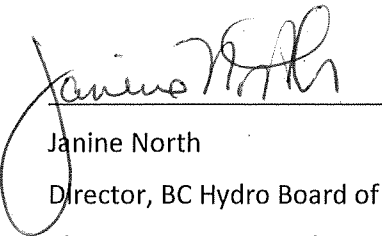


BC Hydro Board Attestation

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.



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

June 7, 2018

Date

PURPOSE

BC Hydro must disclose all compensation provided to the President and Chief Operating 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, 2018 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 President and Chief Operating Officer 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 President and Chief Operating Officer'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 President and Chief Operating Officer.

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 President and Chief Operating 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 Operating Officer 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 F2018 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 President and Chief Operating 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 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 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
BC Hydro								
Jessica McDonald, President & CEO (Former)	\$ 361,790	\$ 32,960	\$ 18,184	\$ 77,785	\$ 50,896	\$ 541,615	\$ 528,343	\$ 489,111
Christopher O'Riley, President & COO	\$ 359,120	\$ 44,142	\$ 23,348	\$ 77,211	\$ 25,363	\$ 529,184	\$ 498,307	\$ 489,535
Janet Fraser, SVP, People, Customer and Corporate Affairs	\$ 266,519	\$ 49,664	\$ 20,903	\$ 57,302	\$ 2,820	\$ 397,208	\$ 379,592	\$ 369,097
Mark Poweska, EVP, Operations	\$ 271,868	\$ 53,352	\$ 21,044	\$ 58,452	\$ 1,004	\$ 405,720		
Greg Reimer, EVP, Transmission & Distribution	\$ 83,054	-	\$ 10,594	\$ 18,058	-	\$ 111,706	\$ 456,989	\$ 432,878
Cheryl Yaremko, EVP, Finance, Business Services & CFO (Former)	\$ 254,539	\$ 43,318	\$ 19,702	\$ 54,726	\$ 21,360	\$ 393,645	\$ 430,941	\$ 401,880
Ryan Layton, Acting CFO	\$ 34,445	\$ 2,696	\$ 2,642	\$ 1,728	\$ 541	\$ 42,052		
Powerex								
Thomas Bechard, President & CEO Powerex	\$ 358,800	\$ 500,852	\$ 18,792	\$ 17,527	\$ 2,287	\$ 898,258	\$ 884,767	\$ 876,019
Teresa Conway, President & CEO, Powerex	\$ 326,562	\$ 58,191	\$ 22,488	\$ 70,211	\$ 41,237	\$ 518,689	\$ 477,532	\$ 470,946
Michael MacDougall, Director, Trade Policy	\$ 225,123	\$ 20,417	\$ 17,512	\$ 19,255	\$ 6,936	\$ 289,243	\$ 288,276	\$ 284,811
Amit Budhwar, Director, Risk Mgmt	\$ 235,182	\$ 9,439	\$ 17,737	\$ 19,177	\$ 14,173	\$ 295,708	\$ 284,748	\$ 286,866
Jeff Lam, Chief Compliance Officer - Powerex	\$ 209,453	-	\$ 17,161	\$ 16,220	\$ 20,028	\$ 262,862		
Janette Lyons, CFO, Powerex	\$ 199,749	\$ 14,010	\$ 16,943	\$ 16,582	\$ 2,564	\$ 249,848	\$ 248,892	\$ 244,949
Rebecca Richings, Acting CFO, Powerex	\$ 95,954	\$ 8,100	\$ 9,535	\$ 6,675	\$ 2,815	\$ 123,079		
Powertech								
Raymond Lings, President & CEO, Powertech	\$ 219,267	\$ 42,944	\$ 19,656	\$ 47,142	\$ 12,088	\$ 341,097	\$ 302,675	\$ 333,441
Bruce Sunga, Director, Substation	\$ 37,250	-	\$ 3,424	\$ 1,738	\$ 55	\$ 42,467		
Ken Bogнар, Director, Transmission & Distribution	\$ 147,507	-	\$ 15,773	\$ 11,010	\$ 2,345	\$ 176,635	\$ 187,206	
Vidya Vankayala, Director, Grid Modernization	\$ 165,930	-	\$ 16,186	\$ 12,560	\$ 3,109	\$ 197,785	\$ 212,442	\$ 153,289

Lei Wang, Director, Software Technology	\$ 182,090	-	\$ 16,548	\$ 13,919	\$ 26,667	\$ 239,224	\$ 209,427	\$ 220,291
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Summary Other Compensation Table at 2018

Name And Position	All Other Compensation	Severance	Vacation payout	Leave payout	Vehicle / Transportation Allowance	Perquisites / other Allowances	Other
BC Hydro							
Jessica McDonald, President & CEO (Former)	\$ 50,896	-	\$ 40,394	-	-	-	\$ 10,502
Christopher O'Riley, President & COO	\$ 25,363	-	\$ 4,374	-	\$ 4,536	-	\$ 16,453
Janet Fraser, SVP, People, Customer and Corporate Affairs	\$ 2,820	-	-	-	-	-	\$ 2,820
Mark Poweska, EVP, Operations	\$ 1,004	-	\$ 512	-	-	-	\$ 492
Greg Reimer, EVP, Transmission & Distribution	-	-	-	-	-	-	-
Cheryl Yaremko, EVP, Finance, Business Services & CFO (Former)	\$ 21,360	-	\$ 19,055	-	-	-	\$ 2,305
Ryan Layton, Acting CFO	\$ 541	-	-	-	-	-	\$ 541
Powerex							
Thomas Bechard, President & CEO Powerex	\$ 2,287	-	-	-	-	-	\$ 2,287
Teresa Conway, President & CEO, Powerex	\$ 41,237	-	\$ 37,188	-	-	-	\$ 4,049
Michael MacDougall, Director, Trade Policy	\$ 6,936	-	\$ 2,319	-	-	-	\$ 4,617
Amit Budhwar, Director, Risk Mgmt	\$ 14,173	-	\$ 4,734	-	-	-	\$ 9,439
Jeff Lam, Chief Compliance Officer - Powerex	\$ 20,028	-	\$ 27	-	-	-	\$ 20,001
Janette Lyons, CFO, Powerex	\$ 2,564	-	-	-	-	-	\$ 2,564
Rebecca Richings, Acting CFO, Powerex	\$ 2,815	-	-	-	-	-	\$ 2,815
Powertech							
Raymond Lings, President & CEO, Powertech	\$ 12,088	-	\$ 12,088	-	-	-	-
Bruce Sunga, Director, Substation	\$ 55	-	-	-	-	-	\$ 55
Ken Bogнар, Director, Transmission & Distribution	\$ 2,345	-	\$ 2,345	-	-	-	-
Vidya Vankayala, Director, Grid Modernization	\$ 3,109	-	-	-	-	-	\$ 3,109
Lei Wang, Director, Software Technology	\$ 26,667	-	\$ 11,997	-	-	-	\$ 14,670

Notes

Jessica McDonald, President & CEO (Former)	<p>General Note: Ms. McDonald was placed on salary continuance effective 2017-07-21. She will remain on salary continuance until 2018-09-21 and will earn approximately \$272,659 in Fiscal 2019 for the remainder of her salary continuance period, including the value of benefits, pension and other compensation.</p> <p>Other Note: Other is value of benefit credit taken as cash and/or allocated towards other benefit programs.</p>
Christopher O'Riley, President & COO	<p>General Note: Mr. O'Riley was promoted from Deputy CEO and Capital Infrastructure Project Delivery to President and Chief Operating Officer effective 2017-07-21 and as a result his earnings increased.</p> <p>Other Note: Other is taxable benefit for paid parking (\$1,796) and value of benefit credit taken as cash and/or allocated towards other benefit programs (\$14,656).</p>
Janet Fraser, SVP, People, Customer and Corporate Affairs	<p>Other Note: Other is taxable benefit for paid parking.</p>
Mark Poweska, EVP, Operations	<p>General Note: Mr. Poweska was promoted from SVP Training Development & Generation to EVP, Operations effective 2017-10-11 and received a promotional salary increase.</p> <p>Other Note: Other is taxable benefit for paid parking.</p>
Greg Reimer, EVP, Transmission & Distribution	<p>General Note: Mr. Reimer was terminated 2017-07-06. Earnings are for the partial year worked. At the time of termination, he had a negative vacation bank balance of \$938 which was recovered on his final pay. His reported salary includes this recovery.</p>
Cheryl Yaremko, EVP, Finance, Business Services & CFO (Former)	<p>General Note: Ms. Yaremko resigned effective 2018-02-03. Earnings are for partial year worked.</p> <p>Other Note: Other is taxable benefit for paid parking (\$1,951) and value of benefit credit taken as cash and/or allocated towards other benefit programs (\$354).</p>
Ryan Layton, Acting CFO	<p>General Note: Mr. Layton has been the Acting CFO since 2018-01-22. Only his earnings while in the acting role have been reported.</p> <p>Other Note: Other is taxable benefit for paid parking.</p>
Thomas Bechard, President & CEO Powerex	<p>General Note: Ms. Conway is scheduled to retire as President and CEO, Powerex effective August 1, 2018. To facilitate transition Mr. Bechard was promoted from Head Trader to President and CEO, Powerex effective 2017-12-11.</p> <p>Other Note: Other is taxable benefit for paid parking.</p>
Teresa Conway, President & CEO, Powerex	<p>Other Note: Other is taxable benefit for paid parking (\$773) and value of benefit credit taken as cash and/or allocated towards other benefit programs (\$3,277).</p>
Michael MacDougall, Director, Trade Policy	<p>Other Note: Other is taxable benefit for paid parking (\$3,256) and value of benefit credit taken as cash and/or allocated towards other benefit programs (\$1,361).</p>
Amit Budhwar, Director, Risk Mgmt	<p>Other Note: Other is value of benefit credit taken as cash and/or allocated towards other benefit programs.</p>
Jeff Lam, Chief Compliance Officer - Powerex	<p>Other Note: Other is taxable benefit for paid parking (\$4,029) and value of benefit credit taken as cash and/or allocated towards other benefit programs (\$15,972).</p>
Janette Lyons, CFO, Powerex	<p>General Note: Ms. Lyons was temporarily assigned to work as the Director, Project Support Services on Site C effective 2017-07-10.</p> <p>Other Note: Other is taxable benefit for paid parking (\$1,759) and value of benefit credit taken as cash and/or allocated towards other benefit programs (\$805).</p>
Rebecca Richings, Acting CFO, Powerex	<p>General Note: Ms. Richings has been the Acting CFO, Powerex since 2017-08-14. Only her earnings while in the acting role have been reported.</p> <p>Other Note: Other is taxable benefit for paid parking.</p>
Raymond Lings, President & CEO, Powertech	

Bruce Sunga, Director, Substation	General Note: Mr. Sunga was promoted to Director, Substation as of January 1, 2018. Only his earnings while in this role have been reported. Other Note: Other is value of benefit credit taken as cash and/or allocated towards other benefit programs.
Ken Bognar, Director, Transmission & Distribution	
Vidya Vankayala, Director, Grid Modernization	Other Note: Other is value of benefit credit taken as cash and/or allocated towards other benefit programs.
Lei Wang, Director, Software Technology	Other Note: Other is value of benefit credit taken as cash and/or allocated towards other benefit programs.