

# Burlington Hydro Inc.

## Compensation Review – Summary Table (Includes CEO)

**\*CONFIDENTIAL\***

February 26, 2014



# Background

- Hay Group has been asked to produce aggregate market tables for purposes of review by the OEB based upon a report produced in November 2011
- The data is proprietary and is deemed strictly confidential
- Hay Group uses the following standard terms for the compensation elements analyzed:
  - Actual Base Salary
  - Actual/Target Total Cash (Actual Base Salary + Actual/Target Short Term Incentive)
  - Actual/Target Total Direct compensation (Actual/Target Total Cash + Present Value of Mid/Long Term Incentives)
  - Actual/Target Total Remuneration (Actual/Target Total Direct + Benefit Value)
  - P75 (75<sup>th</sup> Percentile): the point below which 75% of all observations fall
  - Median, P50 (50<sup>th</sup> Percentile): the point with an equal number of larger and smaller observations
  - P25 (25<sup>th</sup> Percentile): the point below which 25% of all observations fall
  - Average: the arithmetic mean of all observation values

# Background

- There were 2 markets used in this analysis taken from the 2011 Hay Group database
  - 1) The “All Industrial Market” was a broad market composed of 359 organizations focused on the industrial sector and includes natural resources, chemicals, construction and materials, consumer durables, fast moving consumer goods, high technology, industrial goods, leisure and hospitality, media, oil and gas, life sciences, retail, services, telecommunications, transportation, and utilities.
  - 2) The “Selected Utilities Market” was composed of 24 utilities

# Summary Compensation Table

Compensation element	Level	Average BHI	ALL INDUSTRIAL MARKET					SELECTED UTILITIES MARKET				
			P75	P50	P25	Variance from P50	Market Position	P75	P50	P25	Variance from P50	Market Position
Actual Salary	Executive (including CEO)	148,700										
	Manager	94,200										
	Professional / Admin	69,100										
Actual Total Cash	Executive (including CEO)	170,700										
	Manager	100,500										
	Professional / Admin	72,500										
Actual Total Direct	Executive (including CEO)	170,700										
	Manager	100,500										
	Professional / Admin	72,500										
Actual Total Remuneration	Executive (including CEO)	209,000										
	Manager	119,300										
	Professional / Admin	87,100										
Target Total Cash	Executive (including CEO)	178,100										
	Manager	103,700										
	Professional / Admin	74,500										
Target Total Direct	Executive (including CEO)	178,100										
	Manager	103,700										
	Professional / Admin	74,500										
Total Benefit Value	Executive (excluding CEO)	38,300										
	Manager	18,700										
	Professional / Admin	14,600										
Target Total Remuneration	Executive (including CEO)	216,300										
	Manager	122,400										
	Professional / Admin	89,100										