

1 **Reference: Korn Ferry Report, sec. 1, p. 3 and sec. 2, p. 4.**  
 2

3 **Q. Section 1, Page 3 state:**  
 4

5 **Assessing compensation values against the median level (i.e., 50th percentile or P50)**  
 6 **of the defined comparator group, which is consistent with NFP’s historical executive**  
 7 **compensation principles.**  
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9 **Section 3, Page 4 state:**  
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11 **As a policy, NFP sets its salary range in +/-15% of the market median. The private**  
 12 **sector market tends to either set the salary range +/-20% of the market median or**  
 13 **do not set any salary range at the executive level.**  
 14

- 15 **a) How does Newfoundland Power’s compensation policy for executives (salary**  
 16 **range relative to market median) compare to compensation policies of other**  
 17 **Canadian Utilities?**
- 18 **b) Does Newfoundland Power apply any regional market differential to its**  
 19 **executive pay scales? If so, what is the percentage and how is it applied?**
- 20 **c) Please provide the job rates for the executive positions at Newfoundland Power,**  
 21 **including the full salary range minimum and maximum as well as percentage**  
 22 **minimum and maximum of scale and the rationale for when target payout may**  
 23 **be deemed appropriate to be above target and deemed at maximum.**
- 24 **d) What are Newfoundland Power’s “historical executive compensation principles”**  
 25 **that Korn Ferry refers to?**  
 26

- 27 **A. a) It is our experience that most organizations including Canadian Utilities adopt a**  
 28 **policy that target executive compensation at the market median or P50 level of the**  
 29 **comparator market. However, the comparator market would be defined differently by**  
 30 **each organization.**
- 31 **b) Korn Ferry is not aware that Newfoundland Power has applied any geographic**  
 32 **differential to its executive pay scale. Executive talent is a national market. See our**  
 33 **response to Request for Information CA-NP-308, part d).**
- 34 **c) The following salary midpoints are based on the estimated 2024 market median**  
 35 **salaries provided by Korn Ferry to Newfoundland Power for 2024 (refer to Request**  
 36 **for Information PUB-NP-031, Attachment C):**  
 37  
 38

	Salary Range Midpoint
President & CEO	\$510,200
VP Finance & CFO	\$345,100
VP Engineering & Energy Supply	\$345,100
VP Customer Operations	\$345,100

1 The table below sets out the +/-15% salary range and rationale for the respective  
2 salary positionings.

Compa-Ratio (Actual Salary ÷ Salary Range Midpoint)	Guidelines
85%	<ul style="list-style-type: none"> <li>• General Minimum</li> </ul>
90%	<ul style="list-style-type: none"> <li>• Recent hire / promotion</li> <li>• Acquiring skills</li> <li>• Meets most expectations</li> </ul>
100%	<ul style="list-style-type: none"> <li>• Three or more years in current or similar position</li> <li>• Meets expectations</li> <li>• Fully competent</li> </ul>
110%	<ul style="list-style-type: none"> <li>• Eight or more years in current or similar position</li> <li>• Consistently exceeds expectations</li> <li>• Expert level; highly experienced/skilled</li> </ul>
115%	<ul style="list-style-type: none"> <li>• Maximum for all positions</li> </ul>

3 d) Newfoundland Power for many years has adopted a policy of targeting its executive  
4 total remuneration structure (i.e., the aggregate of job rate, target STI, LTI and  
5 benefits) at the market median or P50 level of the comparator market.