



Ontario Energy Board

Incentive Pay Plan for Vice-Chairs

Plan Document

TABLE OF CONTENTS

| | |
|---|---|
| A. Definitions | 1 |
| B. Plan Summary..... | 2 |
| C. Purpose of the Plan..... | 2 |
| D. Plan Administration and Determination of Plan Payment..... | 2 |
| E. Plan Participation | 3 |
| F. Plan Measures | 3 |
| G. Participant Incentive Opportunity | 4 |
| H. Award Payments and Timing | 4 |
| I. Administration Information | 5 |
| Schedule A | |

A. DEFINITIONS

The “*Administrator*” of this Plan shall be the Chief Operating Officer.

The “Annual Business Plan” means the document prepared by the Ontario Energy Board and its staff outlining the Board’s operational objectives.

The “Board” or “*OEB*” means the Ontario Energy Board.

“*Salary*” means the base salary paid to a member during the Plan Year exclusive of any incentive or direct payments during this period.

“*Independent Auditor*” means an independent third party retained by the Ontario Energy Board to review the veracity of the achievements of the Annual Business Plan.

The “*Management Committee*” means the committee of that name comprised of the Chair and the two (2) Vice-Chairs of the Board.

The “*Plan*” means the Ontario Energy Board Incentive Plan for Vice-Chairs.

“*Plan Participant*” or “*Participant*” means a Vice-Chair appointed on a full time basis to the Ontario Energy Board and are not employees of the Board.

“*Plan Year*” means the period from April 1st of a given calendar year to March 31st of the following calendar year.

B. PLAN SUMMARY

A Plan has been developed in accordance with Section 4.6 of the *Ontario Energy Board Act 1998* (as amended), which calls for a pay for performance plan for Vice-Chair's that links payment of bonuses to the achievement of performance standards.

For the purpose of this Plan, the Board's performance measures, including those set forth in the Annual Business Plan, are established at the beginning of a Plan Year and are measured after the close of that Plan Year.

C. PURPOSE OF THE PLAN

The purpose of the Plan is to:

- Maintain a strong competitive position with regard to the Vice-Chair's overall remuneration package.
- Encourage the Vice-Chairs to align their activities with the objectives set by the Annual Business Plan.
- Recognize the competence, professionalism and team work of the Vice-Chairs in the fulfillment of their regulatory and adjudicative duties.
- Recognize the contribution of the Vice-Chairs to the oversight of the governance of the Board.

D. PLAN ADMINISTRATION AND DETERMINATION OF PLAN PAYMENT

- The Administrator of the Plan shall be the Chief Operating Officer.
- The Administrator of the Plan will be responsible for: completing the calculation used to determine the Participant's incentive award based on the audited achievements of the Annual Business Plan unless the Chair exercises his discretion in awarding an incentive allocation in situations where a Participant does not meet key performance criteria as denoted by their overall appraisal rating, and the terms and conditions of this Plan; authorizing the payment of that award; and providing notification to the Management Committee.

- The interpretation and construction by the Plan Administrator of any provisions of this Plan and any resolutions related to this Plan, shall be final and conclusive and shall be applicable with respect to and binding upon all persons having any interest hereunder.
- The Plan Administrator may appoint the Vice President, People, Culture and Business Solutions to act on his behalf and in accordance with its determinations to administer the Plan and implement decisions of the Plan Administrator relating to this Plan.
- The Management Committee shall appoint an independent auditor to review the veracity of the achievements of the Annual Business Plan.
- The Board shall pay all costs of administering the Plan.
- The Management Committee shall submit this initial Plan and/or any proposed changes to this Plan to the Minister of Energy of the Province of Ontario for approval.
- The Plan will be reaffirmed by the Management Committee annually and provided to the Minister.

E. PLAN PARTICIPATION

The Vice-Chairs are the only persons eligible to participate in this Plan.

F. PLAN MEASURES

The objectives established in the Board's Annual Business Plan will comprise the performance objectives for the Plan Year. The achievement of these objectives will be assessed after the close of the Plan Year.

The Chair will carry out an assessment of the OEB's accomplishments related to the Annual Business Plan under his leadership and allocate an incentive payment based on this performance. At the end of a Plan Year, an independent auditor retained by the Ontario Energy Board will review the veracity of the achievements of the Annual Business Plan.

G. PARTICIPANT INCENTIVE OPPORTUNITY

The incentive target is 10% of base salary for Vice-Chairs, as outlined in Schedule A. The OEB must achieve a minimum of 70% of all objectives set forth in the Annual Business Plan, as determined by the independent auditor, before any incentive is awarded.

Incentive opportunity ranges from a “Minimum Award” based on the achievement of 70% of the Annual Business Plan, to a “Target Award” where all objectives were successfully accomplished. The Minimum and Target Awards are expressed as a percentage of the Participant’s Salary as follows and as outlined in Schedule A.

| | Minimum | Target |
|---------------------------|---------|--------|
| Vice Chair’s Award | 0% | 10% |
| Business Plan Achievement | 70% | 100% |

H. AWARD PAYMENTS AND TIMING

Awards are paid in cash, subject to applicable withholding. Awards are payable, subsequent to the achievement of the Annual Business Plan and its relation to the payment proposed by the Chair having been verified by an Independent Auditor and authorized by the Plan Administrator. Typically, annual awards will be paid before the end of the first quarter of the year following each Plan Year. The Participant may elect to defer payment of an annual award by providing the Plan Administrator with a written election, in the form approved by the Plan Administrator, prior to the end of the Plan year for which the award relates. In no event shall payment be later than the end of the third full calendar year following the Plan Year end for which an annual award was earned by the Participant.

I. ADMINISTRATION INFORMATION

This section contains information about changes in appointment status, tax provisions and other administrative matters.

a) Appointment of a Vice-Chair

Should a Vice-Chair be appointed part way through the Plan Year, the incumbent will be eligible to participate in the Plan for the remainder of the Plan Year.

b) Taxes on Awards

Participant awards are taxed in the year received by the Participant as ordinary income, in keeping with current Canadian and provincial tax laws.

c) Appointment

Participation in the Plan does not guarantee continued appointment to the Ontario Energy Board.

d) Management, Accounting and Financial Decisions

Nothing in this Plan shall affect the authority of the Management Committee of the Ontario Energy Board to make management, business, accounting and financial decisions concerning the OEB.

e) Non-Assignability

Prior to its payment in cash, no right or benefit under this Plan shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, pledge, encumber or charge the same whether voluntary, involuntary or by operation of law, shall be void except by will or by the laws of descent and distribution or by such other means as the Administrator may approve from time to time.

f) Severability

If any provision of the Plan is or becomes or is determined to be invalid, illegal, or unenforceable in any jurisdiction, or as to any person or award, or would disqualify the Plan or any award under any law determined applicable by the Administrator, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Management Committee, materially altering the intent of the Plan or an award, such provision shall be stricken as to such jurisdiction, person, or award, and the remainder of the Plan and any such award shall remain in full force and effect.

g) Construction

Wherever any words are used in this Plan in the masculine gender they shall be construed as though they were also used in the feminine gender in all cases where they would so apply, and wherever any words are used herein in the singular form they shall be construed as though they were also used in the plural form in all cases where they would so apply

h) Headings

Headings are given to the sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not affect the construction or interpretation of the Plan or any provision thereof.

i) Governing Law

The validity, construction and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the Province of Ontario and the laws of Canada as applicable therein.

Schedule A

| OEB Achievement % | Calculation (% of Base Salary) |
|----------------------|-----------------------------------|
| | Vice Chairs |
| 0.0 | 0.00 |
| 10.0 | 0.00 |
| 20.0 | 0.00 |
| 30.0 | 0.00 |
| 40.0 | 0.00 |
| 50.0 | 0.00 |
| 60.0 | 0.00 |
| 70.0 | 7.00 |
| 75.0 | 7.50 |
| 80.0 | 8.00 |
| 85.0 | 8.50 |
| 86.0 | 8.60 |
| 88.0 | 8.80 |
| 90.0 | 9.00 |
| 91.0 | 9.10 |
| 92.0 | 9.20 |
| 93.0 | 9.30 |
| 94.0 | 9.40 |
| 95.0 | 9.50 |
| 95.5 | 9.55 |

| OEB Achievement % | Calculation (% of Base Salary) |
|----------------------|-----------------------------------|
| | Vice Chairs |
| 96.0 | 9.60 |
| 96.5 | 9.65 |
| 97.0 | 9.70 |
| 97.5 | 9.75 |
| 98.0 | 9.80 |
| 98.2 | 9.82 |
| 98.4 | 9.84 |
| 98.6 | 9.86 |
| 98.8 | 9.88 |
| 99.0 | 9.90 |
| 99.1 | 9.91 |
| 99.2 | 9.92 |
| 99.3 | 9.93 |
| 99.4 | 9.94 |
| 99.5 | 9.95 |
| 99.6 | 9.96 |
| 99.7 | 9.97 |
| 99.8 | 9.98 |
| 99.9 | 9.99 |
| 100.0 | 10.00 |