



SpencerStuart

2019 Canada  
Spencer Stuart  
Board Index

## ABOUT SPENCER STUART BOARD SERVICES

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At Spencer Stuart, we know how much leadership matters. We are trusted by organizations around the world to help them make the senior-level leadership decisions that have a lasting impact on their enterprises. Through our executive search, board and leadership advisory services, we help build and enhance high-performing teams for select clients ranging from major multinationals to emerging companies to nonprofit institutions.

Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning 60 offices, 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment and many other facets of organizational effectiveness. In 1978, Spencer Stuart became the first global executive search firm to enter the Canadian market, helping clients across the country achieve outstanding leadership solutions for their organizations from our offices in Toronto, Montréal, and Calgary.

For more than 30 years, our Board Practice has helped boards around the world identify and recruit independent directors, providing advice to board chairs, CEOs and nominating committees on important governance issues. We serve a range of organizations across geographies and scale, from leading multinationals to smaller organizations. In the past year alone, we conducted more than 600 director searches worldwide, and in North America one-third of those assignments were for companies with revenues under \$1 billion.

Our global team of board experts works together to ensure that our clients have unrivaled access to the best existing and potential director talent, and regularly assists boards in increasing the diversity of their composition. We have helped place women in more than 1,800 board director roles and recruited more than 600 diversity executives around the world. In Canada, about half of our board placements in the past three years have been women.

In addition to our work with clients, Spencer Stuart has long played an active role in corporate governance by exploring — both on our own and with other prestigious institutions — key concerns of boards and innovative solutions to the challenges facing them. Publishing a Board Index for more than 25 countries is just one of our many ongoing efforts:

- » Participation in the Federal Government of Canada's 25-member Advisory Panel to promote the appointment of women on public and private corporate boards.
- » Spencer Stuart co-founded the National Awards in Governance with the Conference Board of Canada, celebrating innovations and best practices in governance in the private, public and nonprofit sectors.

Each year, we sponsor and participate in several acclaimed director education programs, including:

- » Next Gen Board Leaders (NGBL), an initiative designed to foster a community of current and aspiring directors to spark discussion around the challenges, opportunities and contributions of a younger generation in today's boardrooms.
- » The Global Institutes, sponsored by the WomenCorporateDirectors (WCD) Foundation.
- » The Corporate Governance Conference at Northwestern University's Kellogg School of Management.
- » The New Directors Program, a unique two-year development program designed to provide first-time, non-executive directors with an exclusive forum for peer dialogue on key issues and "unwritten rules" of corporate boards, produced in partnership with the Boston Consulting Group, Frederick W. Cook & Co., Davis Polk, Lazard and PricewaterhouseCoopers.

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# Contents

## **2 ABOUT THE CANADA SPENCER STUART BOARD INDEX**

## **5 SPENCER STUART PERSPECTIVE FOR 2019**

## **11 BOARD COMPOSITION**

- 11 Non-executive director appointments and board turnover trends
- 13 Appointments of non-executive directors with CEO experience
- 14 Appointments of women and board gender diversity
- 16 Board gender diversity policies and targets
- 17 Appointments of first-time public company directors
- 17 Non-executive directors recruited from outside Canada
- 19 Appointments of active, C-level (non-CEO) executives
- 19 Background of board chairs of *CSSBI 100* companies
- 20 Board chair independence
- 21 Board chair transitions
- 21 Tenures of non-executive directors and board chairs
- 22 Ages of non-executive directors
- 22 Board independence

## **23 BOARD COMPENSATION**

- 23 Non-executive director compensation in 2019: Practices and benchmarks
- 24 Growth trends in non-executive director compensation
- 25 Total non-executive director compensation by industry
- 26 Flat fee compensation for non-executive directors
- 26 Annual non-executive director retainers
- 27 Equity compensation practices for non-executive directors
- 28 Committee member retainers
- 28 Board and committee meeting fees
- 29 Board chair compensation
- 30 Growth trends in board chair compensation
- 31 Lead director compensation
- 31 Committee chair compensation
- 32 Compensation for special board work and travel

## **33 BOARD ORGANIZATION, PROCESS, AND POLICIES**

- 33 Board size
- 34 Board committees
- 35 Board and committee meetings
- 36 Attendance at board and committee meetings
- 36 Board and non-executive director performance evaluations
- 37 Share ownership requirements for non-executive directors
- 38 Majority voting for non-executive directors
- 38 Policies for interlocking directorships and limits on board service
- 39 Retirement policies for non-executive directors
- 40 Shareholder advisory votes on executive compensation

## **42 BOARDS AROUND THE WORLD**

## **43 COMPARATIVE BOARD DATA**

The *Canada Spencer Stuart Board Index* (“CSSBI”), now in its 24th edition, provides benchmarks and insights into the governance practices of a representative sample of 100 of Canada’s largest publicly traded companies, with annual revenues exceeding \$1 billion (referred to throughout the report as the *CSSBI 100*).

## METHODOLOGICAL NOTES

### Selection of the *CSSBI 100* index of companies

The *FP 500: Canada’s Largest Corporations by Revenue*, June 2019, was used to create the *CSSBI 100* index of companies. Each of the 100 companies selected had revenue that exceeded \$1 billion, were listed on the Toronto Stock Exchange, and each met a 25% threshold for resident Canadian board members as of August 31, 2019.

### Data sources

These primary and secondary sources were used to produce the 2019 *CSSBI*:

- » Management Information Circulars (“Information Circulars”), Annual Information Forms and Annual Financial Statements of *CSSBI 100* companies, filed with SEDAR ([www.sedar.com](http://www.sedar.com)) between December 2018 and September 2019.
- » S&P Capital IQ for board compensation figures for *CSSBI 100* companies.

### Comparisons between larger and smaller *CSSBI 100* companies

To make appropriate comparisons, we grouped the *CSSBI 100* companies into two categories based on revenue: the 60 companies with revenue \$5 billion and higher (referred to as the “larger *CSSBI 100*”) and the 40 companies with revenues ranging from \$1 billion to \$5 billion (referred to as the “smaller *CSSBI 100*”).

### Board composition

Board composition data was sourced from the Information Circulars of *CSSBI 100* companies filed with SEDAR ([www.sedar.com](http://www.sedar.com)) from December 2018 to August 2019. Non-executive director appointments were tracked and analyzed for a twelve-month period (September 1, 2018 to August 31, 2019). The *CSSBI* does not reflect changes (e.g., new board appointments, director retirements) made by the boards of individual *CSSBI 100* companies after August 31, 2019.

### Board compensation

All figures appear in Canadian dollars, except where noted. Various board compensation analyses included the value of applicable equity compensation (e.g., common shares, deferred stock units). Where the equivalent values were not disclosed by the companies, we valued the equity using the appropriate market prices for the dates on which the shares were granted. The breakdown of cash and equity, as presented in specific compensation analyses, were estimated based on the proportion of each type issued by the *CSSBI 100* companies to remunerate their non-executive directors.

Amounts for total non-executive director and board chair compensation were sourced from S&P Capital IQ and include all applicable forms of compensation, including equity, dividends and fees for travel.

The historical compensation analyses presented were based on nominal amounts to remove the effect of fluctuating exchange rates over the time period analyzed.

Total non-executive director compensation figures exclude compensation paid to board chairs and lead directors.

Amounts for 2019 reflect changes (increases or decreases) made by individual *CSSBI 100* companies, as disclosed in their Information Circulars or disclosed to Spencer Stuart as part of a confidential data validation process.

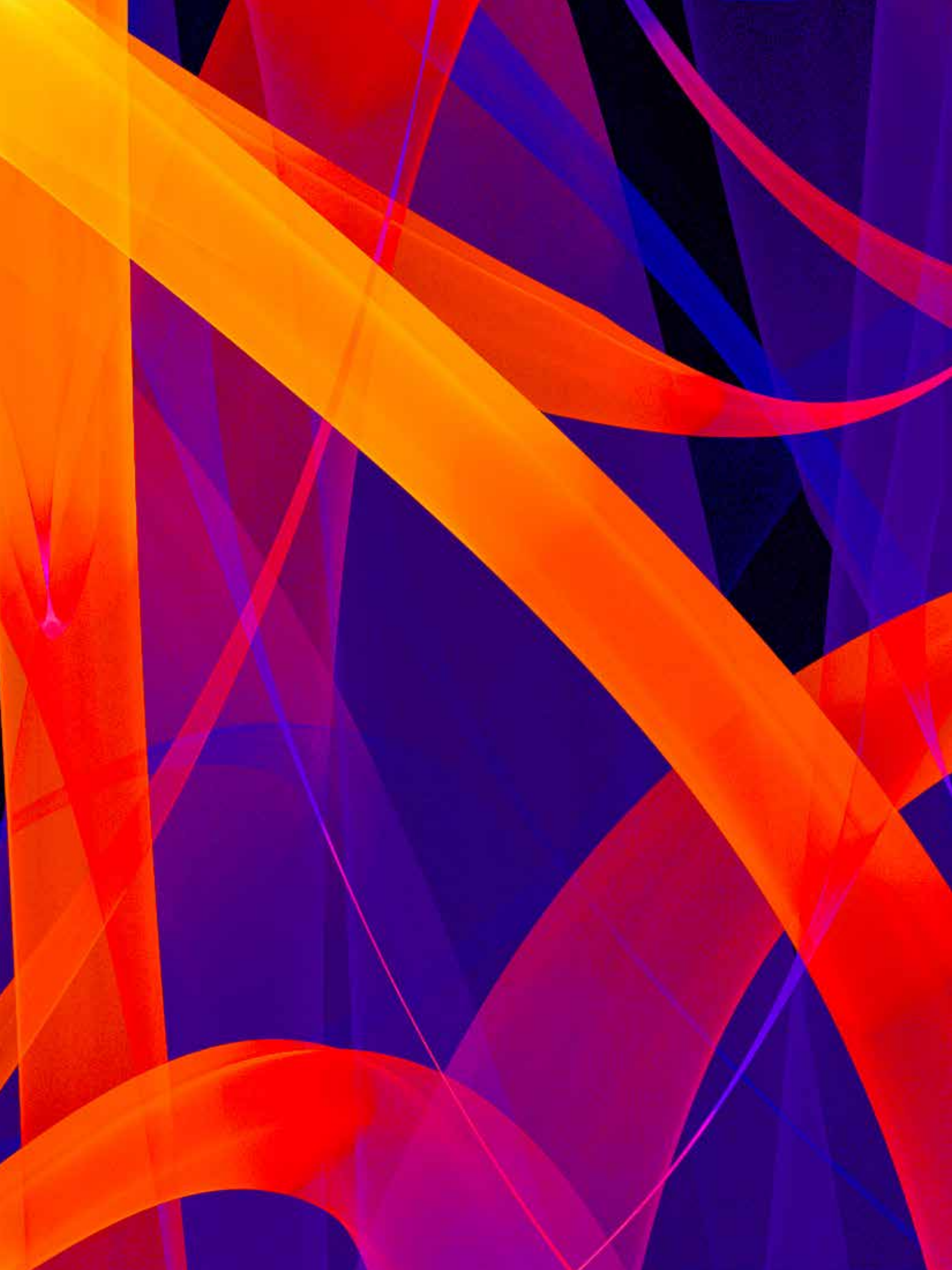
Care was taken to ensure reported board compensation trends accounted for year-to-year changes in the composition of the *CSSBI 100* index. Certain historical analyses are based on sets of constant companies; totals for these can differ, as a result, with figures reported for the 100 companies that comprise the 2019 *CSSBI* index.

Board compensation disclosed and paid to directors in U.S. currency, which applied to 26 *CSSBI 100* companies in 2019, was converted to Canadian dollars using Bank of Canada exchange rates for the applicable time periods.

### **Editor's note**

While Spencer Stuart makes all reasonable and good-faith efforts to verify and reference the sources of the information contained in the *CSSBI*, we do not and cannot guarantee, represent, or warrant that the information provided is complete, accurate, or error-free. The information and opinions contained in the *CSSBI* have been compiled or arrived at from third party sources we believe to be reliable, but are made available without warranty, whether expressed or implied, of any kind. Spencer Stuart shall have no liability of any type whatsoever to any individual or entity on account of any incompleteness or inaccuracies in the information used and incorporated into the *CSSBI*.





# Spencer Stuart Perspective for 2019

Since 1996, Spencer Stuart has published the *Canada Spencer Stuart Board Index*, analyzing the governance practices of Canada's largest publicly traded companies. Here we explore some of the more notable findings from Spencer Stuart's 2019 edition of the *CSSBI*.

## RECORD YEAR FOR WOMEN

2019 was a year of record progress for women on the boards of Canada's largest companies. Women comprised virtually half of all incoming directors in 2019, for the first time in the 24 years of the *CSSBI*. This followed several years of historically high levels of women board recruitment. As a result, the total share of *CSSBI 100* board directorships held by women reached 30% (another high mark) in 2019, and a significant increase of 52% in five years. Internationally, that puts Canada's largest companies in the middle of the pack in overall board gender diversity, ahead of the U.S. (26%) and about even with Germany (32%) and the U.K. (31%). International board benchmarks produced by Spencer Stuart can be found by visiting: [www.spencerstuart.com/research-and-insight/boards-around-the-world](http://www.spencerstuart.com/research-and-insight/boards-around-the-world).

Gone, as well, are the days of the "all-male" board, as *CSSBI 100* boards have continued to select more women as part of planned succession and recruitment efforts. In fact, in 2019, women held at least 30% of total board directorships at close to 60% of the *CSSBI 100*, almost four times more than in 2013, and as many as 14 boards were close to being fully gender balanced in 2019 with over 40% of their boards comprised of women (see page 15). Board prospect lists, today, typically include more qualified women, as specifications for new directors have become more focused on relevant sectoral and functional experience, with less emphasis on CEO experience.

Gender diversity targets, employed by 50% of *CSSBI 100* boards in 2019, have certainly played a part (see page 16) in increasing and sustaining the number of women on many boards. So have approaches to director recruitment that appear to be accelerating full gender parity for many boards. For example, some *CSSBI 100* boards, under

49%  
of all new  
non-executive directors  
in 2019 were women

14  
*CSSBI 100* boards were  
close to being fully gender  
balanced in 2019

normal circumstances, now expect one in every two new directors to be a woman. These trends certainly put a spotlight on the depth of the candidate pool in Canada and abroad (e.g., the U.S.), where *CSSBI 100* boards have often turned for directors, including many women. Interestingly, in 2019, *CSSBI 100* boards recruited a higher proportion of women from within Canada. Many of the new recruits were active, C-level executives without prior public company board experience (i.e., less seasoned functional experts) and/or were recruited from emerging or non-typical sectors. This speaks to the efforts of the boards of Canada's largest companies to recruit "next generation" directors (women and men) and indicates a deepening Canadian pool of experienced women directors.

Women in board leadership roles, another key measure of board gender diversity, also hit a record high in 2019, as there were 127 women serving in various board and committee chair positions on *CSSBI 100* boards, close to double the number five years ago.

30%

of all *CSSBI 100*  
directorships were held  
by non-residents  
of Canada in 2019

### DIVERSIFICATION IS THE KEY

The positive trends in board gender diversity should be contextualized, viewed next to other ongoing board building priorities, specifically the need for a diversity of experiences and perspectives. Over the past five years, when *CSSBI 100* boards turned over by more than half, incoming directors were roughly balanced between sector experts and those from other industries. Our 2019 analysis also showed a spike in new directors with technology backgrounds (see page 12), which indicates that boards are adapting to help their companies meet the realities and opportunities around technological change and disruption.

Diversification has also meant getting experience and perspectives from other markets. International recruits totaled close to one-third (31%) of all incoming board members to *CSSBI 100* boards in 2019. The numbers have been much higher in recent years, enough to push the overall percentage of board directorships held by non-residents on *CSSBI 100* boards to 30%.

Indeed, boards in Canada have been succeeding in cross-border recruitment, adding experience that is often "ahead of the curve" for the Canadian market. In our experience, cultivating a two-way attraction is critical when recruiting a potential board member from outside Canada. American and other foreign directors are often intrigued by the possibility of joining a Canadian board and become



more interested once they understand why they would be a close fit. When evaluating prospects from other markets, assessing for fit is all-the-more important, as is obtaining confidential references from trusted market sources “on the ground.” Also important is the agility of the board’s process, lest candidates lose interest or accept another offer amid a competitive market for prospective board members, and its on-boarding to effectively acclimate the new board member to a Canadian board.

## PREPARING FOR BOARD CHAIR SUCCESSION

Board chair succession in the *CSSBI 100* has been ongoing and substantial in recent years. In 2019 alone, there were 17 board chair transitions on *CSSBI 100* boards, almost 20% of the full index and well above the annual average of 11 for the past five years. Fifty-five new board chairs were selected in the past five years, a total that represents significant renewal for this critical board leadership role.

External recruitment for the role remains uncommon (83% of the board chair successors were existing board members), a clear signal that the boards of Canada’s largest companies emphasize company knowledge and board continuity.

A great board chair is a competitive advantage, so having an ongoing succession framework (something akin to CEO succession) for this role is essential. Most boards should plan for a transition every five years based on recent changes, tenures and rotation policies (formal and informal) that are in place on most boards. The role is, however, unique and the “table stakes” (leadership competencies and softer skills) are higher compared to those required of other directors and committee chairs. If a board fails to select the right board chair, it can put the performance of the board and possibly the governance of the larger enterprise at risk. Many boards have developed board chair competencies as part of their overall board succession planning, including them in their composite skills matrix. Board prospects are now often recruited for their added board chair potential, in addition to the core functional and/or industry requirements. While unforeseen circumstances may require a board to recruit externally for a new board chair, there should be at least one potential internal successor.

The absence of a suitable board chair successor, much like the absence of a developed internal CEO successor, can be viewed as a shortcoming in planning. Models used in CEO and top management

55

new board chairs were selected in the past five years, 17 in 2019 alone

83%

of all board chair successors in the past 5 years were existing board members

succession can be adapted and deployed to select a board chair. In our experience, there are some best practices that can enhance the transparency (given the sensitivities involved at the board level) and effectiveness of the process to result in a truly first-class board chair. Board chair succession planning should be:

- » Made an explicit and core aspect of board succession planning within the overall governance practices of the company.
- » Initiated well in advance by the incumbent board chair.
- » Led by a committee/sub-committee (a select number of longer tenured directors who are not in the running) on a continuous and confidential basis.
- » Framed against a role definition and consistent set of selection criteria.
- » Centered ideally around a small number of prospects already serving on the board; and,
- » Synchronized with CEO succession such that both processes are sufficiently far apart.

3.5%

increase in median total  
non-executive director  
compensation in 2019

## TRENDS IN BOARD COMPENSATION

Ensuring appropriate board compensation is also a part of board development and is an ongoing consideration for boards. Compensation should, in theory, keep pace with the workloads involved and the market's expectation for higher performance, in addition to board members who are properly aligned as shareholders.

Workloads for directors have increased, as well as the scrutiny around board member performance and accountability. New regulations and external pressure for greater disclosure, more transparency around decision-making, has led to a substantial increase in the amount of work for the audit, governance and human resources and compensation committees. Additionally, global economic uncertainty, along with faster-cycle industry changes and technological disruption, have led to the need for more special or ad hoc meetings, as boards contemplate strategic and operational options.

Directors see the trend of increased workloads persisting, but director compensation has not increased significantly nor commensurately in all sectors. Compensation increases in the *CSSBI 100* have been modest in recent years (2% to 4% range annually for board chairs and non-executive directors), but compensation in some sectors has been flat (see page 25). And while director pay tends to be correlated to company size, there is no direct correlation between company size

and the amount of work required to support the organization. The trend toward annual or flat fee remuneration, rather than per-meeting compensation (see page 28) might be a worrisome trend for directors of smaller boards, where the workload is similarly high, with a preponderance of corporate transactions and off-cycle board meetings. Compensation for committee-level work has also been generally flat in recent years, although *CSSBI 100* boards have adopted variable amount retainers for the chairs of different committees to reflect the complexities of the work involved (see page 31). Increased workloads may result in less capacity for many directors to take on additional boards. While most directors would not turn down additional compensation, most would likely acknowledge money is not the prime motivator — doing a better job, as a team, for the companies they serve, is.

Board compensation is also part of the attraction proposition for prospective directors from other markets, specifically the U.S., where director compensation is generally much higher. This has become a greater consideration for many *CSSBI 100* boards given the level of cross-border recruitment undertaken in recent years. Boards of some of the more international *CSSBI 100* companies have responded, in part, by establishing their compensation against U.S. and/or international benchmarks and/or paying their board members in U.S. currency. Other boards have increased their compensation as part of ongoing benchmarking and/or pay U.S. resident directors the standard board compensation in U.S. denominated currency to offset differences in exchange rates (see page 24).

## PERFORMANCE EVALUATION IS A DRIVER FOR BOARD EFFECTIVENESS AND RENEWAL

Should director tenures be limited, either by a mandatory retirement age or through term limits, such as the nine-year maximum common in the U.K.? The question is a difficult one for many boards as they address the need to refresh their ranks, while not losing experienced and highly effective board members prematurely. The answer for many boards has been to favour longer tenures for non-executive directors. In 2019, 57% of *CSSBI 100* boards had either a mandatory retirement age (average 73) or a term limit (12 to 15 years of years) in effect for non-executive directors, while the other 43% did not.

Within the debate there is an opportunity to shift the conversation from term limits to individual director performance as a fundamental driver in board member succession. Every *CSSBI 100* company (based on current disclosure) conducted board and individual director

2.3%

increase in median total  
board chair compensation  
in 2019

57%

of *CSSBI 100* boards had a  
mandatory retirement age  
and/or term limit in place  
for directors in 2019

assessments. However, it is difficult to measure their rigour and/or effectiveness, let alone the outcomes of these exercises. Interestingly, our experience and research show that boards are starting to retain third parties to assist in these assessments, an indication of both the challenges associated with undertaking meaningful and objective assessments of peers and the elevated priority many boards are attaching to them. In an atmosphere of heightened shareholder expectations and scrutiny, assessment should highlight good performance and underperformance.

When necessary, the assessments can serve as a catalyst for one-to-one dialogue, mentoring, and possibly changes around the table, with the board chair playing a focal role in advancing a high-performance culture of the board. Some *CSSBI 100* boards, in fact, have removed their mandatory service limits, choosing instead to rely on the board's assessment process to guide the length of a director's tenure.

## **BOARD CULTURE IS KEY**

Successful boards share some common attributes, strong leadership from the board chair being an important one. Achieving “next level” performance also rests on a board's ability to gain a solid understanding of its cultural workings (and dysfunctions) and being prepared to have candid discussions about collective performance and individual contributions. These endeavors, along with forward-looking board succession planning, will help deliver an effectively woven mix of experience and personalities to the table.

# Board Composition

Spencer Stuart presents its annual review of the backgrounds of non-executive directors appointed to the boards of *CSSBI 100* companies. This review highlights trends in the executive and functional experience of non-executive directors being appointed annually, in addition to tracking progress on board gender diversity and the nationality of board members. This section also features an in depth profile of *CSSBI 100* board chairs, in addition to statistics on age and tenure of non-executive directors and board independence.

## 2019 SNAPSHOT

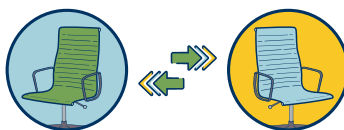
**94**   
new non-executive directors  
were appointed, about average  
for the *CSSBI 100*

**49%** of new non-executive  
directors were women,  
**a record high**



**31%** of new  
non-executive  
directors were  
non-residents of  
Canada, **down**  
**from 42%** in 2018

**17** Board Chair  
transitions reached a  
**five-year high**



**47%** of new  
non-executive  
directors had core  
backgrounds in  
accounting  
and/or finance

## NON-EXECUTIVE DIRECTOR APPOINTMENTS AND BOARD TURNOVER TRENDS

### Board turnover was steady in 2019

- » In 2019, 94 non-executive directors were appointed by the boards of *CSSBI 100* companies (from September 1, 2018 to August 31, 2019). The total was consistent with turnover in recent years.
- » The average age of the new non-executive directors in 2019 (58.7) was consistent with prior years, with ages ranging from 45 to 74.



### Total Annual Appointments of Non-Executive Directors to the Boards of *CSSBI 100* Companies



### Number of *CSSBI* boards that appointed multiple directors was slightly lower in 2019

- » One-quarter of *CSSBI 100* boards appointed two or more directors in 2019, as several boards continued to replace retiring directors, mostly as part of planned board succession and renewal initiatives.
- » In 2019, 11 *CSSBI 100* boards appointed three new directors, almost double the average for the past five years; the number of *CSSBI 100* boards that appointed two new directors (14) was below average.

### Boards of *CSSBI 100* Companies that Appointed Multiple, Non-Executive Directors Annually

	2019	2018	2017	2016	2015	Average
Two appointed	14	23	16	18	19	18
Three appointed	11	2	6	5	6	6
Four or more appointed	0	3	2	2	1	2
<b>Total</b>	<b>25</b>	<b>28</b>	<b>25</b>	<b>25</b>	<b>26</b>	<b>26</b>

### Boards continued to add accounting and finance backgrounds in 2019; technology related experience was also in higher demand

- » In 2019, 47% of all non-executive directors appointed by *CSSBI 100* boards had a core background in accounting and/or finance, much higher than in 2015.
- » Directors with financial expertise have consistently represented a large proportion of new appointments (about 35%, on average over the past five years), given the financial skills required by the boards of *CSSBI 100* companies to deal with challenging markets, large transactions and capital projects, and to meet stringent financial oversight requirements. Audit committee chair succession also underlies the consistently high number of appointments of directors with these backgrounds.
- » In 2019, there were more new directors appointed with backgrounds in technology (including IT and digital) compared to 2015. Several boards added these skills to meet the rising technological and digital challenges and opportunities facing their companies.

## Core Functional Backgrounds of Non-Executive Directors Appointed to the Boards of *CSSBI 100* Companies



### Boards added relatively more directors with related sector experience in 2019

- » In 2019, two-thirds (67%) of all non-executive directors appointed by *CSSBI 100* boards had related industry experience (i.e., experience in the company's industry or an allied sector). This was a notable increase over prior years when director appointments in the *CSSBI 100* were more equally divided (on average) between executives with related industry experience and those from different industries.
- » In 2019, many boards were likely replacing retiring directors with experience in the company's industry.

### Appointments of Non-Executive Directors with Related Industry Experience to the Boards of *CSSBI 100* Companies (as a % of all non-executive directors appointed annually)

	2019	2018	2017	2016	2015	Average
Related industry	67%	55%	54%	49%	41%	53%
Different industry	33%	45%	46%	51%	59%	47%

## APPOINTMENTS OF NON-EXECUTIVE DIRECTORS WITH CEO EXPERIENCE

### New directors with CEO experience continued to decline

- » In 2019, 31% of all non-executive directors appointed by *CSSBI 100* boards had CEO experience (i.e., with a public company or other organization of some scale). This was the lowest total in five years, and the fourth consecutive year that "CEOs" declined in Spencer Stuart's annual appointment table.
- » The limited supply of available prospects with CEO experience (especially those active), and the greater interest by *CSSBI 100* boards in other backgrounds, helps to explain the continued decline.
- » Interestingly, the share of non-residents of Canada in the CEO category (21%) was well below average, as *CSSBI 100* boards recruited more from within the Canadian market.

### Appointments of Non-Executive Directors with CEO Experience to the Boards of *CSSBI 100* Companies (as a % of all non-executive directors appointed annually)

	2019	2018	2017	2016	2015	Average
Residents of Canada	79%	62%	61%	63%	77%	68%
Non-residents of Canada	21%	38%	39%	37%	23%	32%
Overall	31%	33%	35%	44%	55%	40%

## APPOINTMENTS OF WOMEN AND BOARD GENDER DIVERSITY

### Appointments of women hit a record high, parity with men virtually reached in 2019

- » In 2019, 49% of all non-executive directors appointed by *CSSBI 100* boards were women, the highest level recorded in the 24 years of the *CSSBI*.
- » This is notable progress, resulting from the planned and sustained efforts of many *CSSBI 100* boards to identify and recruit more women.
- » The share of women not resident in Canada (28%) was slightly lower in 2019, as *CSSBI 100* boards recruited more women from within the Canadian market.

### Appointments of Women to the Boards of *CSSBI 100* Companies

(as % of all non-executive directors appointed annually)

	2019	2018	2017	2016	2015	Average
Residents of Canada	72%	69%	68%	68%	67%	69%
Non-residents of Canada	28%	31%	32%	32%	33%	31%
Overall	49%	30%	40%	41%	45%	41%

### Smaller age difference between newly appointed male and female directors in 2019

- » In 2019, women appointed to the boards of *CSSBI 100* companies were one year younger, on average, than new male appointees. This was two years less than the average age gap in recent years.

### Average Ages of Incoming Non-Executive Directors to the Boards of *CSSBI 100* Companies

	2019	2018	2017	2016	2015	2014	Average
Men	59	59	58	58	58	59	59
Women	58	56	55	55	56	56	56

### Overall representation of women edged-up in 2019, notable progress made by the boards of smaller *CSSBI* companies

- » In 2019, close to one-third (30%) of all *CSSBI 100* board directorships were held by women, a three-percentage point increase over 2018 and 58% higher compared to 2013. On average, this translated to three women board members (per board) across the entire *CSSBI 100*.
- » The gap between the larger and smaller *CSSBI 100* in women director representation also narrowed in 2019.

### Percentage of All *CSSBI 100* Board Directorships Held by Women

	2019	2018	2017	2016	2015	2014	2013	CAGR
More than \$5 billion	31%	29%	29%	26%	24%	22%	20%	8%
\$1 billion to \$5 billion	29%	24%	25%	23%	21%	19%	16%	10%
Overall	30%	27%	27%	25%	23%	21%	19%	8%

## Boards of Canada's largest companies are becoming more gender balanced, led by those in the financial services sector

- » In 2019, women held at least 30% of board directorships at over half (54%) of the boards of the *CSSBI 100*, almost four times more than in 2013. Notably, one *CSSBI 100* board had an equal number of men and women in 2019 and 14 others were close to being fully gender balanced, with between 40% to 49% of their boards comprised of women.

### Percentage of Women on Boards of *CSSBI 100* Companies

% of women on board	<i>CSSBI 100</i> boards in this range	
	2019	2013
0%	0%	10%
1% to 9%	1%	5%
10% to 19%	12%	41%
20% to 29%	33%	30%
30% to 39%	39%	12%
40% to 49%	14%	2%
50% to 60%	1%	0%

- » Boards of *CSSBI 100* companies in the financial services sector were the most gender diverse, followed by boards in the consumer and transportation sectors.

### Board Gender Diversity in the *CSSBI 100*: Industry Breakdown

Industry groups	Average representation of women	Number of companies with 30%+ women on board	% of companies in industry group with 30%+ women on board
Financial services (n=15)	36%	11	73%
Consumer (n=12)	31%	8	67%
Transportation (n=10)	31%	6	60%
Energy (n=19)	29%	9	47%
Communications, media and technology (n=15)	28%	7	47%
Mining and metals (n=7)	28%	3	43%
Industrials (n=22)	27%	10	45%

## BOARD GENDER DIVERSITY POLICIES AND TARGETS

### Board gender diversity targets were more common, often correlated with the boards with the most women

- » As of 2019, 50 CSSBI 100 boards had established a minimum gender diversity target for their boards (an increase of nine compared to 2017). For most of these boards (39), the target applied to the full board of directors; the target applied to all independent or non-executive board members at the other 11 boards with diversity targets.
- » The average gender target was 30% (and ranged from 20% to 50%). Of note, around two-thirds (68%) of the boards with targets had either achieved or surpassed them as of September 2019.

### CSSBI 100 Gender Diversity Distribution

% of women on board	# of companies	With board gender diversity target		Without board gender diversity target	
		Count	Percentage (%)	Count	Percentage (%)
0%	0	N/A	N/A	N/A	N/A
1% to 9%	1	0	0%	1	100%
10% to 19%	12	3	25%	9	75%
20% to 29%	33	16	48%	17	52%
30% to 39%	39	20	51%	19	49%
40% to 49%	14	11	79%	3	21%
50%+	1	0	0%	1	100%

### Women are taking on significantly more board leadership roles

- » Overall, the total number of women serving in board leadership roles in 2019 was significantly (81%) higher compared to the total in 2015, and more than double the total in 2012.
- » Compared to 2015, the number of women serving in the highest board leadership positions (board chair, vice-chair, lead director) and those chairing governance and human resources committees basically doubled; there was also a marked increase in women chairing other committees, including audit and environment, health and safety.

### Women Serving in Board Leadership Roles on CSSBI 100 Boards

	2019	2015	2012
Board chairs, vice-chairs and lead directors	15	8	10
Audit committee chairs	29	20	13
Governance and nominating committee chairs	28	14	12
Human resources and compensation committee chairs	30	16	10
Environment, health and safety committee chairs	12	5	5
Other committee chair roles	13	7	0
<b>Totals</b>	<b>127</b>	<b>70</b>	<b>50</b>

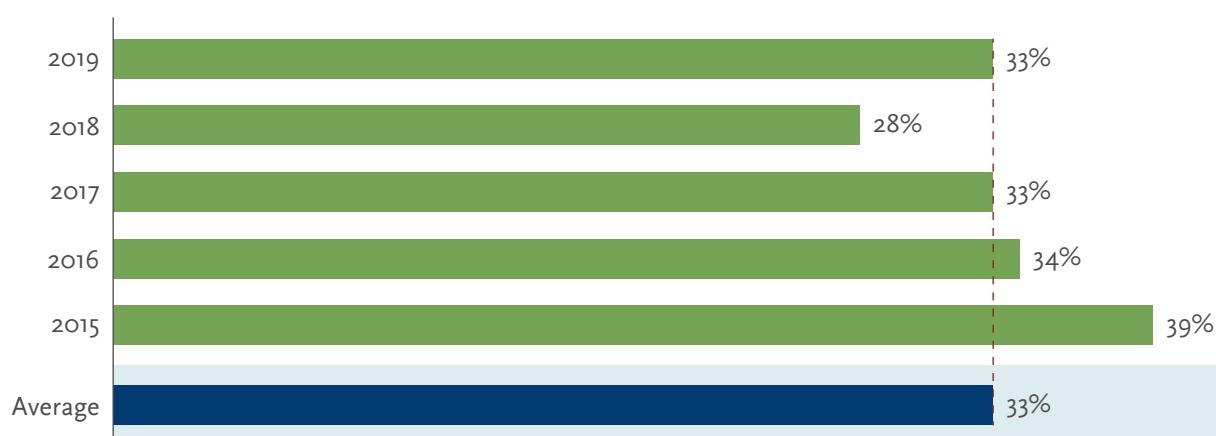


## APPOINTMENTS OF FIRST-TIME PUBLIC COMPANY DIRECTORS

### Continued openness to prospects without prior public-company board experience

- » In 2019, one-third of all non-executive directors appointed by *CSSBI 100* boards were starting on their first public company board. The proportion was consistent with the totals for the prior four years.
- » While there continues to be openness to board prospects without prior public-company board experience, effective onboarding and mentorship by the board chair and other seasoned directors takes on even greater importance.

#### Appointments of First-time Public Company Directors to the Boards of *CSSBI 100* Companies (as a % of all non-executive directors appointed annually by *CSSBI 100* boards)



## NON-EXECUTIVE DIRECTORS RECRUITED FROM OUTSIDE CANADA

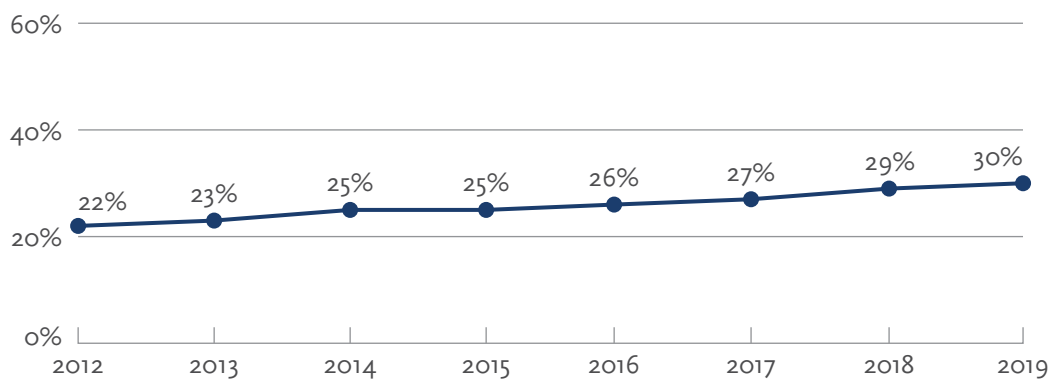
### Less cross border director recruitment in 2019

- » *CSSBI 100* boards have been fulfilling many of their functional and industry requirements by recruiting board members from outside Canada; however, in 2019, *CSSBI 100* boards recruited a higher proportion of executives from the domestic marketplace.
- » In 2019, 31% (or close to one-third) of all non-executive directors appointed to *CSSBI 100* boards were non-residents of Canada. The total was the lowest since 2015 and was the first decline after three consecutive annual increases.
- » Consistent with prior years, most of the non-residents were recruited from the U.S., given the market's importance, proximity and the depth of its prospect pool.
- » In 2019, close to one-third (30%) of all *CSSBI 100* directorships were held by non-residents of Canada, one percentage point higher than in 2018.

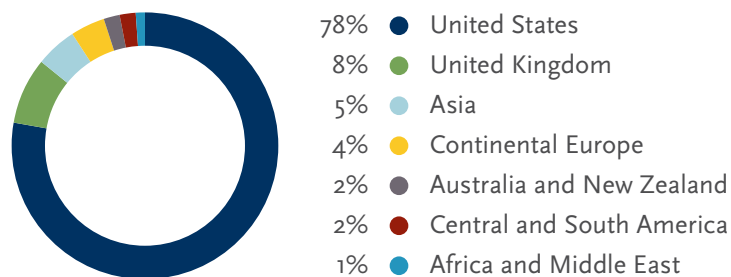
### Appointments of Non-Residents of Canada to the Boards of *CSSBI 100* Companies (as a % all non-executive directors appointed annually)



### % of Total *CSSBI 100* Board Directorships Held by Non-residents of Canada



### % of Directors from Abroad on *CSSBI 100* Boards in 2019

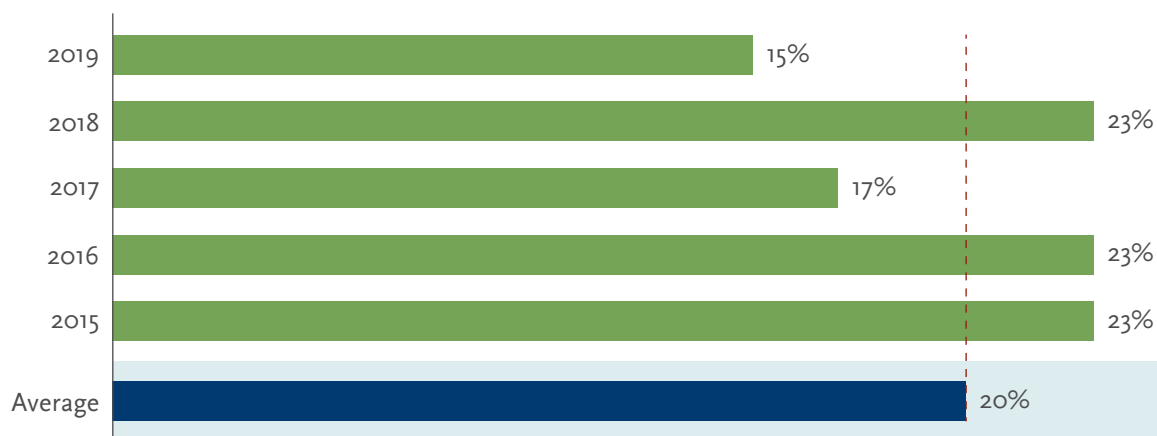


## APPOINTMENTS OF ACTIVE, C-LEVEL (NON-CEO) EXECUTIVES

### Limited supply of active C-level executives for board roles

- » In 2019, 15% of the non-executive directors appointed by *CSSBI 100* boards were active C-level (non-CEO) executives, the lowest number in five years.
- » Boards are often interested in this “next-generation” pool of directors, but not all of them are ready, free of conflict or have permission to serve on a public-company board, making this a variable pool from which to recruit.

**Appointments of Active, C-Level (Non-CEO) Executives to the Boards of *CSSBI 100* Companies**  
(as a % of all non-executive directors appointed annually)

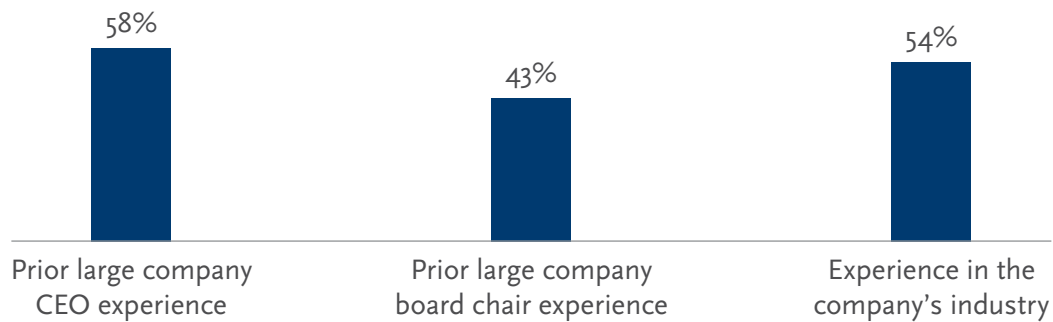


## BACKGROUNDS OF BOARD CHAIRS OF *CSSBI 100* COMPANIES

### Board chairs have significant company leadership and governance experience

- » Consistent with our past findings, many board chairs of *CSSBI 100* companies had both prior large company CEO and board chair experience, along with executive experience in the company’s industry.
- » Most (81%) *CSSBI 100* board chairs in 2019 were residents of Canada.
- » 17 board chairs serving in 2019 were the company’s founder and/or former CEO.

### Backgrounds of the Board Chairs of *CSSBI 100* Companies in 2019\*



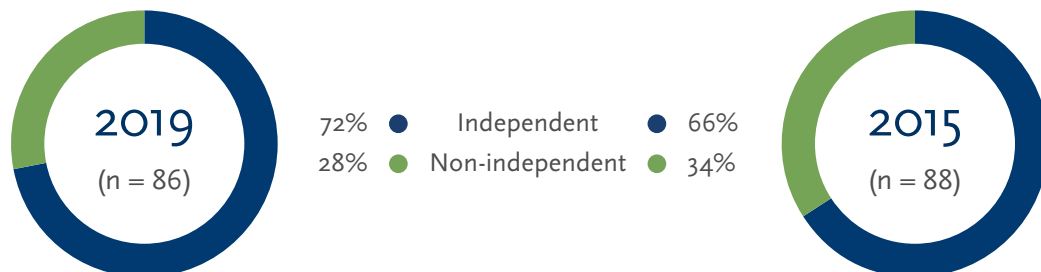
\*Excludes those also serving as CEO, company founders or were the company's former CEO.

## BOARD CHAIR INDEPENDENCE

### More independent board chairs in 2019

- » Most (86%) of *CSSBI 100* companies separated the roles of board chair and CEO, a now standard governance practice among large Canadian public companies.
- » Almost three-quarters (72%) of the separate board chairs were independent in 2019, an increase of six percentage points compared to 2015.

### Independence of Separate Board Chairs at *CSSBI 100* Companies



## BOARD CHAIR TRANSITIONS

### Board chair transitions reached a five-year high in 2019; external recruitment for the role still uncommon

- » In 2019, there were 17 board chair transitions on the boards of *CSSBI 100* companies, five more than in 2018 and well above the average of 11 for the past five years. Following past practice, the majority (14 of 17) of the new board chairs were internal successors, a clear sign that the boards of Canada's largest companies emphasize company knowledge and board continuity.
- » Internal board chair successors had an average of five years of tenure before assuming the role (often as part of an internal board succession and selection process) and most had prior committee chair experience with either the company or with the board of a different public company.
- » In the last five years, 55, or almost two-thirds (64%) of the *CSSBI 100* companies that separated their board chair and CEO roles, selected a new board chair, representing a substantial level of change in this critical board leadership role.

#### Number of Board Chair Transitions at *CSSBI 100* Companies

2019	2018	2017	2016	2015	Total	Average
17	12	14	4	8	55	11

## TENURES OF NON-EXECUTIVE DIRECTORS AND BOARD CHAIRS

### Significant board turnover in the past five years

- » Just over half (52%) of non-executive directors of the *CSSBI 100* had five or less years of tenure in 2019.
- » Almost 20% of *CSSBI 100* board chairs had five or less years of tenure, more than double the number in 2015.

#### Distribution of Tenures: *CSSBI 100* Non-Executive Directors and Board Chairs\*

	0 to Five Years		Six to 10 Years		11 to 15 years		More than 15 years	
	2019	2015	2019	2015	2019	2015	2019	2015
All non-executive board directors	52%	48%	25%	26%	12%	14%	11%	13%
Board chairs*	19%	9%	21%	26%	17%	29%	43%	37%

\*Excludes those serving as board chair and CEO or Executive Chairs.



## AGES OF NON-EXECUTIVE DIRECTORS

### More younger board chairs were serving in 2019

- » Compared to 2015, there were more board chairs aged 50 to 59 and noticeably less in the 70 to 79 age range.
- » Ages of non-executive directors in 2019 were mostly similar across the range compared to 2015.

### Distribution of Ages: *CSSBI 100* Directors and Board Chairs

	30 to 39		40 to 49		50 to 59		60 to 69		70 to 79		80+	
	2019	2015	2019	2015	2019	2015	2019	2015	2019	2015	2019	2015
All non-executive board directors	1%	0%	4%	5%	26%	29%	53%	43%	15%	16%	1%	2%
Board chairs*	0%	0%	3%	1%	21%	16%	50%	47%	20%	32%	6%	4%

\*Excludes those serving as board chair and CEO or executive chairs.

## BOARD INDEPENDENCE

### Board independence was generally high

- » Overall, most (81%) of *CSSBI 100* board members were independent in 2019.\*
- » Close to half (46) of the *CSSBI 100* boards had one non-independent (the CEO) and 27 others had two non-independents.
- » Higher concentrations of non-independent directors (ranging from three to seven members) were found on the boards of 26 (often closely held) *CSSBI 100* companies.

### Range of Non-independent Directors on the Boards of *CSSBI 100* Companies in 2019

Number of non-independent directors	Number of boards
One	47
Two	27
Three	10
Four	6
Five	5
Six	3
Seven	2

\*As defined by the Canadian Securities Administrators (CSA).

# Board Compensation

Spencer Stuart presents its annual review and analysis of the board compensation practices of *CSSBI* companies, providing benchmarks and trends for non-executive director and board chair remuneration. Where applicable, compensation practices and benchmarks are also provided for board and committee meetings, committee memberships, and for special work and travel. All figures are in Canadian dollars, unless otherwise noted.

## 2019 SNAPSHOT

Total non-executive director compensation was

**\$234,000**

(median, including equity), a

**3.5%**

increase vs. 2018



Total board chair compensation was

**\$409,000**

(median, including equity), a

**2.3%**

increase vs. 2018



Board compensation was highest in the mining and metals industry,



**29%**

above the median total for the *CSSBI 100* overall

**73%**

of *CSSBI 100*

companies used a simplified flat fee model to remunerate non-executive directors



## NON-EXECUTIVE DIRECTOR COMPENSATION IN 2019: PRACTICES AND BENCHMARKS

### Setting annual non-executive director compensation

Generally, the boards of *CSSBI 100* companies review the compensation paid to non-executive directors every one-to-two years. In 2019, almost every *CSSBI 100* company disclosed the peer-groups used to help develop and to set compensation levels for their non-executive directors (almost half of these companies used the same peer-group that was used to set executive compensation).

## Currency Used for Board Compensation in 2019

Boards of *CSSBI 100* companies followed three practices in remunerating their non-executive directors.

	Number of <i>CSSBI 100</i> companies
All paid in Canadian dollars	53
All paid in U.S. dollars	26
Nominal compensation practice (i.e., same nominal amounts for all directors, paid in the currency of the director's domicile)	21

## Components of *CSSBI 100* Non-Executive Director Compensation in 2019

	Median	Percentage of companies paying retainer/fee
Annual non-executive director retainer (including equity)	\$199,000	N/A
Committee member retainer	\$6,000	56%
Board meeting fee	\$2,000 per meeting	27%
Committee meeting fee	\$2,000 per meeting	27%

## Median Total Director Compensation Paid by *CSSBI 100* Companies in 2019

	Overall	More than \$5 billion (n=60)	\$1 billion to \$5 billion (n=40)
Compensation	\$234,000	\$245,000	\$172,000
Equity	50%	49%	50%
Cash	50%	51%	50%

## Range of Total Non-Executive Compensation at *CSSBI* Companies in 2019

Percentile	Total director compensation
1st percentile	\$66,177
25th percentile	\$147,422
50th percentile	\$233,629
75th percentile	\$273,727
99th percentile	\$481,102

## GROWTH TRENDS IN NON-EXECUTIVE DIRECTOR COMPENSATION

### Modest, single-digit compensation growth in 2019

- » In 2019, median total non-executive compensation (for the constant set of 89 *CSSBI 100* companies) increased by 3.5% over 2018, just below the average annual increase in the past five years.
- » In 2019, close to one-third (29) of *CSSBI 100* companies increased their non-executive director retainers by an average of \$31,250, balanced almost equally between cash and equity.

**Median Total Non-Executive Director Compensation for the Constant Set of 89 CSSBI Companies\***

2019	2018	2017	2016	2015	CAGR
\$209,000	\$202,000	\$198,000	\$185,000	\$180,000	3.8%

\*Refer to methodological note on page 3.

**Compensation growth slightly higher at larger companies**

- » Since 2015, annual compensation growth was nearly one-half of a percentage higher at the larger CSSBI 100 companies (4.0% compared to 3.4% for the smaller set of companies, as measured annually in the constant set of 89 CSSBI 100 companies).

**Median Total Non-Executive Director Compensation for the Constant Set of 89 CSSBI Companies (smaller compared to larger companies)\***

\$1 billion to \$5 billion						
Number of companies	2019	2018	2017	2016	2015	CAGR
32	\$191,000	\$185,000	\$180,000	\$168,000	\$167,000	3.4%

More than \$5 billion						
Number of companies	2019	2018	2017	2016	2015	CAGR
57	\$220,000	\$212,000	\$208,000	\$195,000	\$188,000	4.0%

\*Refer to methodological note on page 3.

**TOTAL NON-EXECUTIVE DIRECTOR COMPENSATION BY INDUSTRY****Board director compensation increased in most industries**

- » Increases in annual board compensation (by industry) ranged from a high of 8.5% in the consumer industry to a low of 2.8% in the energy group; totals were unchanged from 2018 in a few industries (mining and metals and transportation).
- » In 2019, median total non-executive compensation was highest in the mining and metals industry, despite being flat year-to-year.

**Median Total Non-Executive Director Compensation by Industry**

	Median total compensation (2019)	% Change from 2018
Mining and metals	\$241,000	Unchanged
Energy	\$236,000	2.8%
Communications, media and technology	\$233,000	3.9%
Financial services	\$212,000	4.8%
Consumer	\$191,000	8.5%
Transportation	\$190,000	Unchanged
Industrials	\$178,000	3.3%

## FLAT FEE COMPENSATION FOR NON-EXECUTIVE DIRECTORS

### Flat fee compensation widely adopted, per-meeting fees less common

- » A growing number of *CSSBI 100* companies have been moving to “flat fee” compensation to remunerate their non-executive directors (i.e., a single annual board member retainer without additional per-meeting fees).
- » In 2019, close to three-quarters (73%) of *CSSBI 100* companies used this simplified pay practice, an increase of 12 companies over 2018 and 30 over 2015.
- » Median total compensation was relatively higher for the companies that used the flat fee model to compensate their non-executive directors.

### Median Total Non-Executive Director Compensation Paid by *CSSBI 100* Companies in 2019 (flat fee compared to non-flat compensation)

	More than \$5 billion	\$1 billion to \$5 billion
Flat fee	\$248,500	\$222,000
Non-flat fee	\$181,500	\$162,500
Difference	\$67,000	\$59,500

## ANNUAL NON-EXECUTIVE DIRECTOR RETAINERS

### Larger companies paid higher retainers

- » In 2019, the median non-executive director retainer of the larger *CSSBI 100* companies was \$64,500 higher than that of the group of smaller companies.
- » On average, portions of cash and equity were about the same between the larger and smaller *CSSBI 100* companies.

### Median Non-Executive Directors Retainers Paid by *CSSBI 100* Companies in 2019

	Median retainer	Equity	Cash
More than \$5 billion (n=60)	\$202,500	51%	49%
\$1 billion to \$5 billion (n=40)	\$141,000	50%	50%
Overall	\$199,000	50%	50%



### Distribution of Annual Non-Executive Directors Retainers (including Equity) paid by *CSSBI 100* Companies in 2019

Percentile	Annual director retainer
1st Percentile	\$40,350
25th Percentile	\$120,125
50th Percentile	\$199,000
75th Percentile	\$230,000
99th Percentile	\$391,000

## EQUITY COMPENSATION PRACTICES FOR NON-EXECUTIVE DIRECTORS

### Annual director retainers were generally divided evenly between cash and equity

- » Most annual director retainers (86%) in the *CSSBI 100* were paid with a mix of cash and equity. Equity portions ranged from a low of 10% to a high of 100% of the annual director retainer.
- » Additionally, almost every *CSSBI 100* board (93%) gave their non-executive directors the option to receive equity in exchange for their cash compensation.
- » It was also common for non-executive director compensation to be paid in equity until the company's minimum share ownership requirement had been met. This policy applied to 23 *CSSBI 100* companies (15 paid the entire annual director retainer in equity until the director met the minimum shareholding requirement).
- » Share options were used by one *CSSBI 100* company in 2019, in this case a new company added to the index.

## AT A GLANCE

### Equity compensation practices for non-executive directors of *CSSBI 100* companies

- » **86** *CSSBI 100* companies required their non-executive directors to receive some form of equity (typically common shares and/or DSUs) as part of their annual compensation.
- » **76** granted equity based on a pre-set fraction of the retainer value.
- » **10** granted equity at market value (e.g., 2,000 common shares issued on a certain day).
- » **1** granted share options.
- » **93** permitted non-executive directors to elect equity *in lieu* of cash compensation.

## COMMITTEE MEMBER RETAINERS

### Additional committee member retainers were still common; higher amounts usually paid for audit committees

- » In 2019, just over half (56%) of *CSSBI* companies paid additional retainers for service on committees, 10 less than in 2015. Compared to 2015, median committee retainers for the audit committee members increased by \$3,000; increases for members of corporate governance and nominating, human resources and compensation committees were small by comparison.
- » Just under half of these companies (28) paid a variable committee retainer (i.e., different amounts for different committees). All but two of these companies paid their audit committee members the highest (23% more on average). Interestingly, for almost half (15 of 28) of the companies that used a variable model, only audit committee members were paid with the higher retainer and the members of the other committees were remunerated with identical amounts. 28 companies used a uniform retainer model (i.e., same amount for all committees).
- » Four companies paid a committee member retainer exclusively to their audit committee members, which continued to be an uncommon practice amongst *CSSBI 100* companies.

### Committee Member Compensation Practices of *CSSBI 100* Companies

	2019	2015
Companies that pay committee retainers	56	66
Variable committee member retainers	43%	42%
Uniform committee member retainer	50%	52%
Audit members only	7%	6%

### Committee Member Retainers at *CSSBI 100* Companies

	2019		2015	
	Median	Range	Median	Range
Audit committees	\$9,000	\$1,085 to \$55,000	\$5,000	\$3,000 to \$35,000
Governance and nominating committees	\$5,750	\$1,085 to \$55,000	\$5,000	\$1,082 to \$8,000
Human resources and compensation committees	\$5,500	\$1,500 to \$55,000	\$5,000	\$1,082 to \$15,000

## BOARD AND COMMITTEE MEETING FEES

### Use of per-meeting fees continued to decline

- » In 2019, just over one quarter (27%) of *CSSBI 100* companies paid additional per-meeting fees to their non-executive directors, considerably less than in 2015 when close to 60% did.
- » An increasing number of *CSSBI 100* companies have been adopting flat fee remuneration practices that are inclusive of fees for meetings and are simpler to administer.
- » Median per-meeting fees, for the companies that still paid for them separately, were slightly higher compared to 2015.

## Board and Committee Meeting Fees Paid by CSSBI 100 Companies

	Board meetings				Committee meetings			
	Median board meeting fees		% of companies paying this type		Median committee meeting fees		% of companies paying this type	
	2019	2015	2019	2015	2019	2015	2019	2015
More than \$5 billion (n=14)	\$1,875	\$1,725	23%	50%	\$1,875	\$1,500	23%	54%
\$1 billion to \$5 billion (n=13)	\$2,000	\$1,500	33%	62%	\$2,000	\$1,500	33%	62%
Overall (n=27)	\$2,000	\$1,500	27%	55%	\$2,000	\$1,500	27%	57%

## BOARD CHAIR COMPENSATION

### Board chair compensation significantly higher at larger companies

- » Median total board chair compensation was \$409,000 in 2019 (for the 69 CSSBI 100 companies that provided remuneration for serving in the role). Half of the total was paid in the form of risk-based, equity compensation.
- » In 2019, median total board chair compensation was substantially (\$125,000) higher at the larger CSSBI 100 companies. The portion paid in the form of equity was the same for both large and small company board chairs.

### Median Total CSSBI 100 Board Chair Compensation in 2019

	Number of companies	Median board chair compensation	Cash portion	Equity portion
More than \$5 billion	41	\$450,000	50%	50%
\$1 billion to \$5 billion	28	\$325,000	50%	50%
Overall	69	\$409,000	50%	50%

### All-inclusive compensation was the norm for board chairs

- » In 2019, the vast majority (87% or 60 of 69) of the CSSBI 100 board chairs were paid using an all-inclusive model (either a single board chair retainer or a combination of the standard annual director retainer, plus an additional retainer for serving as board chair, without additional committee retainers and per-meeting fees).
- » A minority of board chairs were still remunerated with a mix of retainers (including applicable committee member retainers), plus additional per-meeting compensation.
- » 56 board chairs received a larger equity grant (on average, close to double) than the non-executive directors on the board.

### Compensation Practices for CSSBI 100 Board Chairs in 2019

	All-inclusive compensation model	Mixed compensation model
More than \$5 billion	37	4
\$1 billion to \$5 billion	23	5
Number of companies	60	9

## Non-independent board chairs were paid more than independents

- » Median total board chair compensation for independent, non-executive board chairs of *CSSBI 100* companies was significantly (\$181,000) less than the comparable amount for the non-independent group.
- » Total compensation for the independent board chairs was also weighted more heavily in equity, 50% compared to 25% for the non-independent group.

### Median Total Board Chair Compensation: Independent Compared to Non-Independent Board Chairs of *CSSBI 100* Companies in 2019

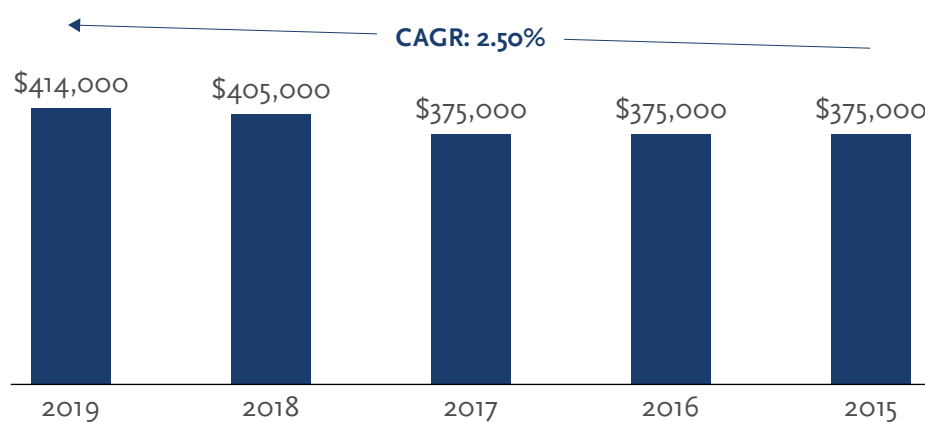
	Median retainer	Cash portion	Equity portion
Independent board chairs (n = 61)	\$400,000	50%	50%
Non-independent board chairs (n = 8)	\$581,000	75%	25%

## GROWTH TRENDS IN BOARD CHAIR COMPENSATION

### Low, single-digit increase in board chair compensation in 2019

- » In 2019, median total board chair compensation was \$414,000, a 2.3% increase over 2018 (in the constant set of companies). The increase was slightly higher than the average annual growth rate since 2015.
- » Board chair compensation increased at 36 *CSSBI 100* companies in 2019; the average increase was almost \$10,000.

### Median Total Board Chair Compensation Paid by *CSSBI 100* Companies\*



\*Refer to the methodological note on page 3.

## LEAD DIRECTOR COMPENSATION

### Modest increase in the amounts paid to lead directors

- » 35 *CSSBI 100* companies had a lead director in 2019. All were scheduled to receive additional compensation (additional retainer or larger equity grant) for serving in this board leadership role.
- » The median additional amount paid to lead directors in 2019 (\$40,000) was close to \$10,000 higher than in 2015.

### Lead Director Retainers Paid by Board of *CSSBI 100* Companies

	2019	2015
Number of lead directors	35	37
Additional compensation (median)	\$40,000	\$31,500
Range	\$10,000 to \$199,000	\$8,000 to \$150,000

## COMMITTEE CHAIR COMPENSATION

### Variable committee chair retainers were most common

- » The majority (82) of *CSSBI 100* companies used variable retainers to remunerate their committee chairs, rather than a uniform (or same) retainer paid to all.
- » All but two *CSSBI 100* companies paid a committee chair retainer.

### Committee Chair Compensation Practices at *CSSBI 100* Companies in 2019

	Variable committee chair retainers	Uniform committee chair retainers	Total
More than \$5 billion	46	13	59
\$1 billion to \$5 billion	36	3	39
<b><i>CSSBI 100</i> Overall</b>	<b>82</b>	<b>16</b>	<b>98</b>

### Retainers increased for some committee chairs

- » Retainers for audit and human resources and compensation chairs both increased (by a median of \$5,000) in 2019. Governance and nominations committee chair retainers were flat year-to-year.
- » The median audit committee chair retainer continued to be the highest, \$5,000 more than human resources and compensation and \$10,000 more than governance and nominating committees.

### Committee Chair Retainers Paid by *CSSBI 100* Companies (median)

Committee	2019	2018	2017	2016	2015
Audit	\$25,000	\$20,000	\$20,000	\$20,000	\$20,000
Governance and nominating	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Human resources and compensation	\$20,000	\$15,000	\$10,000	\$10,000	\$10,000
All committees	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000

## COMPENSATION FOR SPECIAL BOARD WORK AND TRAVEL

- » **Special meetings:** Most *CSSBI 100* boards used a flat fee compensation model that often included special meetings. However, it was common for directors of these companies to receive additional compensation when the number of special meetings exceeded a certain number.

At the *CSSBI 100* boards that still paid additional per-meeting fees, the standard board meeting fee (either the rate for in-person or telephonic attendance) was applied to special or ad hoc meetings.

- » **Special committees:** Compensation for special committees (based on the disclosure of 13 *CSSBI 100* companies) consisted of additional meeting fees (typically the existing, applicable board or committee meeting fee) or a lump-sum. Additional special committee chair and member retainers were also paid by a few companies in 2019.
- » **Travel:** Almost one-third (30) of *CSSBI 100* companies provided additional compensation for travel to those non-executive directors traveling over specified, extended distances to attend board and committee meetings. Depending on the distances involved, per-meeting travel allowances or per-diems (ranging from \$500 to \$4,000), or annual lump sums (ranging from \$10,000 to \$20,000) were paid in 2019.

# Board Organization, Process and Policies

Spencer Stuart presents its annual review of the organization, processes and selected policies of the boards of *CSSBI 100* companies. This section highlights practices and trends in such areas as board size, board meetings (frequency and director attendance), board and director performance evaluations, share ownership guidelines, and policies for non-executive director retirement.

## 2019 SNAPSHOT

57



boards had mandatory retirement and/or term limits for board members, one higher than in 2015

100%



of *CSSBI 100* boards assess their board members — peer reviews were the most common method used



4

standing committees, the average number for the *CSSBI 100*



11

board members, the average for the *CSSBI 100*, has not changed in over 10 years.

## BOARD SIZE

### Small fluctuations in the size of boards; fewer large boards in 2019

- » Average board size for *CSSBI 100* companies (11 in 2019) has been the same for over 10 years.
- » The distribution of board sizes among *CSSBI 100* companies has remained steady over the period as well. The small fluctuations that did occur were the result of board renewal initiatives and the “rightsizing” that resulted from those efforts.
- » The number of large (16+ member) boards have declined.

### Size of the Boards of *CSSBI 100* Companies

	2019	2018	2017	2016	2015
5 to 10	43%	45%	46%	49%	46%
11 to 15	54%	49%	46%	47%	47%
16 and higher	3%	6%	8%	4%	7%

### Larger companies continued to have bigger boards

- » In 2019, the boards of the larger *CSSBI 100* companies had, on average, two additional board members than the boards of the smaller companies.
- » Most (75%) of the boards of the smaller *CSSBI 100* companies ranged from 5 to 10 board members, whereas most (73%) of the boards of the larger companies had 11 to 15 board members.
- » 16 and higher member boards were only found in the larger set of *CSSBI 100* companies.

### Board Size Comparison: Larger versus Smaller *CSSBI 100* Companies in 2019

	5 to 10 board members	11 to 15 board members	16 and higher	Average Size
More than \$5 billion (n=60)	13	44	3	12
\$1 billion to \$5 billion (n=40)	30	10	0	10

## BOARD COMMITTEES

### Boards of smaller companies had fewer committees

- » In 2019, the boards of *CSSBI 100* companies continued to have an average of four standing committees per board, the same as in 2015.
- » The boards of the smaller *CSSBI* companies had an average of three committees; operating with two or three committees was relatively more prevalent amongst this group.

### Number of Standing Committees on the Boards of *CSSBI 100* Companies

Number of committees	2019			2015		
	Overall	More than \$5 billion	\$1 billion to \$5 billion	Overall	More than \$5 billion	\$1 billion to \$5 billion
2	11%	8%	15%	8%	6%	10%
3	27%	22%	35%	33%	18%	48%
4	50%	53%	45%	42%	50%	34%
5	10%	13%	5%	14%	20%	8%
6	0%	0%	0%	0%	0%	0%
7 or more	2%	3%	0%	3%	6%	0%
Average	4	4	3	4	4	3



## Leaner committee structures, more integrated governance, human resources and compensation committees

- » In recent years, some *CSSBI 100* boards moved to a leaner committee structure by integrating the functions of certain committees (most often governance, human resources and compensation).
- » In 2019, close to 20% (18) of the boards of *CSSBI 100* companies had a combined governance, nominations, human resources and compensation committee, an increase of three compared to 2015.

## BOARD AND COMMITTEE MEETINGS

### Boards scheduled fewer meetings

- » Overall, boards of *CSSBI 100* companies held an average of eight scheduled meetings in fiscal 2018 (the most current year for disclosure), one less meeting compared to 2015. The number of scheduled board meetings ranged from a low of four to a high of 16.
- » Overall, the number of boards that scheduled seven or less meetings increased and those that held eight or more meetings generally declined.

### Number of Scheduled Board Meetings Held by *CSSBI 100* Companies

Scheduled board meetings	2018			2015		
	Overall	More than \$5 billion	\$1 billion to \$5 billion	Overall	More than \$5 billion	\$1 billion to \$5 billion
2 to 5	16%	18%	13%	13%	18%	8%
6 or 7	37%	40%	33%	32%	28%	36%
8 or 9	23%	23%	23%	27%	26%	38%
10 to 13	19%	17%	23%	17%	16%	18%
14 to 16	5%	2%	10%	11%	12%	10%
Average	8	8	9	9	9	9

### Larger companies held fewer committee meetings; the number for smaller companies was unchanged

- » Compared to 2015, the larger *CSSBI 100* companies held fewer committee meetings (one less, on average) for three common standing committees, leading to a decline in the overall average.
- » In the past, the boards of the larger *CSSBI 100* companies tended to schedule more committee meetings; in 2018, the average was the same for both sets when comparing the number of meetings for three common standing committees.

**Average Number of Committee Meetings Scheduled by the Boards of *CSSBI 100* Companies**  
(Audit, Governance and Nominating, Human Resources and Compensation)

Committees	2018			2015		
	Overall	More than \$5 billion	\$1 billion to \$5 billion	Overall	More than \$5 billion	\$1 billion to \$5 billion
Audit	5	5	5	6	6	5
Governance and nominating	4	4	4	5	5	4
Human resources and compensation	5	5	5	5	6	5
<b>Average</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>5</b>

## ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

### Attendance at board and committee meetings continued to be almost perfect

- » Average individual attendance (either in person or via teleconference) at scheduled *CSSBI 100* board and committee meetings was almost perfect, as it has been in our prior annual analyses.

### Attendance at Board and Committee Meetings

Scheduled Meetings	2018	2015
Board meetings	98%	98%
Committee meetings	98%	98%

## BOARD AND NON-EXECUTIVE DIRECTOR PERFORMANCE EVALUATIONS

### Performance evaluations well entrenched, often facilitated by external advisors

- » Every *CSSBI 100* company disclosed that they evaluated the performance of their individual non-executive directors, committees and the board overall. Nearly all evaluations were conducted annually.
- » Several *CSSBI 100* boards disclosed having third-party advisors assist and/or lead the assessments of the board and non-executive directors.
- » More than half (55%) of the boards of *CSSBI 100* companies disclosed that they had a formal evaluation process for their committee chairs, distinct from the individual non-executive director evaluation.
- » Close to three-quarters (71%) of *CSSBI 100* companies disclosed having a formal evaluation process (led most often by the governance and nominating committee) for the board chair, the same total as in 2018.

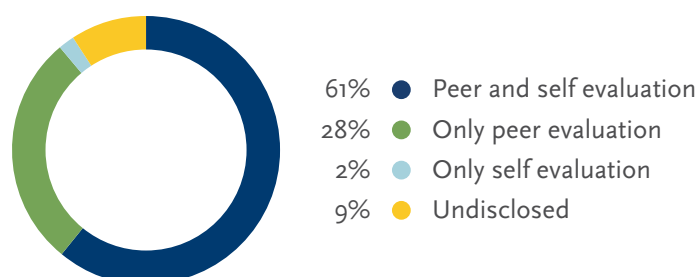
### Performance Evaluations on the Boards of *CSSBI 100* Companies in 2019



### Peer reviews were widely used to evaluate non-executive directors

- » Close to two-thirds (61%) of *CSSBI 100* boards used combined peer and self-evaluations to review director performance.
- » A significant number of boards (28) used peer evaluation exclusively; only two boards relied solely upon a self-evaluation method.
- » Additionally, it was usual on most boards for individual non-executive director evaluations to include a one-on-one review with the board chair.

### Methods used by the Boards of *CSSBI 100* Companies to Evaluate Non-Executive Directors in 2019



## SHARE OWNERSHIP REQUIREMENTS FOR NON-EXECUTIVE DIRECTORS

### Minimum share ownership requirements almost fully adopted

- » In 2019, almost every (97%) *CSSBI 100* board had a minimum share ownership requirement for their non-executive directors.
- » Each *CSSBI 100* board specified the type (e.g., common shares, DSUs), the amount a director must hold (most commonly three times the retainer value), and the time to reach the goal (most commonly five years).
- » For the majority of *CSSBI 100* boards (84%), the minimum value of shares was a multiple based on the annual director retainer, including the equity portion.

### Minimum Share Ownership Requirements for Non-Executive Directors of CSSBI 100 Companies

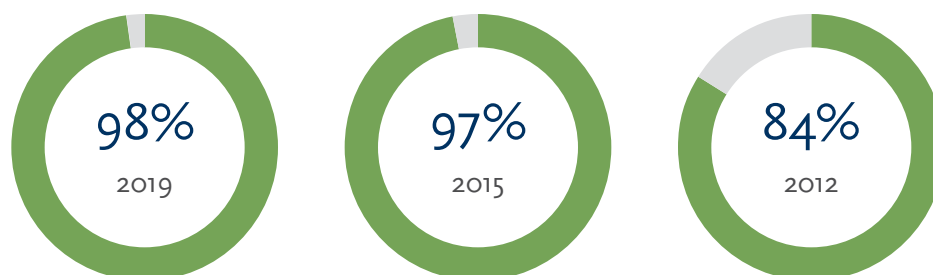
	2019	2015
Less than 2 times retainer value	1%	0%
2 times retainer value	2%	3%
3 times retainer value	54%	51%
4 times retainer value	6%	9%
5 times retainer value	14%	18%
6 times retainer value	4%	4%
7 times retainer value	1%	1%
8 times retainer value	2%	N/A
Specified number of shares or dollar value (not a fixed multiple)	13%	13%
No minimum requirement	3%	1%

## MAJORITY VOTING FOR NON-EXECUTIVE DIRECTORS

### Majority voting was the standard for most boards

- » As of 2019, almost every CSSBI 100 board had voluntarily adopted majority voting procedures for the election of their non-executive directors.
- » The number of boards using majority votes has increased steadily since 2012.

### Number of Boards of CSSBI 100 Companies with Majority Voting



## POLICIES FOR INTERLOCKING DIRECTORSHIPS AND LIMITS ON BOARD SERVICE

### Board interlocks were checked and limited

- » A majority (86%) of boards of CSSBI 100 companies outlined their policies regarding interlocking directorships (i.e., when board members serve together on the board of another public company).
- » Most boards reviewed interlocks on a case-by-case basis to ensure levels of independence among board members, without having actual limits.
- » 22 of the 100 companies analyzed disclosed having a firm limit, most commonly one interlock (i.e., a maximum number of two directors can serve together on the board of another reporting issuer).

### Overboarding kept in check through formal and informal limits

- » In 2019, one-third of the boards of *CSSBI 100* companies set formal limits on the number of concurrent, listed-company boards upon which their non-executive directors could serve. Four listed company boards was the typical limit.
- » Informal limits often applied in cases where formal ones did not, reflecting the desire by boards for engaged directors with the appropriate time to dedicate to the role.
- » Board members were often also required to seek prior approval from the board chair before accepting additional board mandates.

## RETIREMENT POLICIES FOR NON-EXECUTIVE DIRECTORS

### Retirement for non-executive directors was often not fixed; term limits were still less prevalent

- » In 2019, close to 60% (57) of the boards of *CSSBI 100* companies disclosed having a mandatory retirement age and/or term limit in place for their non-executive directors, only one more compared to 2015.
- » Retirement ages were used exclusively at 22 *CSSBI 100* companies; the average mandatory retirement age (73) was unchanged compared to 2015.
- » Nearly one-quarter (24%) used age and term limits together (e.g., the first of reaching 72 years of age or 15 years of service) to determine when a non-executive director would need to retire.
- » 11 boards used term limits exclusively, set at either 12 or 15 years of continuous service. Most of these boards disclosed that they made case-by-case extensions of a term for individuals who reached their limit.
- » Close to half (43%) of *CSSBI 100* boards disclosed not having a mandatory retirement age and/or term limit in effect. In recent years, some *CSSBI 100* boards removed them, instead choosing to rely on their director evaluation process to guide the length of a director's tenure.

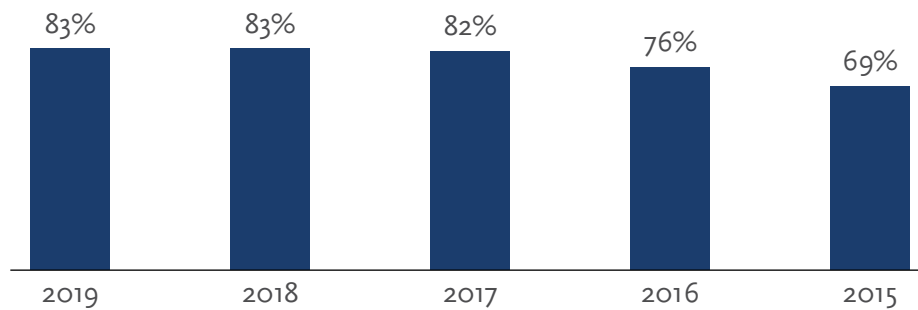
## SHAREHOLDER ADVISORY VOTES ON EXECUTIVE COMPENSATION

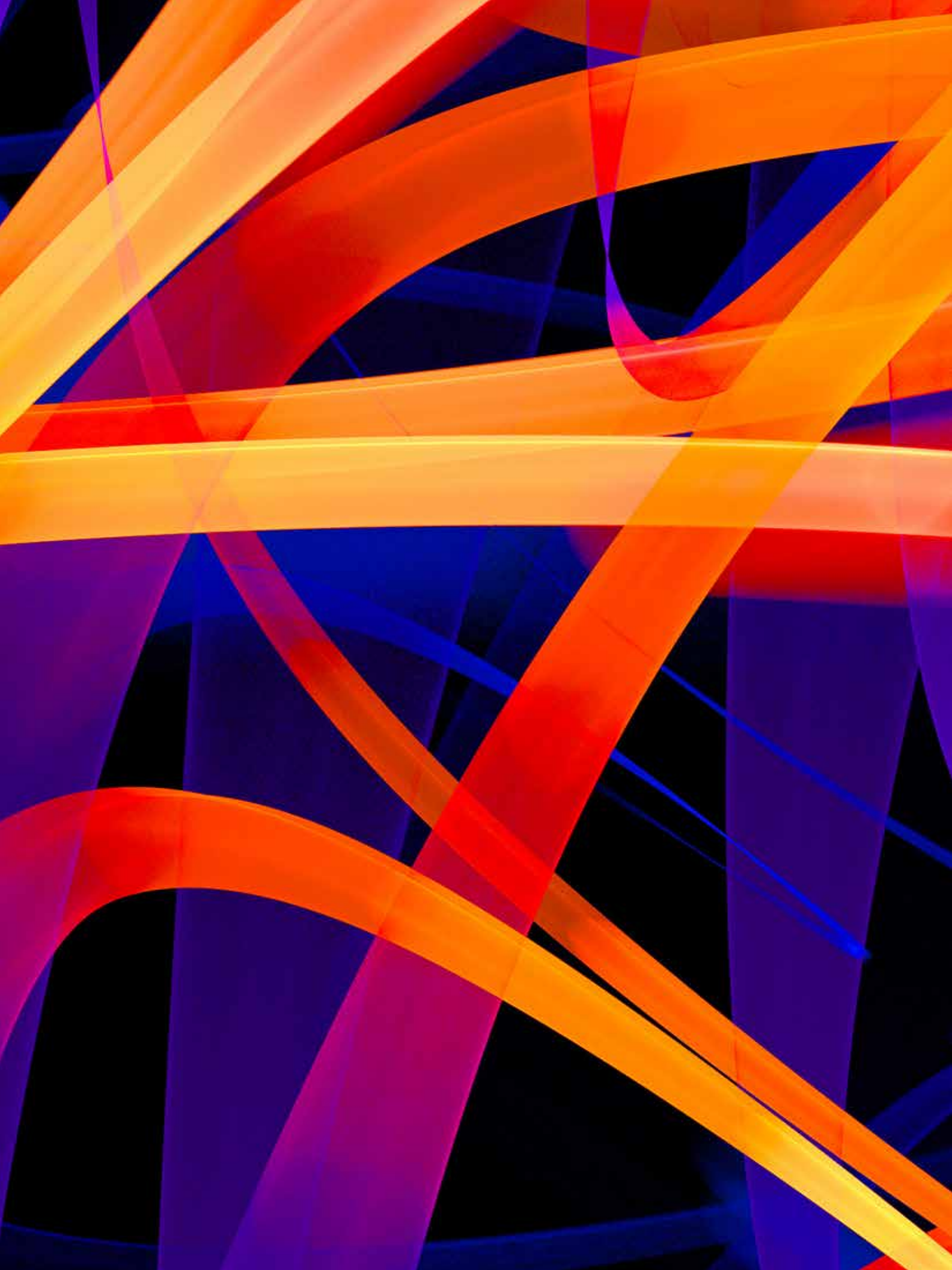
### “Say on pay” votes occurred at most companies

- » The majority (83%) of the boards of *CSSBI 100* companies had voluntarily agreed to stage an advisory (non-binding) shareholder vote on their company’s plan for executive compensation.
- » The number of boards following the practice was unchanged in 2019, after growing steadily in the prior years.

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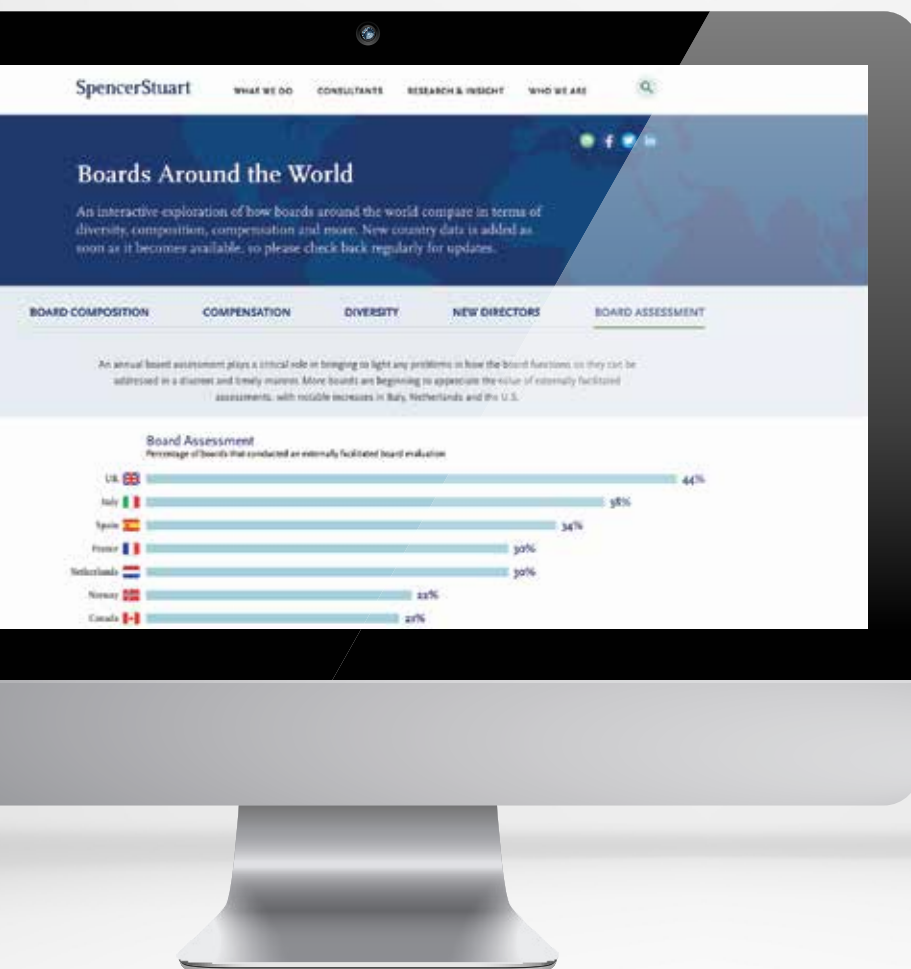
### “Say on Pay” Votes Held by the Boards of *CSSBI 100* Companies





# Boards Around the World

Spencer Stuart publishes Board Indexes covering more than 25 countries around the world. The majority of these Board Indexes are published annually, with a few appearing on alternate years.



We have compiled key data from all these countries into our **Boards Around the World** feature — an interactive data exploration tool.

Compare nationally aggregated data from leading companies from North and South America, Europe and Asia Pacific across a wide range of measures.

Our more detailed **International Comparison** data set, previously published in printed editions of our Board Indexes, is now available online only.

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## Comparative Board Data

# Comparative Board Data

	BOARD CHAIRS AND LEAD DIRECTORS		NUMBER OF DIRECTORS				AGE, TENURE AND SERVICE LIMITS			MEETINGS AND COMMITTEES			BOARD COMPENSATION				
	SEPARATE CHAIR AND CEO	LEAD DIRECTOR	TOTAL	RESIDENT IN CANADA	NUMBER NOT IN CANADA	NUMBER OF WOMEN	MANDATORY RETIREMENT AGE AND/OR TERM LIMITS <sup>a</sup>	AVERAGE DIRECTOR TENURE (YEARS)	AVERAGE AGE OF DIRECTORS (YEARS)	BOARD MEETINGS PER YEAR <sup>b</sup>	NUMBER OF STANDING COMMITTEES	BOARD CHAIR RETAINER \$ <sup>c,d</sup>	DIRECTOR RETAINER \$ <sup>e</sup>	BOARD MEETING FEE \$ <sup>f</sup>	COMMITTEE CHAIR COMPENSATION \$ <sup>g</sup>	COMMITTEE MEETING FEE \$ <sup>h</sup>	COMMITTEE MEMBER RETAINER \$ <sup>i</sup>
<b>2019 CSSBI 100 COMPANIES*</b>																	
Aecon Group Inc.	Yes	No	10	2	2	3	75/15 years	9.4	64.7	12	4	N/A	185,000	N/A	12,500	N/A	7,500
Agnico Eagle Mines Limited	Yes	No	10	1	2	3	No	14.3	65.2	8	4	U.S. 225,000+	U.S. 100,000+	N/A	U.S. 15,000	N/A	N/A
Air Canada	Yes	No	11	1	3	3	75/15 years	5.7	61.5	13	4	415,000	195,000	N/A	10,000	N/A	20,000
Algonquin Power & Utilities Corp.	Yes	No	9	2	4	3	71	6.8	62.3	12	4	U.S. 275,000	U.S. 130,000	U.S. 1,500	U.S. 7,500	U.S. 1,500	N/A
Alimentation Couche-Tard Inc.	Yes	Yes	13	6	1	4	No	12.4	60.5	5	2	N/A	100,000	2,000	25,000	2,000	5,000
ATCO Ltd.	No	Yes	10	3	4	3	70	10.1	65.4	7	2	N/A	195,000	2,000	25,000	2,000	N/A
Bank of Montreal	Yes	No	15	1	6	5	70/15 years	8.7	62.1	13	4	425,000	215,000	N/A	25,000 <sup>1</sup>	N/A	N/A
Bank of Nova Scotia, The	Yes	No	13	1	4	5	70/12 years	4.8	58.5	9	4	450,000	225,000	N/A	35,000	N/A	N/A
Barrick Gold Corporation	Yes	Yes	9	2	9	1	No	6.6	64.9	10	3	N/A	U.S. 200,000	N/A	U.S. 15,000	N/A	N/A
BCE Inc.	Yes	No	14	1	1	4	12 years	6.3	63.9	6	4	425,000	200,000 <sup>2</sup>	N/A	25,000	N/A	N/A
BlackBerry Limited	No	Yes	9	1	6	3	No	5.7	64.7	6	2	N/A	270,000	N/A	20,000	N/A	N/A
Bombardier Inc.	Yes	Yes	14	5	6	5	72	3.9	58.8	8	4	U.S. 500,000	U.S. 150,000	N/A	U.S. 10,000	N/A	U.S. 5,000
Brookfield Asset Management Inc.	Yes	No	16	6	8	4	No	10.6	64.6	10	4	U.S. 500,000	U.S. 200,000	N/A	U.S. 15,000	N/A	N/A
BRP Inc.	No	Yes	12	5	5	2	No	9.3	56.9	6	3	N/A	U.S. 150,000	N/A	U.S. 15,000	N/A	U.S. 10,000
CAE Inc.	Yes	No	10	1	4	2	72/12 years	5.0	60.9	7	3	310,000	167,000	N/A	20,000	N/A	10,000
Cameco Corporation	Yes	No	9	1	1	3	72/15 years	7.3	62.7	11	5	375,000	200,000	N/A	11,000	N/A	5,000
Canadian Imperial Bank of Commerce	Yes	No	15	1	4	7	75/15 years	8.1	61.5	8	4	425,000	215,000	N/A	50,000	N/A	N/A
Canadian National Railway Company	Yes	No	13	1	5	5	75/14 years	12.1	64.4	11	8	U.S. 550,000	U.S. 235,000	N/A	U.S. 65,000	N/A	U.S. 55,000
Canadian Natural Resources Limited	Yes	Yes	11	3	3	2	75	12.7	65.6	6	5	1.00 <sup>3</sup>	47,500+	1,500	10,000	1,500	5,000
Canadian Pacific Railway Company	Yes	No	11	1	5	5	No	2.9	60.3	5	4	U.S. 395,000	U.S. 200,000	N/A	U.S. 30,000	N/A	N/A
Canadian Tire Corporation, Limited	Yes	No	16	4	4	4	No	9.9	N/Avail	10	4	500,000	155,000	2,000	11,000	2,000	5,000
Canfor Corporation	Yes	No	11	3	1	2	No	5.4	62.6	5	5	240,000	90,000	2,000	5,000	2,000	5,000
Cascades Inc.	Yes	Yes	12	4	0	4	72/20 years	11.5	60.8	10	4	N/A	80,000	N/A	25,000	N/A	18,500
CCL Industries Inc.	Yes	Yes	10	4	2	3	75	10.4	60.9	6	4	N/A	55,000+	2,000	12,000	2,000	N/A
Celestica Inc.	Yes	No	10	2	4	2	75	7.2	64.4	10	3	U.S. 360,000	U.S. 235,000	N/A	U.S. 15,000	N/A	N/A
Cenovus Energy Inc.	Yes	No	11	1	3	3	No	3.8	64.3	9	5	330,000	190,000	N/A	10,000	N/A	5,000
CGI Inc.	Yes	No	15	5	5	5	No	11.3	62.1	7	3	N/A	210,000	N/A	20,000	N/A	N/A
Cineplex Inc.	Yes	No	10	1	1	3	No	7.9	62.7	6	2	175,000	100,000	N/A	15,000	N/A	N/A
Cogeco Communications Inc.	Yes	No	7	2	1	1	No	9.7	61.1	8	4	N/A	120,000	N/A	10,000	N/A	N/A
Constellation Software Inc.	No	Yes	10	4	2	1	No	7.6	57.6	7	2	N/A	U.S. 60,000	N/A	N/A	N/A	U.S. 20,000
Dollarama Inc.	Yes	No	9	2	4	2	No	10.0	57.8	8	3	215,000	125,000	1,500	8,500	1,500	3,000

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	BOARD CHAIRS AND LEAD DIRECTORS		NUMBER OF DIRECTORS				AGE, TENURE AND SERVICE LIMITS			MEETINGS AND COMMITTEES			BOARD COMPENSATION				
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Dorel Industries Inc.	Yes	Yes	10	4	1	2	No	16.8	67.6	9	3	N/A	160,000	N/A	10,000	N/A	N/A
Element Fleet Management Corp.	Yes	No	9	1	4	2	No	1.5	60.8	15	3	280,000	132,000	N/A	35,000	N/A	20,000
Emera Incorporated	Yes	No	12	2	3	4	No	5.8	62.4	6	4	400,000	190,000	1,750	10,000	1,750	3,000
Empire Company Limited	Yes	No	14	1	2	5	72	10.8	61.1	10	4	450,000	220,000	N/A	15,000	N/A	N/A
Enbridge Inc.	Yes	No	11	3	6	5	73/15 years	6.3	66.2	10	5	U.S. 507,500	U.S. 247,500	N/A	U.S. 10,000	N/A	N/A
Encana Corporation	Yes	No	12	1	8	2	No	6.1	64.7	5	5	U.S. 400,000	U.S. 225,000	N/A	U.S. 10,000	N/A	N/A
Fairfax Financial Holdings Limited	No	Yes	11	3	2	3	No	9.4	61.8	6	3	N/A	75,000	N/A	5,000	N/A	N/A
Finning International Inc.	Yes	No	12	1	6	4	72	5.1	64.5	6	4	395,000	230,000	N/A	15,000	N/A	N/A
First Quantum Minerals Ltd	No	Yes	9	2	7	2	No	10.6	64.1	8	4	N/A	U.S. 165,000	N/A	U.S. 10,000	N/A	U.S. 5,000
Fortis Inc.	Yes	No	12	2	6	5	72/12 years	4.1	62.0	8	3	405,000	220,000	1,500	15,000	1,500	7,500
George Weston Limited	No	Yes	11	3	3	4	No	4.6	61.1	9	4	N/A	225,000	N/A	15,000	N/A	7,500
Gibson Energy Inc.	Yes	No	8	1	2	2	No	4.1	59.9	7	3	220,000	150,000	N/A	5,000	N/A	N/A
Gildan Activewear Inc.	Yes	No	10	1	4	3	72/15 years	7.1	61.1	9	3	U.S. 325,000	U.S. 180,000	U.S. 1,500	U.S. 10,000	U.S. 1,500	N/A
Hudson's Bay Company	Yes	Yes	13	6	9	3	No	5.9	58.2	4	3	N/A	220,000	N/A	20,000	N/A	5,000
Husky Energy Inc.	Yes	No	16	7	10	2	No	14.3	70.1	5	4	120,000	120,000	N/A	10,000	N/A	5,000
Hydro One Inc.	Yes	No	9	1	0	4	75/12 years	1.0	N/ Avail	7	4	120,000	80,000	N/A	5,000	N/A	N/A
iA Financial Corporation Inc.	Yes	No	12	1	2	5	15 years	3.0	58.7	11	4	220,000	100,000	N/A	25,000	N/A	15,000
Imperial Oil Limited	No	No	7	2	1	2	72	6.1	61.9	7	5	N/A	110,000+	N/A	N/A	N/A	N/A
Intact Financial Corporation	Yes	No	12	1	3	5	12 years	7.9	62.8	7	4	400,000	210,000	N/A	25,000	N/A	9,000
Interfor Corporation	Yes	No	11	1	5	3	75/10 years	8.8	65.5	4	4	250,000	125,000	N/A	10,000	N/A	N/A
Just Energy Group Inc.	Yes	Yes	6	2	3	1	75/15 years	6.2	65.3	12	5	N/A	U.S. 125,000	N/A	U.S. 5,000	N/A	N/A
Kinross Gold Corporation	Yes	No	8	1	2	2	73/10 years	7.4	61.1	8	4	480,000	240,000	N/A	30,000	N/A	15,000
Laurentian Bank of Canada	Yes	No	11	2	0	5	15 years	3.6	60.0	10	3	170,000	110,000	N/A	20,000	N/A	7,500
Linamar Corporation	Yes	No	6	3	0	1	70	24.6	69.0	5	2	N/A	40,000	1,630	2,710	1,630	1,085
Magna International Inc.	Yes	No	11	2	7	4	12 years	4.5	62.0	7	3	U.S. 500,000	U.S. 150,000	U.S. 2,000	U.S. 25,000	U.S. 2,000	U.S. 25,000
Manulife Financial Corporation	Yes	No	15	1	5	6	12 years	7.0	62.4	9	4	U.S. 400,000	U.S. 205,000	N/A	U.S. 25,000	N/A	N/A
Maple Leaf Foods Inc.	Yes	No	9	2	1	3	75/15 years	6.3	59.6	12	4	350,000	175,000	N/A	15,000	N/A	2,000
Martinrea International Inc.	Yes	Yes	10	2	4	2	No	7.1	61.6	6	3	N/A	200,000	N/A	15,000	N/A	4,000

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# Comparative Board Data

	BOARD CHAIRS AND LEAD DIRECTORS		NUMBER OF DIRECTORS				AGE, TENURE AND SERVICE LIMITS			MEETINGS AND COMMITTEES			BOARD COMPENSATION				
	SEPARATE CHAIR AND CEO	LEAD DIRECTOR	TOTAL	RESIDENT IN CANADA	NUMBER NOT IN CANADA	NUMBER OF WOMEN	MANDATORY RETIREMENT AGE AND/OR TERM LIMITS	AVERAGE DIRECTOR TENURE (YEARS)	AVERAGE AGE OF DIRECTORS (YEARS)	BOARD MEETINGS PER YEAR <sup>a</sup>	NUMBER OF STANDING COMMITTEES	BOARD CHAIR RETAINER \$ <sup>a</sup>	DIRECTOR RETAINER \$ <sup>a</sup>	BOARD MEETING FEE \$ <sup>a</sup>	COMMITTEE CHAIR COMPENSATION \$	COMMITTEE MEETING FEE \$	COMMITTEE MEMBER RETAINER \$
Methanex Corporation	Yes	No	12	1	7	4	No	5.8	61.9	6	5	430,000	240,000	N/A	10,000	N/A	N/A
Metro Inc.	Yes	No	14	3	1	5	72/15 years	8.1	61.0	7	3	250,000	85,000	1,750	7,500	1,750	2,500
National Bank of Canada	Yes	No	14	1	0	6	12 years	5.1	59.7	14	4	365,000	140,000	N/A	20,000	N/A	N/A
NFI Group Inc.	Yes	No	9	1	5	3	75/15 years	7.6	62.4	14	2	U.S. 300,000	U.S. 180,000	N/A	U.S. 15,000	N/A	N/A
Nutrien Ltd.	Yes	No	12	1	4	4	72	1.0	58.3	8	4	U.S. 440,000	U.S. 240,000	N/A	U.S. 15,000	N/A	U.S. 10,000
Onex Corporation	No	Yes	12	3	3	3	No	16.2	68.0	5	2	N/A	U.S. 240,000	N/A	U.S. 15,000	N/A	U.S. 4,500
Open Text Corporation	Yes	No	11	2	4	3	No	10.5	60.2	7	3	U.S. 495,000	U.S. 295,000	N/A	U.S. 6,000	N/A	U.S. 8,000
Parkland Fuel Corporation	Yes	No	9	2	0	2	75	8.4	61.2	7	3	250,000	120,000	1,500	15,000	1,500	N/A
Pembina Pipeline Corporation	Yes	No	11	1	2	3	72	7.1	62.5	6	4	400,000	205,000	N/A	17,500	N/A	12,500
Power Corporation of Canada	No	Yes	12	3	2	2	No	10.0	63.8	7	4	N/A	125,000	2,000	15,000	2,000	5,000
Quebecor Inc.	Yes	Yes	9	4	0	4	No	5.2	63.7	6	2	390,000	90,000	20,000 <sup>4</sup>	26,000	20,000 <sup>4</sup>	15,000
Resolute Forest Products Inc.	Yes	Yes	8	2	1	2	No	5.4	63.6	9	4	U.S. 300,000	U.S. 150,000	N/A	U.S. 15,000	20,000 <sup>4</sup>	N/A
RioCan Real Estate Investment Trust	Yes	No	9	2	1	3	75/15 years	10.5	66.1	6	4	375,000	170,000	1,500	10,000	1,500	N/A
Rogers Communications Inc.	Yes	Yes	15	7	1	5	No	15.2	62.4	7	7	1,000,000	225,000	N/A	15,000	N/A	5,500
Royal Bank of Canada	Yes	No	13	1	4	5	70/15 years	7.1	60.4	8	4	525,000	250,000	N/A	50,000	N/A	N/A
Russel Metals Inc.	Yes	No	10	2	3	3	No	7.9	64.2	5	4	247,000	112,000	2,000	8,000	2,000	4,000
Saputo Inc.	No	Yes	10	2	0	5	No	6.0	58.1	9	2	N/A	260,000 <sup>5</sup>	N/A	N/A <sup>6</sup>	N/A	N/A
Shaw Communications Inc.	Yes	Yes	15	2	4	3	No	15.7	67.6	8	3	N/A	65,000+	1,500	15,000	1,500	6,000
Shopify Inc.	No	Yes	6	1	2	2	No	5.2	58.2	5	3	N/A	U.S. 240,000	N/A	U.S. 10,000	N/A	U.S. 3,000
SNC-Lavalin Group Inc.	Yes	No	11	1	3	3	15 years	3.5	61.0	5	4	400,000	180,000	2,250	12,000	2,250	N/A
Stantec Inc.	Yes	No	9	2	3	4	15 years	5.8	63.8	7	3	125,000+	50,000+	N/A	18,000	N/A	N/A
Stella-Jones Inc.	Yes	No	7	1	3	3	75/15 years	8.9	58.3	5	4	140,000+	107,500+	N/A	N/A	N/A	N/A
Sun Life Financial Inc.	Yes	No	11	1	4	4	12 years	5.5	60.8	7	4	440,000	225,000	N/A	45,000	N/A	10,000
Suncor Energy Inc.	Yes	No	9	1	3	3	72	6.9	62.0	6	4	530,000	290,000	N/A	10,000	N/A	5,000
Superior Plus Corp.	Yes	No	9	1	2	2	72	8.1	62.1	7	4	290,000	120,000	1,500	10,000	1,500	5,000
TC Energy Corporation	Yes	No	12	1	5	3	70	5.1	60.5	6	4	491,000	235,000	N/A	20,000	N/A	N/A
Teck Resources Limited	Yes	No	14	2	5	4	No	5.8	60.0	9	5	680,000	215,000	N/A	8,000	N/A	6,000
TELUS Corporation	Yes	No	13	1	0	5	15 years	5.7	61.9	6	4	510,000	230,000	N/A	15,000	N/A	N/A
TFI International Inc.	No	Yes	10	1	4	3	No	7.6	66.7	5	3	N/A	100,000	1,500	12,000	1,500	5,000
Thomson Reuters Corporation	Yes	Yes	11	5	6	2	No	10.9	62.3	5	5	U.S. 600,000	U.S. 200,000	N/A	U.S. 50,000	N/A	N/A

<sup>a</sup>Board information does not reflect changes made by the boards of individual CSSBI 100 companies after August 31, 2019. All amounts are in Canadian dollars unless otherwise indicated.

	BOARD CHAIRS AND LEAD DIRECTORS		NUMBER OF DIRECTORS				AGE, TENURE AND SERVICE LIMITS			MEETINGS AND COMMITTEES			BOARD COMPENSATION					
	SEPARATE CHAIR AND CEO	LEAD DIRECTOR	TOTAL	RESIDENT IN CANADA	NUMBER NOT IN CANADA	NUMBER OF WOMEN	MANDATORY RETIREMENT AGE AND/OR TERM LIMITS <sup>a</sup>	AVERAGE DIRECTOR TENURE (YEARS)	AVERAGE AGE OF DIRECTORS (YEARS)	BOARD MEETINGS PER YEAR <sup>b</sup>	NUMBER OF STANDING COMMITTEES	BOARD CHAIR RETAINER \$ <sup>c</sup>	DIRECTOR RETAINER \$ <sup>d</sup>	BOARD MEETING FEE \$ <sup>e</sup>	COMMITTEE CHAIR COMPENSATION \$ <sup>f</sup>	COMMITTEE MEETING FEE \$ <sup>g</sup>	COMMITTEE MEMBER RETAINER \$ <sup>h</sup>	
Toromont Industries Ltd.	Yes	No	11	1	0	3	72	10.9	63.5	5	3	325,000	120,500	2,000	12,000	2,000	5,000	
Toronto-Dominion Bank, The	Yes	No	14	1	5	5	75/10 years	7.6	64.1	9	4	445,000	225,000	N/A <sup>7</sup>	52,500	N/A <sup>7</sup>	15,000	
TransAlta Corporation	Yes	No	12	1	5	4	75	4.6	62.9	6	4	330,000	160,000	N/A	15,000	N/A	N/A	
Transat A.T. Inc.	No	Yes	12	1	0	4	75	9.3	63.8	11	4	N/A	85,000	1,500	13,500	1,500	5,000	
Transcontinental Inc.	Yes	No	13	5	0	5	No	9.5	55.8	10	3	708,300	90,000	N/A	18,000	N/A	10,000	
Uni-Select Inc.	Yes	No	12	2	5	1	72/15 years	2.5	59.4	16	3	U.S. 225,000	U.S. 80,000	U.S. 1,750	U.S. 10,000	U.S. 1,750	N/A	
Wajax Corporation	Yes	No	9	1	2	2	70	10.3	62.7	7	3	225,000	90,000	1,500	10,000	1,500	N/A	
West Fraser Timber Co. Ltd.	Yes	Yes	10	2	2	2	No	8.4	62.1	5	4	465,000	170,000	N/A	10,000	N/A	N/A	
WestJet Airlines Ltd.	Yes	No	11	2	1	3	No	8.3	61.3	9	4	200,000	115,000	N/A	14,000	N/A	6,000	
WSP Global Inc.	Yes	No	8	2	3	3	No	3.0	58.1	9	2	GBP 200,000	170,000	N/A	20,000	N/A	5,000	
Yamana Gold Inc.	Yes	Yes	9	1	4	4	75	8.6	60.4	14	4	N/A	U.S. 175,000	U.S. 2,000	U.S. 12,500	U.S. 1,750	N/A	

<sup>a</sup>Board information does not reflect changes made by the boards of individual CSSBI 100 companies after August 31, 2019. All amounts are in Canadian dollars unless otherwise indicated.

## FOOTNOTES FOR COLUMN HEADINGS

N/A: not applicable

N/Avail: not available

- Mandatory director retirement ages and/or service limits (in years) as disclosed by each company. See company disclosure for further detail on exceptions and exemptions related to age and term limits.
- Total number of regularly scheduled board meetings, including those held by teleconference, as disclosed in each company's Management Information Circular.
- Figures include dedicated board chair retainers and regular director retainers. See company disclosure for further detail on remuneration policies for directors not resident in Canada.
- Figures include compensation in equity, except where noted with "+", which indicates that additional share units were granted. See company disclosure for further detail.
- Paid for regularly scheduled board and committee meetings. Many companies provided fees for extra travel, time or services undertaken by directors. These amounts are not reflected here.
- Includes the lowest committee chair retainer and committee member retainer, based on eligibility.

## NOTES FOR COMPARATIVE BOARD DATA

- Paid for each committee membership in excess of one.
- A retainer of \$205,000 is paid to directors serving on more than one committee.
- The Executive Chairman is a director and a member of the corporate Management Committee and a significant shareholder of the Corporation and is paid an annual cash salary of \$1 (one dollar) by the Corporation and does not participate in the Corporation's stock savings plan.
- Lump sum for all meetings of the Board of Q1 and QMI and their committees.
- Board members who serve on a committee receive \$260,000 and \$240,000 if they do not.
- Committee chairs receive higher, total compensation. The annual retainer for the chair of the audit committee is \$315,000 and chair of the corporate governance and human resources committee is \$340,000.
- For each special (i.e., non-scheduled) meeting in excess of an aggregate of five special board or committee meetings attended during the fiscal year, directors are compensated \$1,500 per meeting. For regularly scheduled committee meetings, only audit members received compensation of \$2,500 per meeting.

# Research and Insights

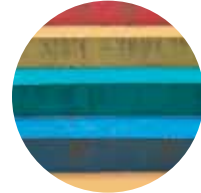
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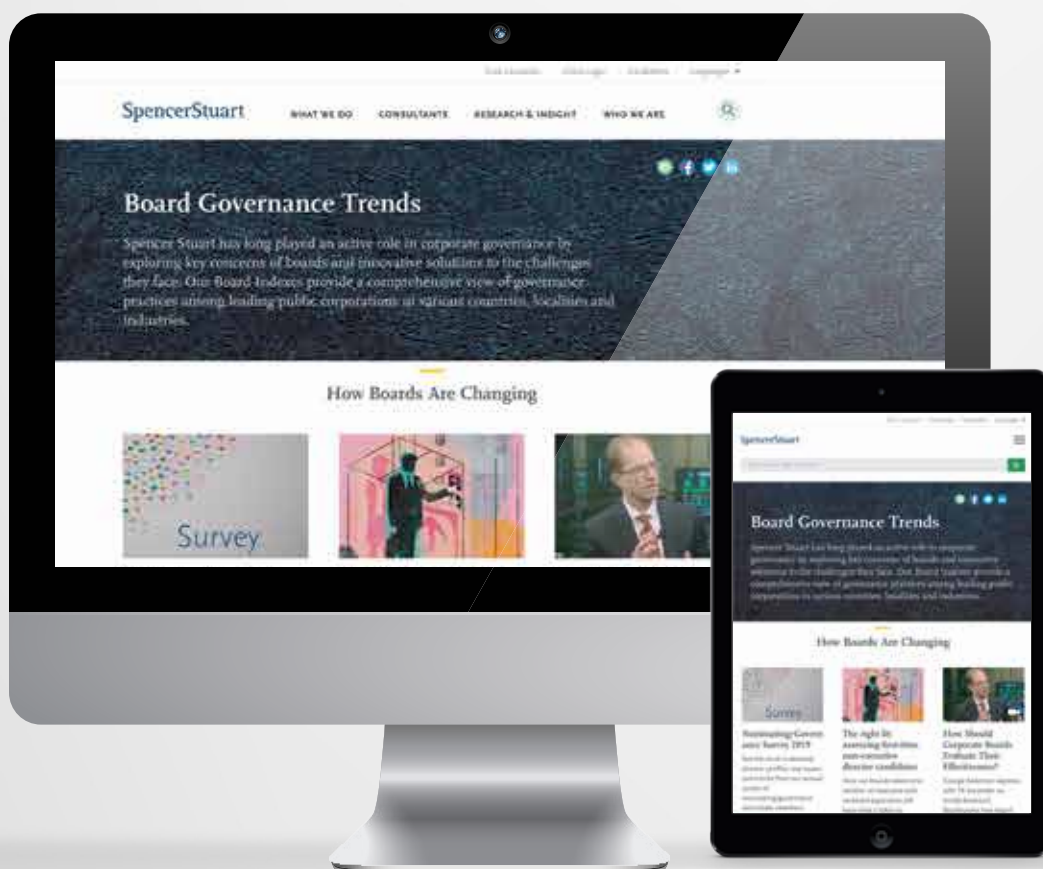
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# Board Governance Trends: A Global View

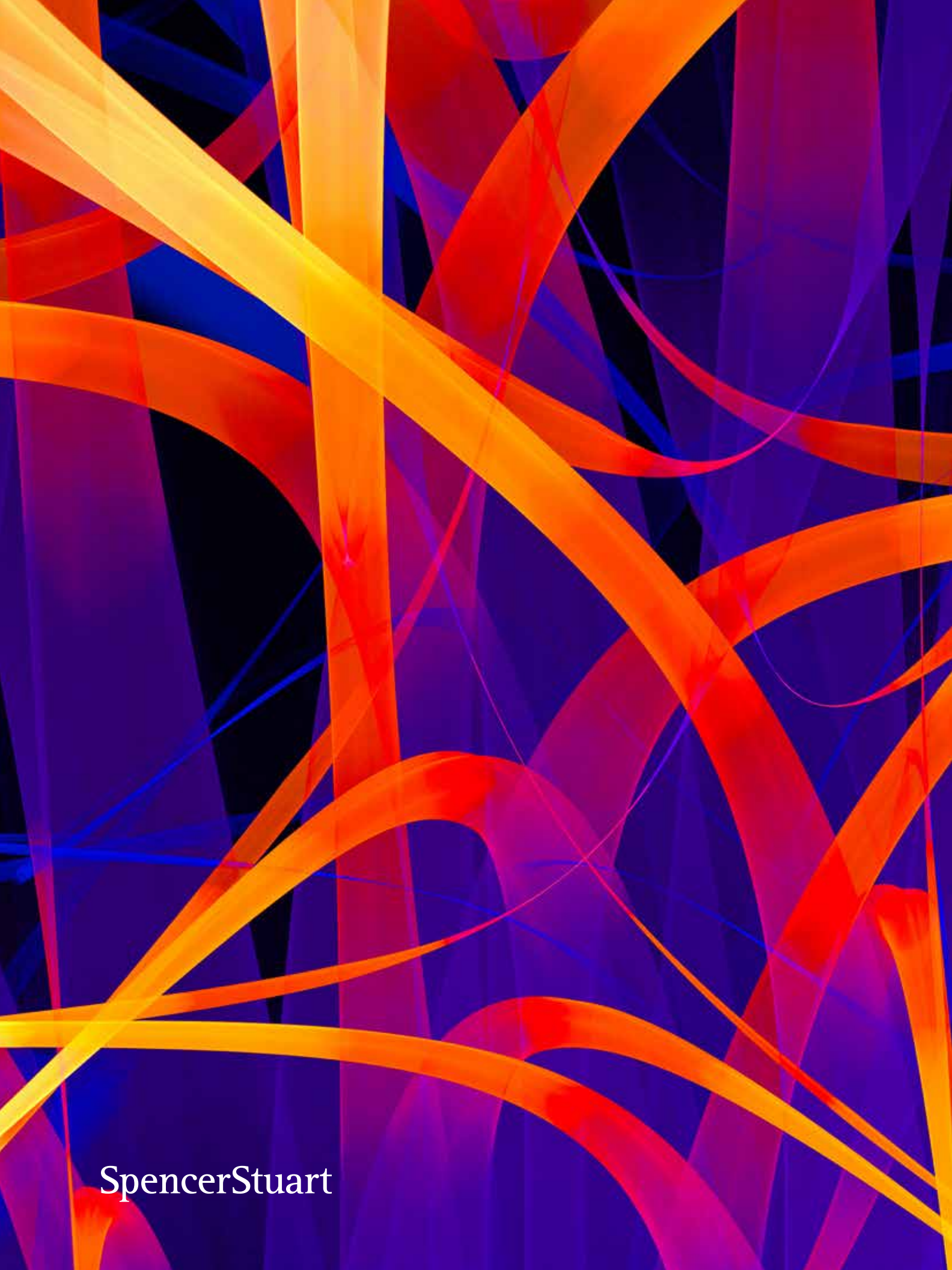


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