Ontario Power Generation

Total Compensation Benchmarking Study

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Introduction

- Willis Towers Watson has provided market total remuneration benchmark results for roles across Ontario Power Generation's (OPG) Management, PWU and Society employee groups
- Roles have been matched to survey benchmarks and comparator groups based on the underlying skills and responsibilities
  - The majority of roles are compared to a broad comparator group of utility and general industry organizations ("Total Excluding Nuclear Authorized")
  - A small percentage of roles are compared to a select comparator group reflecting large Nuclear organizations across North America ("Nuclear Authorized")

# of incumbents benchmarked

	Total OPG Count	Total Benchmarked	Total Excluding Nuclear Authorized	Nuclear Authorized	*% of OPG Population*
PWU	4998	4236	3992	244	*53%*
Society	3115	2659	2593	66	*35%*
Mgmt Group	1069	857	808	49	*12%*
OPG Total	9182	7752	7393	359	
% of OPG Population			*96%*	*4%*	

% of incumbents benchmarked

	Total OPG Count	Total Excluding Nuclear Authorized	Nuclear Authorized	*% of OPG Population*
PWU	85%	84%	100%	*53%*
Society	85%	86%	69%	*35%*
Mgmt Group	80%	79%	98%	*12%*
OPG Total	84%	84%	92%	
% of OPG Population		*96%*	*4%*	

Willis Towers Watson generally considers benchmarking samples of 60% to be highly representative in the utility industry. 84% of OPG incumbents are in roles covered by this benchmark review

Note: OPG incumbent information as of April 2019

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Methodology

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Comparator Groups

- Compensation data have been sourced from Willis Towers Watson's 2019 Compensation Databases for the following comparator groups:
  - ***Total Excluding Nuclear Authorized*** – 96% of OPG's population
    - Comparator group reflects a sample of approximately 75% utility and 25% general industry organizations requiring a large range of skill sets and with an emphasis on large Ontario employers. In addition, the data have been weighted 50% public sector and 50% private sector among the companies in the comparator group
  - ***Nuclear Authorized*** – 4% of OPG's population
    - Comparator group reflects a sample of 10 large nuclear organizations of a comparable size to OPG, including Bruce Power (Canada) and nine U.S.-based nuclear organizations
    - These roles require federal licensing, specific education and in-depth knowledge in a unique discipline related to the theories, principles and methods associated with nuclear energy including generation, regulation or training. The requirement to apply this professional body of knowledge represents a significant portion of the job and comparable roles are not readily found in Canada
- Pension and benefits data have been sourced from Willis Towers Watson's Benefits Data Source (Canada) for a sample of 14 companies reflecting 75% utility and 25% general industry organizations, and 50% public sector and 50% private sector organizations
  - A single comparator group has been used as organizations typically offer common pension and benefit plans across all roles and skill sets
- Companies included in each comparator group are listed in Appendix I
- Further details regarding the pension and benefits benchmarking approach are included in Appendix III

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Benchmark Selection

- Based on job information and profiles from OPG, each OPG role has been matched to a benchmark with a similar level of functional specialty and accountability within Willis Towers Watson's 2019 Compensation Databases where a suitable match was available
  - For nuclear operations roles that are non-authorized (do not have the same federal licensing requirements), no direct matches were available in the Canadian market. However, it is recognized that comparable skill sets reside within energy, utility and other general industry organizations. As such, these jobs were matched to Total Excluding Nuclear Authorized comparators based on similar skills and level of accountability. Based on a supplemental US analysis (details in Appendix II), a +10% adjustment was made to the Canadian market statistics for these select roles, reflecting the premium observed in the US market where a critical mass of these skills reside

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Total Remuneration Elements

- Market statistics are reported for the following elements of Total Remuneration (TR):

TR Element	OPG Definition	Market Data Definition
Base Salary	Actual annual salary (annualized for wage-based employees) as of April 2019	Actual annual salary (annualized for wage-based employees) as of April 2019
Total Direct Compensation (TDC)	Salary (as of April 2019) + target bonus (if applicable) + nuclear and/or other applicable allowances of incumbents in benchmark roles + long-term incentives at target for eligible executive roles	2019 actual reported comparator organization salary + target bonus + nuclear allowances + long-term incentives (if applicable) of incumbents in benchmark roles
Total Remuneration (TR)	Total direct compensation + pension & benefits for eligible employees + paid time off for eligible employees as a % of base salary ▪ Pension & benefits values reflect employer paid values of pension and benefits as a % of base salary, and are also provided separately ▪ Paid time off consists of vacation days and all regular employer-scheduled holidays and employee-scheduled days	Total direct compensation + pension & benefits for eligible employees + paid time off for eligible employees as a % of base salary ▪ Pension & benefits values reflect employer paid values of pension and benefits as a % of base salary, and are also provided separately ▪ Paid time off consists of vacation days and all regular employer-scheduled holidays and employee scheduled days

- WTW's standard approach is to exclude paid time off (PTO) values from Total Remuneration (defined in this report as Total Remuneration Excluding PTO). To illustrate the impact of PTO on OPG's market positioning given the impact on employee experience and as part of the overall offering to employees, Total Remuneration including PTO is the primary reference of total remuneration in this report (defined in this report as Total Remuneration)

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Market Statistics

- Market statistics reported reflect the 50th and 75th percentiles of the benchmark sample for the data elements included in Total Remuneration:
  - 50th percentile represents the mid-point of the sample, 50% of the data points are positioned below and above this level
  - 75th percentile represents the level where 75% of the data points are positioned below and 25% are positioned above this level. For survey confidentiality purposes, the 75th percentile can only be shown if there are a minimum of five data points in the sample
- For internal compensation management purposes, OPG compares most roles against the 50th percentile of the market
  - However, given the size and complexity of OPG's site operations relative to the comparator group, OPG compares Nuclear Authorized roles against the 75th percentile, except for senior executive roles which target the 50th percentile
- In its decision in EB-2016-0152, the Ontario Energy Board (OEB) found that "the appropriate comparator for the nuclear authorized group should be the 50th percentile"
  - While OPG continues to believe that the 75th percentile is the appropriate market reference for Nuclear Authorized roles below the executive level, the tables included in this report summarize OPG's positioning using the 50th percentile for all roles
- US market data for the Nuclear Authorized comparator group were converted to CAD, consistent with Willis Towers Watson's practice, using an average annual exchange rate to March 2019 of $1 USD - $1.3082 CAD to moderate fluctuations

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Competitive Total Remuneration Benchmarking

- Total remuneration benchmarking focuses on assessing the competitive positioning and not the costs of the programs relative to the market. The cost and value of different elements of remuneration can vary significantly
- Compensation decisions are incumbent / role specific and can be adjusted to take account of the competitive market, whereas benefit programs are designed to cover broad groups of employees rather than individual specific incumbents / roles
  - Total direct compensation (salary + target incentives) values are based on the roles and responsibilities of the employee and represent the cost of the employer of providing the target compensation
  - For pension and benefit values, the individual role is not the primary driver. The design of the benefit programs is company rather than incumbent specific, and both the design and the employer costs will reflect the characteristics and demographics of the particular organization's workforce
    - For example, defined benefit pension values are determined at a plan level and depend on factors such as age, service, actual retirement ages, etc., of the plan members as a whole
    - Unlike annual base salary or a target incentive opportunity, benefit programs cannot be readily adjusted year-over-year
- Given the potential differences between the value provided by programs relative to the cost, the total remuneration values in this report should be interpreted with care and to establish OPG's relative competitiveness against its comparator groups rather than to assess the competitiveness of OPG's costs. It is also important to consider the costs of OPG's total direct compensation and the relative value of its pension & benefit programs separately

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Total Remuneration Benchmark Results Presentation

- The benchmark results are reported by market sample and OPG employee group and are summarized by job family
- All benchmarked OPG roles have been aligned to one of the following job families based on the underlying skill set and benchmarked function:

Job Families	
1. Administration	6. Human Resources
2. Corporate Services	7. Information Technology
3. Engineering	8. Maintenance
4. Enviroment, Health & Safety	9. Operations
5. Finance	10. Supply Chain

- OPG and market findings reflect the average pay and market statistics for all incumbents benchmarked
- The % above or below the market reflects the variance between the sum of OPG's compensation and the sum of market results (i.e. 50th percentile or 75th percentile) for all incumbents benchmarked within the respective job family, OPG Group and comparator group for the data element reported where market data are available

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Overview

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Overview

Observations

- OPG's total remuneration is 7.7% above market and total remuneration excluding PTO is 10.2% above market
  - Including OPG's Hydro One share grants, OPG's total remuneration is 9.0% above market and total remuneration excluding PTO is 11.6% above market
  - By evolving its approach to talent and increasing the proportion of PWU Terms, OPG is reducing its total remuneration position relative to the market and its overall compensation costs
- Willis Towers Watson, consistent with standard methodologies, defines competitive market positioning as +/-10% of the target market position
  - This market range reflects the natural variability in market data and allows organizations to manage total remuneration on a competitive basis over time
  - We note that it is common for individual benchmark data to vary from year to year based on factors such as sample size and individual compensation program changes
- There is variation by employee group. OPG's PWU and Society groups within the Total Excluding Nuclear Authorized sample are generally positioned above the 50th percentile; however, this reflects the limited ability to negotiate differentiated compensation arrangements by job family with represented employees in order to preserve internal relativity across the represented workforce
  - It is important to assess competitiveness on an overall basis, allowing organizations to manage the trade-offs between different employee groups
  - OPG's overall relative positioning increases on a total remuneration basis (which reflects a mix of total direct compensation costs and pension & benefit values). Total direct compensation at 5.2% above market (and including OPG's Hydro One share grants at 6.8% above market) is more competitively positioned relative to total remuneration and should be considered when assessing cost competitiveness

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Total Remuneration Analysis Results

- OPG is positioned relative to market as follows:
  - Total direct compensation at 5.2% above
  - Total remuneration excluding PTO at 10.2% above
  - Total remuneration at 7.7% above

Segment	# of OPG Matched Incumbents	Base Salary	Total Direct Compensation	Total Remuneration Excluding PTO	Total Remuneration
		% above / below	% above / below	% above / below	% above / below
PWU	4236	13.8%	10.4%	15.0%	11.0%
Total Exc. Nuc. Auth	3992	15.1%	11.1%	15.6%	11.4%
Nuclear Authorized	244	1.4%	5.1%	9.3%	7.2%
Society	2659	19.9%	8.6%	15.8%	14.1%
Total Exc. Nuc. Auth	2593	21.3%	9.9%	17.2%	15.4%
Nuclear Authorized	66	-9.9%	-14.3%	-10.0%	-11.0%
Management	857	-8.0%	-13.1%	-11.0%	-11.8%
Total Exc. Nuc. Auth	808	-7.2%	-12.8%	-10.5%	-11.3%
Nuclear Authorized	49	-15.3%	-15.5%	-14.5%	-15.4%
OPG Overall	**7752**	**12.3%**	**5.2%**	**10.2%**	**7.7%**

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Total Remuneration Analysis Results Including Hydro One Share Grants

- Including OPG's Hydro One share grants, OPG is positioned relative to market as follows:
  - Total direct compensation at 6.8% above
  - Total remuneration excluding PTO at 11.6% above
  - Total remuneration at 9.0% above
- Annual share grants similar to OPG's Hydro One share grant are relatively uncommon in the market, but have been captured in TDC where provided in the market. Other one time lump-sum awards (whether in cash or shares) are not captured in WTW's compensation surveys which could potentially understate the market results

Segment	# of OPG Matched Incumbents	Base Salary	Total Direct Compensation	Total Remuneration Excluding PTO	Total Remuneration
		% above / below	% above / below	% above / below	% above / below
PWU	4236	13.8%	12.8%	17.0%	12.7%
Total Exc. Nuc. Auth	3992	15.1%	13.4%	17.6%	13.1%
Nuclear Authorized	244	1.4%	7.5%	11.3%	9.0%
Society	2659	19.9%	10.2%	17.1%	15.3%
Total Exc. Nuc. Auth	2593	21.3%	11.5%	18.6%	16.7%
Nuclear Authorized	66	-9.9%	-12.9%	-8.8%	-9.9%
Management	857	-8.0%	-13.1%	-11.0%	-11.8%
Total Exc. Nuc. Auth	808	-7.2%	-12.8%	-10.5%	-11.3%
Nuclear Authorized	49	-15.3%	-15.5%	-14.5%	-15.4%
OPG Overall	**7752**	**12.3%**	**6.8%**	**11.6%**	**9.0%**

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Projected Impact of PWU Terms Incumbents

- Included in the analysis are employees with a defined length of employment in the PWU Group ("PWU Terms") who do not receive pension and benefits from OPG and are provided a base salary plus vacation pay. These roles have been compared to full-time employees in the market that do receive pension and benefits, as most organizations would be filling these roles with full time employees
- As of July 2020, OPG's PWU Term population has increased to approximately 700 incumbents compared to 390 incumbents included in this report (data as of April 2019)
- To assess the impact of this increase, the table below compares OPG's 2019 and 2020 TR positioning assuming 300 additional PWU Term incumbents in replacement of 300 permanent PWU incumbents based on a similar sample of roles currently included as PWU Term incumbents
- This change reduces OPG's total remuneration excluding PTO positioning from 10.2% to 9.4% above market and OPG's total remuneration from 7.7% to 6.7% above market

Segment	# of OPG Matched Incumbents	Base Salary *(% above / below)*		Total Direct Compensation *(% above / below)*		Total Remuneration Excluding PTO *(% above / below)*		Total Remuneration *(% above / below)*	
		2019 Population	2020 Population	2019 Population	2020 Population	2019 Population	2020 Population	2019 Population	2020 Population
PWU	4236	13.8%	13.4%	10.4%	10.1%	15.0%	13.1%	11.0%	8.8%
Total Exc. Nuc. Auth	3992	15.1%	14.7%	11.1%	10.7%	15.6%	13.5%	11.4%	9.0%
Nuclear Authorized	244	1.4%	1.4%	5.1%	5.1%	9.3%	9.3%	7.2%	7.2%
OPG Overall	**7752**	**12.3%**	**12.2%**	**5.2%**	**5.0%**	**10.2%**	**9.4%**	**7.7%**	**6.7%**

Note: Projected impact results exclude OPG's Hydro One share grants

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Benefits, Pension and Paid Time Off

- The table below illustrates the weighted average employer-provided values (expressed as a % of base salary) of pension and benefits, paid time off and entire benefits (includes combined pension and benefits and paid time off values) at OPG and compares these values to the 50th percentile of the market, recognizing that values vary across demographic, tenure and age profiles
- The employer-provided value of OPG's entire benefits is positioned below the 50th percentile of market for the PWU group, above the 50th percentile for the Society group and at the 50th percentile for the Management group
  - The employer-provided value of OPG's pension and benefits is positioned above the 50th percentile of market for each employee group
  - The employer-provided value of OPG's paid time off is positioned below the 50th percentile of market for each employee group

OPG Group	Pension & Benefits (% of base salary)		Paid Time Off (% of base salary)		Entire Benefits (% of base salary)	
	OPG	Market P50	OPG	Market P50	OPG	Market P50
PWU	22.0%	18.5%	11.1%	15.6%	33.1%	34.7%
Society	25.2%	19.3%	12.6%	15.6%	37.8%	34.6%
Management	22.9%	20.5%	12.8%	14.6%	35.6%	35.5%

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Overtime Analysis

- Overtime is not captured in total remuneration benchmarking as overtime costs are a factor of overtime usage, and usage is not generally captured in compensation surveys. The typical benchmarking approach is to focus on overtime design (e.g., rate, when applied and the form)
- Willis Towers Watson's 2019 General Industry Compensation Policies and Practices Survey captures overtime policies and practices which are summarized in the table below
- OPG's overtime elements are generally aligned with energy sector market practice
  - As energy and utility organizations comprise the majority of OPG's comparators, the energy sector was seen to be the most appropriate market reference for overtime practices and policies

Element	PWU	Society	Market
Rate	Typically 2x	Typically 1.5x for first 4 clock hours after normal quitting time, otherwise 2x*	▪ 2x is the most common overtime rate across all time conditions
When applied	On a daily basis, beyond scheduled hours*	On a daily basis, beyond scheduled hours*	▪ Typically applied on a weekly basis ▪ Most prevalent minimum hours worked before overtime is applied is 40 hours

*as provided by OPG

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Total Remuneration Analysis Results by Job Family

Note: Total Results by Job Family exclude OPG's Hydro One share grants

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Total Results by Job Family (Excluding Nuclear Authorized)
Overview

Job Family Distribution

- Benchmarked incumbents within PWU are primarily within the Maintenance (61%) and Operations (29%) job families
- Benchmarked incumbents span all ten job families within the Society Group with the majority within Engineering (47%), Corporate Services (11%) and Maintenance (11%)
- Benchmarked incumbents also span ten job families within the Management Group, with the majority in Corporate Services (29%) and Engineering (19%)

Market Positioning

- Total Direct Compensation positioning varies by OPG Group and Job Family:
  - The PWU and Society Groups are slightly above the competitive market range
  - The Management Group is positioned below the competitive market range
- Total Remuneration positioning varies by OPG Group and Job Family:
  - The PWU and Society Groups are generally positioned above the competitive market range
  - The Management Group is positioned slightly below the competitive market range

Note: Total Results by Job Family exclude OPG's Hydro One share grants

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Total Results by Job Family (Excluding Nuclear Authorized)

PWU

Total Excluding Nuclear Authorized

OPG Group: PWU

		Base Salary					Total Direct Compensation					Total Remuneration				
Job Family	# OPG Matched Incumbents	Avg. OPG	Avg. P50	P50 (% +/-)	Avg. P75	P75 (% +/-)	Avg. OPG	Avg. P50	P50 (% +/-)	Avg. P75	P75 (% +/-)	Avg. OPG	Avg. P50	P50 (% +/-)	Avg. P75	P75 (% +/-)
Administration	276	$72	$59	21.9%	$66	9.3%	$72	$62	16.9%	$70	3.9%	$96	$82	16.7%	$91	4.7%
Corporate Services	2	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Engineering																
Environment, Health & Safety	16	$118	$99	20.2%	$108	10.0%	$118	$104	13.6%	$119	-0.1%	$163	$138	18.0%	$158	3.4%
Finance	70	$80	$57	39.7%	$75	6.1%	$80	$60	34.0%	$79	1.1%	$107	$79	35.5%	$105	2.2%
Human Resources																
Information Technology	3	$85	$70	21.6%	$86	-1.4%	$85	$71	19.7%	$91	-7.5%	$114	$95	20.4%	$117	-3.1%
Maintenance	2423	$100	$84	18.7%	$100	-0.2%	$100	$87	15.2%	$107	-6.9%	$134	$116	15.7%	$140	-4.2%
Operations	1154	$101	$95	6.0%	$105	-3.3%	$101	$100	1.2%	$114	-11.1%	$135	$133	1.2%	$151	-11.0%
Supply Chain	48	$90	$68	31.1%	$76	18.6%	$90	$71	26.8%	$82	9.6%	$121	$94	28.4%	$108	12.3%
Average Positioning				**15.1%**		**-0.4%**			**11.1%**		**-7.4%**			**11.4%**		**-5.5%**

Due to small sample size (less than 3 incumbents), average total remuneration results for the Corporate Services job family can not be disclosed

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Total Results by Job Family (Excluding Nuclear Authorized)

Society

Total Excluding Nuclear Authorized

OPG Group: Society

		Base Salary					Total Direct Compensation					Total Remuneration				
Job Family	# OPG Matched Incumbents	Avg. OPG	Avg. P50	P50 (% +/-)	Avg. P75	P75 (% +/-)	Avg. OPG	Avg. P50	P50 (% +/-)	Avg. P75	P75 (% +/-)	Avg. OPG	Avg. P50	P50 (% +/-)	Avg. P75	P75 (% +/-)
Administration	30	$116	$77	49.7%	$90	28.3%	$116	$82	41.2%	$100	16.2%	$159	$109	46.0%	$131	21.5%
Corporate Services	297	$129	$99	30.9%	$111	16.5%	$129	$106	21.5%	$122	6.0%	$179	$141	27.1%	$162	10.6%
Engineering	1219	$114	$103	10.3%	$111	2.7%	$114	$113	0.3%	$122	-7.0%	$157	$149	5.0%	$163	-4.0%
Environment, Health & Safety	160	$127	$104	22.3%	$110	15.4%	$127	$114	11.2%	$120	5.7%	$175	$150	16.8%	$159	9.9%
Finance	181	$127	$97	30.9%	$109	15.8%	$127	$106	19.9%	$121	4.4%	$175	$139	25.9%	$160	9.3%
Human Resources	13	$118	$89	33.1%	$97	22.0%	$118	$97	21.6%	$108	8.8%	$162	$127	27.4%	$144	13.1%
Information Technology	94	$127	$100	27.4%	$113	12.7%	$127	$111	14.8%	$124	2.6%	$176	$145	21.1%	$164	7.2%
Maintenance	276	$140	$104	35.3%	$119	17.6%	$140	$121	16.1%	$132	6.5%	$195	$157	24.3%	$174	12.0%
Operations	222	$134	$99	35.9%	$105	28.1%	$134	$111	21.1%	$117	14.7%	$186	$145	28.2%	$156	19.4%
Supply Chain	101	$116	$90	28.9%	$101	15.1%	$116	$96	21.2%	$110	5.4%	$160	$127	25.6%	$146	9.3%
Average Positioning				**21.3%**		**10.6%**			**9.9%**		**0.3%**			**15.4%**		**4.2%**

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Total Results by Job Family (Excluding Nuclear Authorized)

Management

Total Excluding Nuclear Authorized

OPG Group: Management

		Base Salary					Total Direct Compensation					Total Remuneration				
Job Family	# OPG Matched Incumbents	Avg. OPG	Avg. P50	P50 (% +/-)	Avg. P75	P75 (% +/-)	Avg. OPG	Avg. P50	P50 (% +/-)	Avg. P75	P75 (% +/-)	Avg. OPG	Avg. P50	P50 (% +/-)	Avg. P75	P75 (% +/-)
Administration	90	$58	$68	-15.4%	$72	-19.7%	$63	$71	-12.4%	$79	-21.0%	$85	$99	-14.0%	$110	-22.5%
Corporate Services	232	$150	$160	-5.7%	$179	-15.7%	$179	$202	-11.6%	$234	-23.5%	$233	$258	-10.0%	$296	-21.4%
Engineering	152	$143	$164	-12.6%	$173	-17.3%	$171	$205	-16.7%	$231	-26.1%	$222	$262	-15.4%	$294	-24.7%
Environment, Health & Safety	46	$133	$135	-1.6%	$154	-13.9%	$152	$162	-6.2%	$191	-20.3%	$197	$208	-5.2%	$242	-18.3%
Finance	73	$148	$149	-1.2%	$171	-13.7%	$175	$188	-7.0%	$226	-22.5%	$228	$241	-5.5%	$285	-19.8%
Human Resources	101	$108	$118	-8.6%	$134	-19.2%	$127	$142	-11.0%	$166	-23.6%	$164	$184	-10.7%	$212	-22.7%
Information Technology	10	$148	$142	4.7%	$163	-9.0%	$172	$173	-0.7%	$211	-18.2%	$225	$223	0.9%	$266	-15.5%
Maintenance	39	$155	$167	-7.0%	$188	-17.8%	$178	$229	-22.1%	$255	-30.2%	$232	$285	-18.7%	$319	-27.2%
Operations	44	$174	$178	-2.2%	$207	-15.9%	$241	$281	-14.2%	$373	-35.3%	$308	$349	-11.5%	$451	-31.7%
Supply Chain	21	$153	$167	-8.2%	$183	-16.2%	$191	$223	-14.3%	$254	-24.6%	$247	$283	-12.7%	$318	-22.3%
Average Positioning				**-7.2%**		**-16.3%**			**-12.8%**		**-25.0%**			**-11.3%**		**-23.0%**

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Nuclear Authorized Results by Job Family
Overview

Job Family Distribution

- The Operations job family represents 100% of benchmarked roles within the PWU and Society Groups and 98% of the Management Group benchmarked roles

Market Positioning

- Relative to the Nuclear Authorized sample, Total Direct Compensation positioning relative to market varies by OPG Group:
  - The PWU Group is positioned within the competitive range
  - The Society and Management Groups are positioned below the competitive range
- Relative to the Nuclear Authorized sample, Total Remuneration positioning relative to market varies by OPG Group:
  - The PWU and Society Groups are aligned with or slightly below the competitive market range
  - The Management Group is positioned below the competitive range

Note: Total Results by Job Family exclude OPG's Hydro One share grants

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Nuclear Authorized Results by Job Family

PWU

Nuclear Authorized
OPG Group: PWU

		Base Salary					Total Direct Compensation					Total Remuneration				
Job Family	# OPG Matched Incumbents	Avg. OPG	Avg. P50	P50 (% +/-)	Avg. P75	P75 (% +/-)	Avg. OPG	Avg. P50	P50 (% +/-)	Avg. P75	P75 (% +/-)	Avg. OPG	Avg. P50	P50 (% +/-)	Avg. P75	P75 (% +/-)
Administration																
Corporate Services																
Engineering																
Environment, Health & Safety																
Finance																
Human Resources																
Information Technology																
Maintenance																
Operations	244	$151	$149	1.4%	$153	-1.5%	$174	$166	5.1%	$187	-6.6%	$233	$217	7.2%	$247	-5.7%
Supply Chain																
Average Positioning				**1.4%**		**-1.5%**			**5.1%**		**-6.6%**			**7.2%**		**-5.7%**

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Nuclear Authorized Results by Job Family
Society

Nuclear Authorized
OPG Group: Society

		Base Salary					Total Direct Compensation					Total Remuneration				
Job Family	# OPG Matched Incumbents	Avg. OPG	Avg. P50	P50 (% +/-)	Avg. P75	P75 (% +/-)	Avg. OPG	Avg. P50	P50 (% +/-)	Avg. P75	P75 (% +/-)	Avg. OPG	Avg. P50	P50 (% +/-)	Avg. P75	P75 (% +/-)
Administration																
Corporate Services																
Engineering																
Environment, Health & Safety																
Finance																
Human Resources																
Information Technology																
Maintenance																
Operations	66	$178	$198	-9.9%	$202	-11.8%	$215	$250	-14.3%	$265	-19.0%	$284	$319	-11.0%	$345	-17.8%
Supply Chain																
Average Positioning				**-9.9%**		**-11.8%**			**-14.3%**		**-19.0%**			**-11.0%**		**-17.8%**

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Nuclear Authorized Results by Job Family
Management

Nuclear Authorized
OPG Group: Management

		Base Salary					Total Direct Compensation					Total Remuneration				
Job Family	# OPG Matched Incumbents	Avg. OPG	Avg. P50	P50 (% +/-)	Avg. P75	P75 (% +/-)	Avg. OPG	Avg. P50	P50 (% +/-)	Avg. P75	P75 (% +/-)	Avg. OPG	Avg. P50	P50 (% +/-)	Avg. P75	P75 (% +/-)
Administration																
Corporate Services																
Engineering	1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Environment, Health & Safety																
Finance																
Human Resources																
Information Technology																
Maintenance																
Operations	48	$218	$255	-14.6%	$280	-22.4%	$382	$447	-14.5%	$501	-23.7%	$467	$545	-14.4%	$613	-23.8%
Supply Chain																
Average Positioning				**-15.3%**		**-23.0%**			**-15.5%**		**-24.5%**			**-15.4%**		**-24.7%**

Due to small sample size (less than 3 incumbents), average total remuneration results for the Engineering job family can not be disclosed

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Appendices

I. Comparator Organizations
II. Non-Authorized Nuclear Operations Market Analysis
III. Pension and Benefits Valuation

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Appendix I – Comparator Organizations

Total Sample (Excluding Nuclear Authorized) - Public Sector

Comparator Organizations *Public Sector - Weighted 50% for Benchmarking Purposes (n = 14)*			
#	**Company**	**#**	**Company**
1	Alberta Electric System Operator	8	Hydro-Québec
2	Alberta Energy Regulator	9	Loto-Québec
3	British Columbia Hydro and Power Authority	10	New Brunswick Power Corporation
4	Canadian Nuclear Laboratories	11	Toronto Hydro Electric Systems
5	Enmax Corporation	12	Trans Mountain
6	EPCOR Utilities	13	Via Rail Canada
7	Export Development Canada	14	Workplace Safety and Insurance Board

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Appendix I – Comparator Organizations

Total Sample (Excluding Nuclear Authorized) - Private Sector

Comparator Organizations *Private Sector - Weighted 50% for Benchmarking Purposes (n = 62)*					
#	Company	#	Company	#	Company
1	Air Canada	22	Enbridge	43	Maple Leaf Foods
2	Algonquin Power & Utilities	23	Encana	44	McCain Foods
3	AltaLink LP	24	Evraz	45	MEG Energy
4	Arcelor Mittal Longs Products Canada	25	ExxonMobil	46	Newfoundland Power
5	ATCO	26	FCA Canada	47	Nissan Motor
6	Bank of Montreal	27	FortisAlberta	48	Pembina Pipeline
7	Barrick Gold	28	Fugro	49	Plains Midstream Canada
8	Bell Canada	29	GE Power	50	Precision Drilling
9	BP Canada Energy	30	GE Renewable Energy	51	Repsol Oil & Gas
10	Bruce Power	31	General Electric	52	Rio Tinto
11	Canadian National Railway	32	Gibson Energy	53	Rogers Communications Canada Inc.
12	Canadian Natural Resources	33	Goldcorp	54	Schlumberger
13	Capital Power	34	Husky Energy	55	Scotiabank
14	Celestica	35	Imperial Oil	56	Shell
15	Cenovus Energy	36	Inter Pipeline Limited	57	Suncor Energy
16	Chevron Canada Resources (Upstream)	37	Irving Oil Limited	58	Syncrude Canada
17	CNOOC Petroleum	38	Johnson & Johnson	59	TC Energy
18	ConocoPhillips	39	KGHM	60	TD Bank Financial Group
19	Crescent Point Energy	40	Kinross Gold	61	Teck Resources
20	Deere & Company	41	kruger	62	Valero Energy
21	Devon Canada Corporation	42	Manulife Financial		

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Appendix I – Comparator Organizations

Nuclear Authorized Sample

Nuclear Authorized Segment Comparator Organizations (n = 10)	
#	Company
1	Bruce Power
2	Dominion Resources
3	Duke Energy
4	Entergy
5	Exelon
6	FirstEnergy
7	NextEra Energy
8	Public Service Enterprise Group
9	Southern Company Services
10	Tennessee Valley Authority

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Appendix I – Comparator Organizations

Pension & Benefits Analysis

Pension & Benefits Comparator Organizations (n = 14)			
#	Private Sector Companies (n = 7)	#	Public Sector Companies (n = 7)
1	Bruce Power	1	British Columbia Hydro and Power Authority
2	Canadian Imperial Bank of Commerce	2	Enmax Corporation
3	Enbridge	3	EPCOR Utilities
4	Honda Canada Inc	4	Hydro-Québec
5	Hydro One	5	SaskPower
6	TC Energy	6	Toronto Hydro Electric Systems
7	TransAlta Corporation	7	Workplace Safety and Insurance Board

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Appendix II – Non-Authorized Nuclear Operations Market Analysis

- To assess whether base salaries in the Total Sample (excluding Nuclear Authorized) are different relative to the Nuclear Authorized Sample for similar skills sets and levels of accountability, the following analysis was performed:
  - Comparison of relative job rates between select US utilities and nuclear organizations to understand whether nuclear roles within the US are paid differently than utility roles in the US (for roles reflecting comparable skills and level of accountability)
  - Comparison of relative job rates between the Canadian Total Sample (excluding Nuclear Authorized) comparator group (used for the benchmark review) and the US nuclear comparator group to assess whether there is any differentiation between these two markets (for roles reflecting comparable skills and level of accountability)
- The analysis indicated that for many roles and levels of work, salaries are comparable between these sectors. However, for nuclear operations roles at management levels (i.e., have people management responsibility), base salaries are observed to carry an average premium of greater than 10% relative to their non-nuclear counterparts. As such, where comparisons for non-authorized roles in nuclear facilities have been made to the Canadian Total Sample (excluding Nuclear Authorized), market data for management level roles is adjusted by 10% to reflect this identified premium for such roles

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Appendix III - Pension and Benefits Valuation

Methodology

- Pension and benefits information was obtained from Willis Towers Watson's Benefits Data Source (Canada) based on a peer group representing approximately a 50%/50% mix of public and private sector organizations.
  - A single comparator group has been used as organizations typically offer common pension and benefit plans across all roles and skill sets
- Comparator organizations are selected based on data availability where program information is available for bargaining and non-bargaining unit populations
- Across participating organizations, plan provisions valued are based on newly hired, salaries, non-union employees; benefits no longer available to new hires are not considered
- Results are based on the benefits and data information provided to Willis Towers Watson by participating organizations, including: defined benefit pension, defined contribution pension, savings (including stock purchase, group RRSP, DPSP), active and retiree health care, active dental care, short-term disability, long-term disability and active death benefits
  - To benchmark the PWU and Society incumbents, only organizations with hourly-non-union employees or those who offer their hourly-union employees with the same or similar pension & benefit plans as their non-unionized plans were considered
- Willis Towers Watson determines a value for these benefits by applying a standard methodology to employee profiles applicable to Executives, non-executive Management, PWU, and Society age, service, gender, and salary demographics
- For PWU Term employees, the OPG total remuneration value excludes pension & benefits, while the market total remuneration includes pension & benefits. PWU Term employees are defined as long-term contract PWU employees with a defined end date of employment

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Appendix III - Pension and Benefits Valuation

Pension Plans

- The methodology quantifies the provisions offered by each peer organization to determine the value to employees of each organization's benefits program
  - Values are determined by applying a common set of actuarial methods and assumptions to employee profiles, and are not intended to represent actual plan costs
- The employer-provided pension and savings plan values are determined as follows:

A. Defined Benefit (DB) Plans

- The following elements are considered in determining comparative values for DB pension plans: normal and early retirement benefits, pre-retirement and post-retirement death benefits, termination benefits, post-retirement pension adjustments and employee contributions
- Plans are valued in terms of anticipated prospective benefit payments being allocated over the employee's entire working history (the service prorate method to determined projected unit credit)
- For executives, bridge benefits were not considered since these benefits are relatively low in comparison with the total pension benefit of high earners and information available on these benefits is limited

B. Defined Contribution (DC) and Savings Plans

- Plans are valued by determining employee and employer contributions made during the year of valuation (term cost method)
- Employees are deemed to contribute in such a way that reflects their savings opportunity and ability to contribute; contributions will be different depending on available income, on the level of contributions permitted in the plan, and on the level of employer matching
- Contribution levels to profit sharing plans are determined by averaging the last five years' actual contributions to the plan

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Appendix III - Pension and Benefits Valuation

Benefit Plans

- The employer-provided benefit plan values are determined as follows:

A. Health Care and Dental Plans

- Health care values are generated for pre-retirement and post-retirement coverage and dental care is generated for pre-retirement coverage (using the projected unit credit with service prorate method). Values have been increased to reflect future inflation; however, deductibles under post-retirement health care plans are assumed to remain at the current level in the future
- Values are determined using recent claims experience for large organizations taking into account plan deductibles, co-insurance and maximums as well as eligibility requirements

B. Disability Plans

- Short-term disability benefits (including salary continuance and sickness plans) and long-term disability benefits have been valued
- Values are determined according to specific plan provisions, including waiting periods and benefit co-ordination

C. Death Benefit Plans

- Values for the following benefits have been calculated: pre-retirement and post-retirement group life insurance (using the projected unit credit with service prorate method), accidental death and dismemberment benefits and survivor income benefits

D. Flexible Benefits (other than Pension)

- Values are determined based on the highest enrolled option for each plans

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