael MacDougall, Director, Trade Policy and IT	\$ 12,449	-	\$ 8,568	-	-	-	\$ 3,881
Powertech							
Raymond Lings, President & CEO	-	-	-	-	-	-	-
Don Stuckert, President & CEO Powertech, and VP Technology & Security (Former)	\$ 15,251	-	\$ 15,251	-	-	-	-
Ken Bognar, Director, Transmission & Distribution	\$ 22,356	-	\$ 17,549	-	-	-	\$ 4,807
John Vandermaar, Director, High Voltage Laboratory	\$ 22,244	-	\$ 11,458	-	-	-	\$ 10,786
Vidya Vankayala, Director, Grid Modernization	\$ 17,936	-	\$ 11,277	-	-	-	\$ 6,659
Lei Wang, Director, Software Technology	-	-	-	-	-	-	-

Notes

Jessica McDonald, President & CEO	Other Note: Other is value of benefit credit that was taken as cash and/or allocated towards other benefit programs.
Janet Fraser, SVP, Corporate Affairs and CHRO	Other Note: Other is taxable benefit for paid parking.
Christopher O'Riley, Deputy CEO & Cap Infrastructure Proj Del	Other Note: Other is taxable benefit for paid parking and value of benefit credit that was taken as cash and/or allocated towards other benefit programs.
Greg Reimer, EVP, Transmission & Distribution	Other Note: Other is value of benefit credit that was taken as cash and/or allocated towards other benefit programs.
Cheryl Yaremko, EVP, Finance, Business Services & CFO	Other Note: Other is taxable benefit for paid parking and value of benefit credit that was taken as cash and/or allocated towards other benefit programs.
Teresa Conway, Pres & CEO Powerex	Other Note: Other is taxable benefit for paid parking.
Thomas Bechard, Managing Director, Trading	Other Note: Other is taxable benefit for paid parking.
Amit Budhwar, Director, Risk Mgmt	Other Note: Other is value of benefit credit that was taken as cash and/or allocated towards other benefit programs. .
Janette Lyons, CFO, Powerex	Other Note: Other is taxable benefit for paid parking and value of benefit credit that was taken as cash and/or allocated towards other benefit programs.
Michael MacDougall, Director, Trade Policy and IT	Other Note: Other is taxable benefit for paid parking and value of benefit credit that was taken as cash and/or allocated towards other benefit programs.
Raymond Lings, President & CEO	
Don Stuckert, President & CEO Powertech, and VP Technology & Security (Former)	General Note: Mr. Stuckert was on salary continuance in F2017 until July 12, 2016.
Ken Bognar, Director, Transmission & Distribution	Other Note: Other is value of benefit credit that was taken as cash and/or allocated towards other benefit programs.
John Vandermaar, Director, High Voltage Laboratory	Other Note: Other is value of benefit credit that was taken as cash and/or allocated towards other benefit programs.
Vidya Vankayala, Director, Grid Modernization	General Note: Mr. Vankayala was hired partway through Fiscal 2016 (June 29, 2015) and therefore Fiscal 2017 is the first year of full earnings being reported. Other Note: Other is value of benefit credit that was taken as cash and/or allocated towards other benefit programs.
Lei Wang, Director, Software Technology	