

Memorandum

To: THE HUMAN RESOURCES & GOVERNANCE COMMITTEE OF
THE BOARD OF DIRECTORS
of the Independent Electricity System Operator

From: Liz Stokes
Sr. Manager, Total Rewards

Date: February 28, 2017

Re: 2016 Executive Compensation Disclosure

The attached proposed Executive Compensation disclosure report is recommended for inclusion within the 2016 Annual Report to be issued this spring. It is compliant with the Public Salary Disclosure Act requirements and key elements of the Canadian Securities Administrators (CSA) requirements.

2016 Disclosure

The 2016 disclosure report contains minimal variation from last year's report. Data has been updated to reflect the list of executives (CEO, CFO and top three earners) and their respective 2016 compensation. Similar to last year, the report provides details on the methodology used to evaluate and market price all executive roles using the Hay's point system including details on the comparator group. New this year, the report highlights the 2016 amended employment letter for the CEO to position the IESO for a replacement in 2017. It also confirms adherence to the Public Sector Compensation Constraint directive for 2016 and provides a brief reference to the new Executive Compensation Framework that was communicated in 2016 for implementation in September 2017.

The 2016 report does not contain the following detailed data referenced in the CSA regulations: pension data; detailed information on termination and change-in-control requirements; information on Board member compensation; and specific linkages of executive variable pay to performance measure results (both individual and corporate).

Recommendation

Management recommends that the HRGC accept the attached executive compensation disclosure for inclusion within the IESO Annual Report for 2016 and that this report be provided to representatives of the Ministry of Energy for their information.

If representatives of the Ontario government have concerns or issues, these will be brought to the attention of the HRGC Chair to determine if further steps are needed by the IESO.

Liz Stokes

Attachments:

Cc: IESO Record