



SpencerStuart

2020 Canada

Spencer Stuart Board Index

ABOUT SPENCER STUART BOARD SERVICES

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 more than 70 offices, over 30 countries and more than 50 practice specialties. In 1978, Spencer Stuart became the first global executive search firm to enter the Canadian market with the founding of our office in Toronto, since expanding to Montréal and Calgary. 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, employee engagement and many other facets of organizational effectiveness.

For more than 30 years, our Board Practice has helped boards around the world identify and recruit independent directors and provided 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 1,100 director searches worldwide, and in North America almost two-thirds 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 2,600 board director roles and recruited more than 900 minority executives around the world.

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 the *Canada Spencer Stuart Board Index* (CSSBI), now in its 25th year, is just one of our many ongoing efforts. 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, Frederic W. Cook & Co., Davis Polk, Lazard and PricewaterhouseCoopers

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Contents

1 About the *Canada Spencer Stuart Board Index*

3 Spencer Stuart Perspective

11 Board Composition

- 11 Board turnover and non-executive director appointment trends
- 14 Appointments of non-executive directors with CEO experience
- 14 Board representation for women, Indigenous peoples and minorities
- 18 Appointments of first-time public company directors
- 18 Non-executive directors recruited from outside Canada
- 20 Appointments of active (non-CEO) executives
- 20 Board chair backgrounds, independence and succession
- 22 Tenures and ages of non-executive directors and board chairs
- 23 Board independence

24 Board Compensation

- 24 Non-executive director compensation in 2020: Pay practices, components and benchmarks
- 25 Growth trends in non-executive director compensation
- 26 Total non-executive director compensation by industry
- 27 Annual non-executive director retainers
- 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
- 35 Attendance at board and committee meetings
- 36 Board and non-executive director performance evaluations
- 37 Share ownership requirements for non-executive directors
- 37 Majority voting for non-executive directors
- 38 Policies for interlocking directorships and limits on board service
- 38 Retirement practices for non-executive directors
- 39 Shareholder advisory votes on executive compensation

42 Comparative Board Data

About the *Canada Spencer Stuart Board Index*

For 25 years, Spencer Stuart has been analyzing the governance practices of a representative sample of 100 of Canada's largest publicly traded companies, with annual revenues exceeding \$CAD \$1 billion. The *Canada Spencer Stuart Board Index* continues to provide benchmarks, insights and trends for board composition, non-executive director compensation and board process and organization for this index of "blue chip" Canadian companies, referred to as the *CSSBI 100*.

Methodological notes

Certain terms were abbreviated as follows throughout the *CSSBI*:

- » Canadian dollars: \$CAD
- » U.S. dollars: \$U.S.
- » *Canada Spencer Stuart Board Index*: "*CSSBI*"
- » Deferred stock units: "DSUs"
- » Environment, health & safety committee: "EH&S"
- » Governance and nominations committee: "Gov/NomCo"
- » Human resources and compensation committee: "HRCC"
- » Management information circular: "Information Circular"
- » Non-executive director: "NXD"

Selection of the *CSSBI 100* index of companies

Published company rankings and S&P Capital IQ were used to create the 2020 *CSSBI 100* index of companies. Each of the 100 companies included had revenues of at least \$CAD 1 billion, were listed on the Toronto Stock Exchange and headquartered in Canada.

Sources used to produce the 2020 *CSSBI*

- » Primary Board Information: Information Circulars, Annual Information Forms and Annual Financial Statements, filed with SEDAR (www.sedar.com) from December 2019 to September 2020.
- » Market Data: S&P Capital IQ (www.spglobal.com/en/).

Comparisons between larger and smaller *CSSBI 100* companies

To make appropriate comparisons, *CSSBI 100* companies were categorized based on revenue: the 57 companies with revenue \$CAD 5 billion and higher (referred to as the “larger *CSSBI 100*”) and the 43 companies with revenues ranging from \$CAD 1 billion to \$CAD 5 billion (referred to as the “smaller *CSSBI 100*”).

Board composition

NXD appointments for the *CSSBI 100* were tracked for a twelve-month period (September 1, 2019 to August 31, 2020). Changes in board composition, coming after August 31, 2020, were not reflected in the analyses presented throughout the *CSSBI*.

Board representation for women, Indigenous peoples and minorities

Analyses presented in the *CSSBI* focused on three “designated groups” (women, Aboriginal peoples and minorities), as defined in the Employment Equity Act of Canada.

Board representation by persons with disabilities could not be measured owing to the lack of data and disclosure.

Board compensation

All figures appear in \$CAD except where noted. Certain board compensation analyses included the value of equity compensation (e.g., common shares, DSUs). The dollar value of equity, when not disclosed, was valued using the appropriate market prices for the underlying shares. Board compensation specified and/or paid in U.S. dollars, which applied to 26 *CSSBI 100* companies in 2020, was converted using official exchange rates for the dates under review.

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 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

A quarter century of the *CSSBI*

For 25 years, Spencer Stuart has published the *CSSBI*, providing in-depth analyses and insights on the governance practices of Canada's largest public companies. Over the years, the *CSSBI* has explored topics of critical importance to boards. More recently: CEO performance and succession (2017), board chair succession (2017), board gender diversity (2013), in addition to highlighting and tracking emerging trends in board composition, structure and compensation. The insights shared are the product of Spencer Stuart's decades of board advisory, and from the firm's active thought leadership and involvements in the governance arena.

Spencer Stuart has witnessed the high grading of boards in terms of skills and experience and the evolving professionalization of the NXD role. The *CSSBI* has identified fundamental changes in the way boards are composed and organized, highlighting what we now regard as well-established best practices. Many of the noted improvements and innovations originated from inside the board room, with a host of external stakeholders providing active impetus and thinking for sound and progressive board governance practices.

2020 was a challenging year...

Spencer Stuart's 2020 *CSSBI* is presented during an extremely challenging time for boards and the companies they govern. On what would otherwise be an occasion to celebrate and reflect on the 25 years of the *CSSBI*, we would be remiss in not applauding boards and management teams for their effectiveness during the ongoing pandemic. With the rapid onset and severity of the pandemic, boards in Canada (as those globally) were thrust into an unfamiliar crisis role, helping management ensure the safe continuity of business operations and delivery of essential products and services. Many sectors and companies moved rapidly to protect workplaces and operations, pivoted quickly to online operations and services, while others re-tooled to produce vital medical equipment and safety gear. In sectors hardest hit by the lock downs, forced closures and COVID outbreaks, boards and management together, continue to address their operations under prevailing conditions and plan for the future.

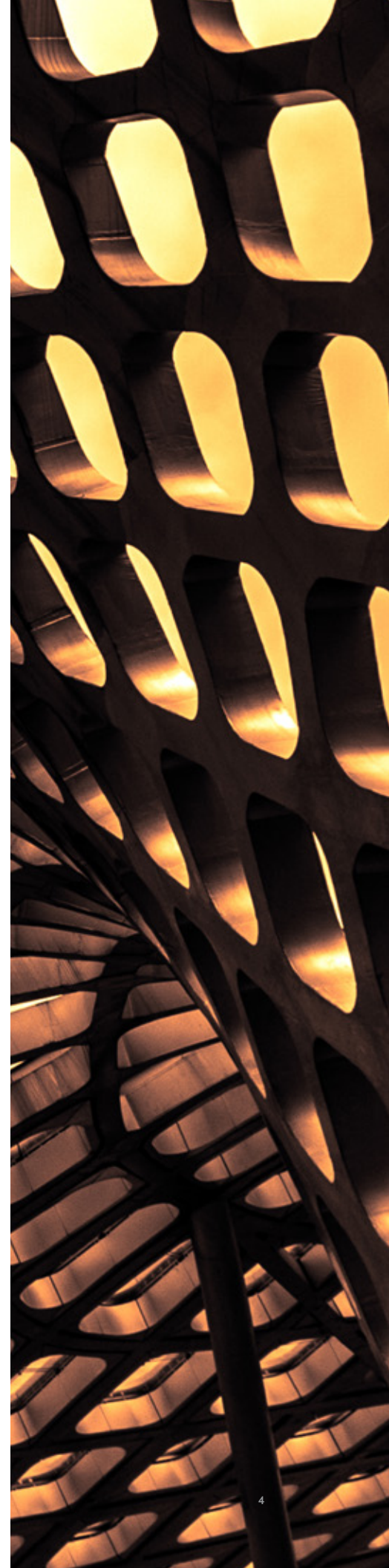
Board work over the year surely increased in volume and complexity as it moved to a virtual setting, in which directors seemed to be more frequently “on call.” There were more special or ad hoc meetings to address the dimensions and impacts of the evolving pandemic — these added to “normal” board workloads, committee work and ongoing board and company business. The setting and pace of board work changed with the shift to virtual meetings and the immediacy of enhanced communication and video platforms. These helped boards interface regularly with management, provide required oversight, track critical files and advance board-led initiatives, notably CEO succession, wider leadership development and board succession and renewal.

Despite the challenges imposed by the pandemic, reflecting on the findings from the 2020 *CSSBI*, boards continued to execute board renewal initiatives, increase gender diversification, while facing loud calls for more representative diversity by Indigenous peoples and minorities in boardrooms and management teams.

Board succession and renewal continued at a normal pace

Boards did not hit pause on board succession and renewal activities amid the disruption caused by the pandemic. There were certainly delays, but board turnover in the *CSSBI 100* remained steady at about 10% and new NXD appointments (95 in 2020) were consistent with totals in the past five years (see [pg. 12](#)). Additionally, a consistent number of boards in the index (24% in 2020) appointed multiple NXDs. Cross-border (i.e., non-resident) NXD recruitment was higher year-to-year (see [pg. 19](#)), despite the travel restrictions imposed by the pandemic. Committee chair rotation progressed, as did board chair succession at a normal clip, with the selection of mostly internal successors (see [pg. 22](#)).

Boards largely succeeded by adapting and enhancing critical parts of the board recruitment process. Candidate vetting, assessment and onboarding, normally focused around in-person committee and board interviews and other one-on-one engagement, pivoted to a virtual, online format. In some respects, the virtual platform accelerated parts of the typical process, but put greater emphasis on the quality of a board’s candidate assessment (e.g., the depth of referencing, confidential third-party input) in the absence of normal face-to-face interaction with candidate prospects.



How to ensure an effective virtual board recruitment process

1. Initial candidate engagement (pre-planning)

- » Recognize that momentum can build quickly in virtual board recruiting with less scheduling delays.
- » Capitalize on the opportunity to move quickly, particularly with high-demand candidates.
- » Assemble and share a comprehensive information package with candidates.
- » Review public or company videos (where available), to gain a sense of candidates' style before interviews.
- » Stage video meetings with candidates to prepare for interviews, field questions, provide details on the interview format, insights on participants.

3. Final assessment (building rapport, enhanced due diligence)

- » Maintain momentum for highest priority candidates.
- » Appoint smaller groups to conduct deeper assessments.
- » Involve CEO in interviews.
- » Prepare candidate specific questions in advance.
- » Identify concerns or potential recruitment issues to explore during subsequent interviews and referencing with third parties.
- » Continue to assess for board culture fit while also cultivating candidates and building rapport, chemistry (e.g., virtual social event).

2. Initial candidate assessment (format and mechanics)

- » Use more time and different formats (1:1, small panels) to build two-way attraction.
- » For committee interviews, prepare questions in advance to structure discussions.
- » Appoint moderator to direct Q&A.
- » Pre-test video to ensure optimal quality of interaction.
- » Create a separate communications link between the committee members to facilitate private interaction during interview (e.g., text, IM).
- » Consider using a culture diagnostic tool (e.g., Spencer Stuart's proprietary suite of assessment tools) to assess candidate fit with board culture.

4. Onboarding (integration, ensuring a lasting fit)

- » Share key documents (e.g., strategic plans, financials).
- » Schedule 1:1 video call with each member of the executive team and other key constituents.
- » Appoint a senior board member to help accelerate onboarding and mentor new director (e.g., prepare before and debrief after each board meeting).
- » Consider external cohort program for continued learning (e.g., Spencer Stuart's New Director Program).

Board succession in constant motion

Board succession planning requires a careful balance and consideration of needs. Boards need the right mix of skills and experiences, diversity of backgrounds and perspectives and the enterprise knowledge that comes from more tenured directors. The market is constantly looking for evidence of ongoing renewal, diversification — in the broadest sense — and engaged board members. The succession process is in constant motion as directors retire and company strategies evolve, while recognizing that new director specifications need to “work harder” across a board’s skills matrix. In other words, new board members should be able to contribute beyond a narrow function or area of expertise, given the limited size of boards and the breadth required to handle the complexities of committee work.

Over the past five years, when *CSSBI 100* boards turned over by about half, incoming directors were roughly balanced between industry experts and those from other industries. Within these numbers, there has been consistent emphasis on CEO and C-level leadership, financial expertise and international experience. Our 2020 analyses also show a steady demand for board members with cutting-edge technology and digital capabilities, often to support a transformation strategy. (see [pg. 13](#)). This is further evidence of boards adapting, while their companies undergo rapid change or face disruptive, technology-driven competition. Our analyses also show a continued openness to first-time public company directors, with many new NXD recruits being active executives and less seasoned functional experts. However, we are yet to see an influx of younger (<50 years of age) profiles into the board rooms of the *CSSBI 100*, although there is clearly openness based on our recent work with many of these boards.

Scale tipping toward more gender balanced boards

For the second consecutive year, women comprised virtually half of all incoming NXDs to the board of Canada’s largest public companies. This pushed the total share of *CSSBI 100* board directorships held by women to 31%, another historic high mark, and almost 50% higher than in 2014. A deeper analysis also showed that multiple women NXDs were appointed by 10 *CSSBI* boards in 2020, which was double the norm. Women serving in board leadership roles, an often ignored, but key measure of board gender diversity, also hit a record high in 2020. Close to 150 women were serving in board chair, lead director and committee chair positions, close to 70% more than five years ago.

Gone are the days of the “all-male” board, as *CSSBI 100* boards have continued to recruit and appoint more women as part of planned succession and recruitment efforts. In fact, in 2020 women held at least 30% of total board directorships at close to two-thirds (62%) of the *CSSBI 100*, while almost 20% of the boards in the index were close to being fully gender balanced. This is notable progress compared to 2014 (see [pg. 16](#)). Board specifications that are less focused on CEO experience are having an effect, as well as a consistent turn to external markets for a sizable portion (about one-third annually) of new women NXDs.

Many *CSSBI* boards, especially those with gender diversity targets, now expect half of their future NXDs to be women and insist on gender balanced candidate prospect slates from recruitment advisory partners. These trends are putting the focus squarely on Canada’s prospect pool, corporate Canada’s ability to develop more women in C-level or CEO track roles, and a board’s openness to a younger board prospect. Maintaining an active “evergreen” process, proactively meeting high potential and in demand prospects (“putting in markers”), gathering advanced market intelligence and tapping more sources for the “next generation,” will all help to sustain and advance the gender diversification of Canadian boards.



Expanding board diversity for Indigenous peoples and minorities

Diversity and inclusion (“D&I”) hit the board agenda in Canada in 2020. Events south of the border moved north, sparking calls for action and change. Without exception, the boards of Canadian companies are being encouraged to be more representative of the Canadian population, company employees, target customers and community stakeholders.

Data and analyses from this year’s *CSSBI* underlines the opportunity. In 2020, 7% of all *CSSBI 100* directorships were held by Indigenous peoples and/or minorities. Many of these directors, based on Spencer Stuart’s in-depth analysis of designated groups in Canada¹ were concentrated on a smaller number of boards, leaving many in the *CSSBI 100* index without such diverse representation. The overall total is consistent with recent NXD appointment trends, where less than 10% of incoming NXDs were Indigenous peoples and/or minorities. Interestingly, nearly 60% of these NXD appointments, in the past five years, were non-residents of Canada (see [pg. 18](#)). Additionally, board targets for these designated groups, like those used by over half of boards in the *CSSBI 100* index to increase gender diversity, are still emerging as a stated board succession practice.

Heightened scrutiny, the potential for forced quotas, has clearly elevated the opportunity with boards and the committees responsible for board succession. The priority is certainly being emphasized in our work with boards, especially for specifications calling for “made in Canada” solutions, and with a lens on younger profiles, entrepreneurs and prospects outside of mainstream networks.

In our work with boards, we encourage a pragmatic approach, factoring board requirements, Canadian demographics and prospect availability, amid a competitive market. At times, boards may need to expand their functional criteria and embrace non-typical and/or younger, less seasoned candidates. Some may be skeptical of a board role, and will want to understand how they fit the specification and the contribution expected. Having a clear and compelling reason for the approach is paramount.

¹ See explanatory note on [pg. 2](#).

To help ensure that different perspectives are integrated into the boardroom, here are six actionable steps boards can take to begin the process of becoming more diverse and inclusive (adapted for Canadian boards from Spencer Stuart's U.S. *Board Diversity Snapshot*):

1. Diversity is more than a numbers game — create and promote an inclusive culture in the boardroom

Boards should ensure boardroom policies and procedures reflect an inclusive culture of trust, belonging and respect for all perspectives by creating an environment in which all directors are encouraged to participate and suggest ideas. To help create this environment, boards can provide a robust onboarding program for all first-time directors to help them get comfortable in the new role.

- » **Ask:** How does the board define its culture and is it where it needs to be in terms of inclusiveness?
- » **Ask:** Who is our board culture going to attract?
- » **Ask:** What is the board's working definition of inclusiveness?

2. Use the annual assessment process to evaluate the board's contribution, drive refreshment and to raise performance

Having the right diverse group of directors on the board is the single most important factor in good governance. Boards should continually consider whether they have the optimum composition given the company's strategic direction, and regularly evaluate the contributions of individual directors as part of the board effectiveness assessment. The annual assessment process serves as a mechanism for surfacing and addressing issues and can be a catalyst for refreshing the board as new needs arise.

- » **Ask:** What are the costs of our status quo?
- » **Ask:** What skill sets are we missing given our future strategy?
- » **Ask:** Does the annual assessment include an evaluation of diversity on elements beyond skills and qualifications? Is it also about gender, race/ethnicity?

3. Elect board leadership who understand how to and want to drive diversity and inclusion

Every board member influences the progress of D&I in the boardroom; however board chairs and Gov/NomCo/HRCC chairs have the most direct impact given their role and influence on future board composition, serving as champions for greater diversity and to provide the appropriate oversight over D&I in the organization.

- » **Ask:** Do we embrace the importance of board refreshment?
- » **Ask:** Is our board and committee aligned on the prioritization of having diverse directors?
- » **Ask:** Is board composition a high priority for our chair?

4. Accountability is key: What isn't measured, isn't managed

Just as they hold the CEO and management team accountable for developing and measuring the progress of D&I initiatives throughout the entire organization, boards can also take concrete measures to set the tone at the top by improving their own reporting. They should expect that investors, regulators and governance and diversity advocates will continue to press for more disclosure about the diversity of the board. Boards can get ahead of the curve by telling their diversity story affirmatively with all its multi-dimensional nuances.

- » **Ask:** Is the board disclosing its diversity metrics fully to investors?
- » **Ask:** Are we overseeing D&I metrics throughout the whole organization?
- » **Ask:** How can we enhance our oversight of D&I metrics?

5. Reassess search approaches and criteria

Boards should recognize the potential weaknesses in traditional networking as a recruiting strategy and seek opinions and recommendations from a wide range of stakeholders. In addition, since fewer executives from designated groups are in typical C-suite roles, boards should be open to candidates with other backgrounds, such as entrepreneurs and professionals. Moreover, having a disciplined research-based approach to board identification and a longer recruiting timeline will allow boards to develop a more thorough approach to pipeline talent mapping, improving coverage of newer networks beyond the board itself.

- » **Ask:** Are we engaging outside help to expand our reach and ability to increase our diverse candidate pool?
- » **Ask:** Are we developing a pipeline?
- » **Ask:** What diverse members of the management team can we get to know better?
- » **Ask:** Are members of the board engaging directly with investors?

6. Avoid defining seats as “diverse”

As boards begin and continue to diversify, it is important for all directors to recognize their own biases and avoid viewing diversity as a check-the-box response to external pressure or as filling the gaps. Building and maintaining a diverse board is an ongoing initiative. Boards that are most successful will embrace a mindset that views every director search as an opportunity to enhance boardroom diversity and commit to considering a qualified diverse slate of candidates for every search, rather than viewing diversity in terms of one or two seats.

- » **Ask:** What are we doing to ensure that diversity is always included as a core part of board refreshment?
- » **Ask:** How will we define diversity for our board?

Boards can influence change beyond the boardroom by providing oversight over management's diversity efforts

In its oversight role, the board can make sure it understands the CEO's vision for D&I at the company, including the diversity of the leadership pipeline across all dimensions, gender, all designated groups, and sexual orientation, and the inclusivity of the culture. This includes having data on the current makeup of the workforce, and which D&I programs are in place, including employee resource groups and affinity groups. Board members should understand how the company is viewed by customers, suppliers, employees, shareholders and the communities in which it operates, and the degree to which the management team reflects the diversity of its stakeholders. Directors also can consider whether compensation plans should include diversity metrics or goals.

- » **Ask:** What does diversity mean for the company and what does it mean for us as directors?
- » **Ask:** Are we overseeing D&I metrics throughout the whole organization?
- » **Ask:** How can we enhance our oversight of D&I metrics?
- » **Ask:** Could including diversity metrics or goals in compensation plans help us make progress in D&I?

Spencer Stuart has helped boards increase the diversity of perspectives and backgrounds in the boardroom. We will continue to track trends in board composition as boards evolve to respond to the changing demands of their business. With thoughtful intention to increasing diversity and creating a more inclusive board culture, boards will be able to shift their composition over time, while ensuring they have the skills and experience that align with the company's long-term strategy. Absent intent, however, no change will happen.



Board Composition

Spencer Stuart presents its annual board composition analysis for the *CSSBI 100*. This analysis highlights trends in board turnover, the executive and functional experience of incoming NXDs, in addition to measuring progress boards are making on gender, Indigenous peoples and minority diversity. The nationalities, age and tenure of *CSSBI 100* board members are also explored.

2020 SNAPSHOT

95 new NXDs were appointed in 2020 — a normal influx for the *CSSBI 100*



37% of NXDs were non-residents of Canada, up from 31% in 2019



48%

of incoming NXDs were women — virtual gender parity for two consecutive years



7%

of incoming NXDs were either Indigenous peoples or minorities

Board turnover and non-executive director appointment trends

Board succession and renewal continued at a normal pace

- » Despite the obstacles presented by the global pandemic, *CSSBI 100* board recruitment and turnover for 2020 was much the same as prior years. Ninety-five new NXDs were appointed to *CSSBI 100* boards during the twelve months of tracking (one higher than the same period in 2019), and turnover remained at close to 10% across the *CSSBI 100* (factoring an average board size of 11).
- » New NXDs were appointed by 59 different *CSSBI 100* boards in 2020, mostly as replacements for retiring board members on a one-to-one basis. Close to half of these boards appointed two or more new NXDs.

- » *CSSBI* boards succeeded in their ongoing board recruitment and succession activities by adjusting critical parts of the board recruitment process in response to the travel bans imposed by the global pandemic. Candidate vetting, assessment and onboarding, normally structured around in-person board and committee level interviews and other one-on-one engagement, switched to a virtual, online format.

Annual NXD Appointments to Boards of *CSSBI 100* Companies (2016 to 2020)



Boards continued to refresh

- » Two or more NXDs were appointed by nearly one-quarter (24%) of *CSSBI 100* boards, as many continued to refresh their ranks — mostly as part of planned board succession and renewal initiatives.
- » The number of boards in the *CSSBI 100* appointing multiple directors has remained at about 25% of the index in the past five years.

Boards of *CSSBI 100* Companies that Appointed Multiple NXDs (2016 to 2020)

	2020	2019	2018	2017	2016	Average
2 NXDs appointed	15	13	23	16	18	17
3 NXDs appointed	7	11	2	6	5	6
4 or more NXDs appointed	2	0	3	2	2	2
Total	24	24	28	25	25	25

Boards continued to bulk up on financial expertise in 2020; NXDs with technology backgrounds were about level year-to-year

- » In 2020, 46% of all incoming NXDs had financial backgrounds (relevant functional experience and/or credentials), up from 41% in 2019. New recruits with financial expertise have consistently represented a large portion of new board members (40%, on average, over the past five years), given the financial skills required by the boards of *CSSBI 100* companies to address challenging markets, emerging transactions, company investments, stringent financial oversight requirements and, presently, the impact of the ongoing global pandemic.
- » Audit committee leadership succession also underlies the consistently high demand for new NXDs with financial expertise.
- » Incoming NXDs with core backgrounds in technology (e.g., AI, cyber security, data analytics, enterprise applications, IT platforms) were about level with the total in 2019.

Core Functional Backgrounds of NXDs Appointed to the Boards of *CSSBI 100* Companies (2016 to 2020)

Functional background	2020	2019	2018	2017	2016
Financial	46%	41%	38%	39%	36%
Operations	27%	17%	29%	32%	26%
Legal/regulatory	8%	12%	17%	6%	19%
Sales & marketing	8%	10%	9%	15%	2%
Technology	7%	9%	6%	4%	6%
Human resources	2%	3%	0%	1%	3%
Other	0%	3%	1%	3%	8%

Boards continued to emphasize related industry experience in NXD specifications

- » In 2020, 74% (or almost three in four) of new NXDs appointed by *CSSBI 100* boards had related industry experience (i.e., experience in the company's industry or an allied sector).
- » In the last two years, *CSSBI* Boards added more related industry experience, after a period (2016 to 2018) when appointments were almost balanced with new NXDs with backgrounds in a different industry.

Appointments of NXDs with Related and Different Industry Experience (as a % of all NXDs appointed, 2016 to 2020)

	2020	2019	2018	2017	2016	Average
Related industry experience	74%	67%	55%	54%	49%	60%
Different industry experience	26%	33%	45%	46%	51%	40%

Appointments of non-executive directors with CEO experience

Steady influx of recruits with CEO experience; portion from Canada reached a five-year low

- » In 2020, 36% of all NXDs appointed by *CSSBI 100* boards had CEO experience (i.e., with a public company or other organization of some scale).
- » The portion resident in Canada reached a five-year low in 2020, as non-residents comprised a large (41%) proportion of new NXDs with CEO experience.
- » The limited domestic supply of available prospects with CEO experience (especially those in active public company roles), and the interest by *CSSBI 100* boards in other backgrounds, helps to explain the totals in recent years.

Appointments of NXDs with CEO Experience to the Boards of *CSSBI 100* Companies (as a percentage of all NXDs appointed, 2016 to 2020)

	2020	2019	2018	2017	2016	Average
Overall	36%	31%	33%	35%	44%	36%
% Non-residents of Canada	41%	21%	38%	39%	37%	35%

Board representation for women, Indigenous peoples and minorities

Appointments of women and men were virtually equal in 2020; more women were recruited from outside Canada

- » Women comprised 48% of all NXD appointments in 2020 — virtual gender parity for the second consecutive year. Notably, 10 *CSSBI 100* boards appointed multiple women in 2020, which was double the norm.
- » These results stem from the prioritized and sustained efforts of many *CSSBI 100* boards to identify and recruit more women, including a sizable portion each year (approximately one-third on average) from outside Canada.
- » In 2020, the portion of women not resident in Canada (37%) reached a five-year high.

Women NXDs Appointed by *CSSBI 100* Boards (as a percentage of all NXDs appointed, 2016 to 2020)

	2020	2019	2018	2017	2016	Average
Overall	48%	49%	30%	40%	41%	42%
% Non-residents of Canada	37%	28%	31%	32%	32%	32%
Number of <i>CSSBI 100</i> boards that appointed multiple women	10	5	3	6	5	5

Smaller age difference between recently appointed men and women NXDs

- » The age gap between newly appointed women and men has narrowed in the last two years. In 2020 and 2019, the gap was one-to-two years, as *CSSBI 100* boards appointed more seasoned women. The age gap was three years from 2016 to 2018.

Average Ages of Incoming NXDs to the Boards of *CSSBI 100* Companies (men compared to women, 2016 to 2020)

	2020	2019	2018	2017	2016	Average
Men	59	59	59	58	58	59
Women	57	58	56	55	55	56

Women board representation continued to tick higher

- » In 2020, women held close to one-third (31%) of total *CSSBI 100* board directorships, for an average of close to three women per board across the entire *CSSBI 100*. The total increases to 35% excluding management directors.
- » Compared to 2014, the total share of directorships held by women in 2020 was close to 50% higher, as more women joined the ranks of *CSSBI 100* boards.
- » The gap in women director representation between the larger and smaller *CSSBI 100* (as much as five percentage points in 2018) has narrowed to two percentage points in the past two years.

Percentage all *CSSBI 100* Board Directorships Held by Women (2014 to 2020)

	2020	2019	2018	2017	2016	2015	2014	CAGR
Overall	31%	30%	27%	27%	25%	23%	21%	6.71%
More than \$5 billion	32%	30%	29%	29%	26%	24%	22%	6.44%
\$1 billion to \$5 billion	30%	28%	24%	25%	23%	21%	19%	7.91%

Scale tipping toward more gender balanced boards among Canada's "blue chips"

- » In 2020, women held at least 30% of directorships at close to two-thirds (62%) of the boards in the *CSSBI 100* index, over four times more than in 2014.
- » Two *CSSBI 100* boards were gender balanced (50% men and 50% women) in 2020 and 18 others were one-to-two additional women from reaching that level.

Percentage of Women on Boards of CSSBI 100 Companies (2020 compared to 2014)

% of women on board	CSSBI 100 boards in this range	
	2020	2014
0%	0%	10%
1% to 9%	1%	5%
10% to 19%	8%	41%
20% to 29%	29%	30%
30% to 39%	42%	12%
40% to 49%	18%	2%
50%	2%	0%

Transportation and financial services boards were the most gender diverse

- » Boards of CSSBI 100 companies in the transportation and financial services sectors were the most gender diverse in 2020 — both groups were nearing a 40% sector average for women board representation.

CSSBI 100 Board Gender Diversity by Industry

CSSBI 100 industry groups	Average representation of women	Number of companies with 30% or more women on board
Transportation (n=7)	35%	6
Financial services (n=15)	35%	11
Energy (n=18)	33%	12
Industrials (n=24)	31%	15
Communications, media and technology (n=15)	29%	7
Consumer (n=14)	28%	7
Mining and metals (n=7)	28%	4

Board gender diversity targets were common; most existing targets were achieved or surpassed as of 2020

- » As of August 2020, just over half (51) of CSSBI 100 boards had established a minimum gender diversity target (an increase of 10 boards compared to 2017). Targets ranged from 20% to 50% with 30% being the most common by a wide margin.
- » For most boards (40 of 51), the target applied to the full board; for the other 11 boards, the target applied to independent/non-executive board members.
- » Most (73%) of the boards with targets had either achieved or surpassed them as of August 31, 2020.

Board Gender Diversity Targets in the *CSSBI 100*

Number of <i>CSSBI 100</i> boards	Board gender diversity target
4	20%
4	25%
1	27%
32	30%
5	33.3%
3	40%
2	50%

Women landing more board leadership positions

- » In 2020, women held a total of 143 board leadership positions (board chair or vice chair, lead director and/or committee chair), close to 60 more than in 2016.
- » Compared to 2016, there were more than double the number of women serving in the highest board leadership positions (board chair, vice-chair, lead director). Given active chair rotation practices, there were also large increases in the number of women chairing other core standing committees (e.g., Audit, Gov/NomCo, HRCC).

Women Serving in Board Leadership Roles on *CSSBI 100* Boards (2016 to 2020)

	2020	2019	2018	2017	2016
Board chairs, vice-chairs and lead directors	17	15	14	8	7
Audit chairs	30	29	28	20	22
Gov/NomCo chairs	35	28	24	20	20
HRCC chairs	29	30	25	14	20
EH&S chairs	13	12	10	4	7
Other committee chairs	19	13	10	10	9
Totals	143	127	111	71	85

Expanding board diversity for Indigenous peoples and minorities

- » Without exception, the boards of *CSSBI 100* companies are being encouraged to be more representative of the Canadian population, company employees, target customers and/or broader business and community stakeholders.
- » In 2020, 7% of all *CSSBI 100* directorships were held by either Indigenous peoples or minorities, following definitions in the Employment Equity Act of Canada for designated groups.¹ The overall total is also consistent with NXD appointment trends over the past five years, based on Spencer Stuart's in-depth analysis.
- » Interestingly, close to 60% (on average) of the NXDs from these designated groups were non-residents of Canada.

¹ See explanatory note on pg. 2.

Appointments of Indigenous Peoples and Minorities to the Boards of *CSSBI 100* Companies (as a percentage of all NXDs appointed, 2016 to 2020)

	2020	2019	2018	2017	2016	Average
Overall	7%	4%	9%	7%	5%	7%
% Non-residents of Canada	63%	50%	75%	43%	60%	58%

Appointments of first-time public company directors

Continued openness to prospects without prior public company board experience

- » First-time public company directors comprised almost one-third (32%) of incoming NXDs to *CSSBI 100* boards in 2020. The total was the same as in 2019 and consistent with recent trends.
- » Effective onboarding, development and mentorship by the board chair and other seasoned directors take on even greater importance with a “first-time” director and/or a less seasoned executive.

Appointments of First-Time, Public Company Directors to the Boards of *CSSBI 100* Companies (as a percentage of all NXDs appointed, 2016 to 2020)



Non-executive directors recruited from outside Canada

Cross-border director recruitment rebounded in 2020

- » The number of cross-border recruits (i.e., non-residents of Canada) returned to a normal level in 2020, after dipping in 2019. Despite the travel restrictions imposed by the global pandemic, non-residents of Canada comprised 37% of all NXDs appointed by *CSSBI 100* boards, up from 31% in 2019.
- » *CSSBI 100* boards have been fulfilling many of their functional and industry requirements by recruiting board members from outside Canada. Most (89%) of these directors were recruited from the U.S., given the market’s importance, proximity and the depth of prospects.

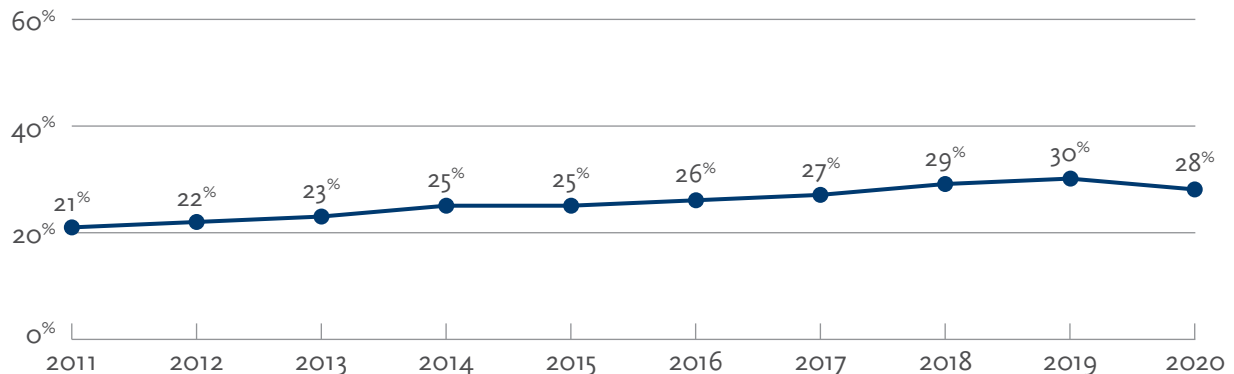
Non-Residents of Canada appointed to the Boards of *CSSBI 100* Companies (as a percentage all NXDs appointed annually, 2016 to 2020)



Total board seats held by non-residents hovering around 30%

» In 2020, close to 30% of all *CSSBI 100* directorships were held by non-residents of Canada. The total has been hovering around the one-third mark, after ticking up steadily from 21% in 2011.

Total *CSSBI 100* Board Directorships Held by Non-Residents of Canada (2011 to 2020)

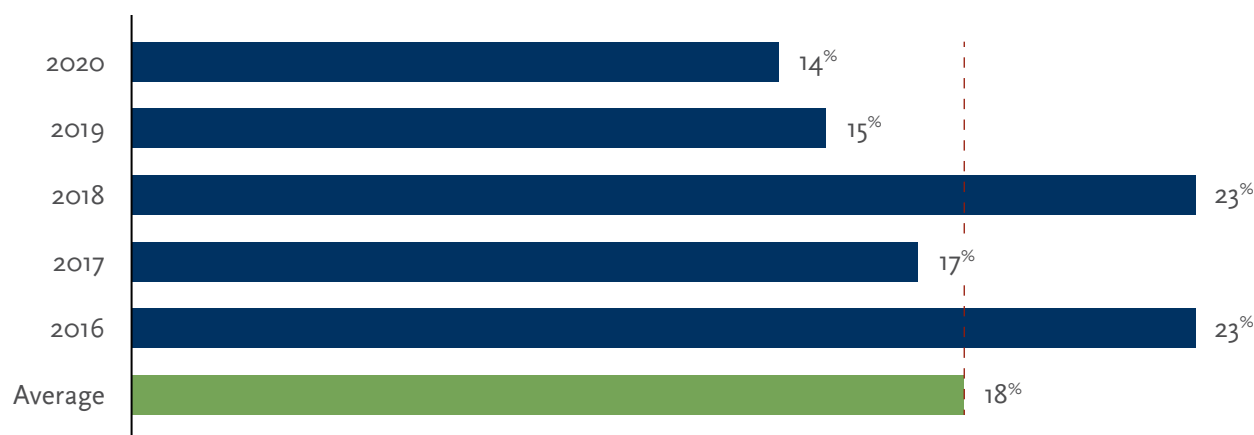


Appointments of active (non-CEO) executives

Supply constraints for active C-level executives for board roles

- » Active C-level (non-CEO) executives have typically represented a smaller proportion of new NXDs appointed by *CSSBI 100* boards. The total in 2020 (14%) was the lowest total in five years.
- » Boards are often interested in this “next-gen” pool of directors; however, not all are ready, free of conflict or have clearance to serve on a public company board, making this a challenging pool from which to recruit.
- » Also, *CSSBI* boards expect their NXDs to serve a normal tenure (approximately 10 years) and are mindful when considering younger, active executives who could be forced to retire earlier than desired should their work/company circumstances change.

Active (Non-CEO) Executives Appointed to the Boards of *CSSBI 100* Companies
(as a percentage of all NXDs appointed, 2016 to 2020)

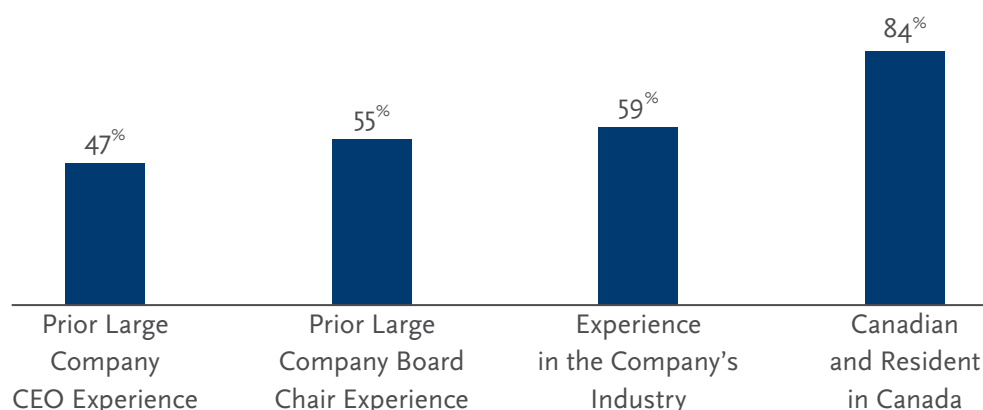


Board chair backgrounds, independence and succession

Board chairs credentials

- » *CSSBI 100* board chairs, upon selection to their roles, often had prior large company CEO and board chair experience. In addition, many had prior career/executive experience in the company’s industry.
- » Most (84%) of the board chairs were Canadians and residents of Canada, given that knowledge of, and presence in, the domestic market is a prerequisite for most boards.

Backgrounds of Board Chairs of *CSSBI 100* Companies in 2020*



* Analysis consists of 64 non-executive board chairs; excludes those serving as CEO or executive chair and company founders and/or former CEOs.

More independent board chairs in 2020

- » Most (85%) of *CSSBI 100* companies separated the roles of board chair and CEO, a long-standing governance practice among Canada's large public companies.
- » Almost three-quarters (72%) of the non-executive board chairs were independent in 2020, an increase of six percentage points compared to 2015.

Independence of Non-Executive Board Chairs at *CSSBI 100* Companies

	2020 (n=85)	2015 (n=88)
Independent	72%	66%
Non-independent	28%	34%

Internal board chair successors still the clear choice

- » Board chair transitions in the *CSSBI* (12 in 2020) returned to an average level, after a five-year high of 17 in 2019.
- » Internal successors (as in prior years) were chosen in most (10 of 12) of the transitions in 2020, a clear sign that boards of Canada's largest companies emphasize company knowledge and board continuity.
- » Internal successors had an average of six years of tenure before assuming the role (typically as part of an internal succession and assessment process), and most had prior committee chair experience, either with the board or that of a different public company.
- » In the past five years, well over half (59) of *CSSBI 100* boards selected a new board chair, representing substantial change in this critical board leadership role.
- » Term limits for board chairs were disclosed by eight *CSSBI 100* boards in 2020. The limits (either five or eight years) were typically applied regardless of age, length of tenure or term on the board as director, and could be renewed at the board's discretion.

Board Chair Transitions at *CSSBI 100* Companies (2016 to 2020)

	2020	2019	2018	2017	2016	Total	Average
Annual total	12	17	12	14	4	59	12
Internal successors	10 of 12	14 of 17	9 of 12	12 of 14	4 of 4	49 of 59	10 (83%)

Tenures and ages of non-executive directors and board chairs

Significant board turnover in past five years

- » Over half (52%) of NXDs serving on the *CSSBI 100* in 2020 had five or less years of tenure, a clear sign of active board succession and substantial board refreshment.
- » Board leadership in the *CSSBI 100* has also been refreshed to a large degree. Close to 60% of *CSSBI 100* board chairs had five or less years of tenure serving in the role.

Tenures of *CSSBI 100* NXDs and Board Chairs (2020)

	0 to 5 years	6 to 10 years	11 to 15 years	More than 15 years
All non-executive board directors	52%	25%	13%	10%
Board chairs*	56%	23%	10%	11%

* Tenure serving in the role; excludes those also serving in CEO or executive chair roles.

Seasoned executives still held the vast number of board seats

- » Close to three-quarters (71%) of all NXDs in the *CSSBI 100* were in the 60 to 79 age range.
- » The total in the 30 to 49 age range was still small, as *CSSBI 100* boards continued to select more seasoned candidates for NXD roles.

Ages of *CSSBI 100* NXDs and Board Chairs

	30 to 39		40 to 49		50 to 59		60 to 69		70 to 79		80+	
	2020	2016	2020	2016	2020	2016	2020	2016	2020	2016	2020	2016
Non-executive board directors	1%	0%	3%	5%	24%	29%	53%	43%	18%	16%	2%	2%
Board chairs, non-executive	1%	0%	2%	1%	11%	16%	57%	47%	23%	32%	6%	4%

Board independence

Board independence increased in 2020, more boards with just a single non-independent

- » The vast majority (81%) of *CSSBI 100* board members were independent in 2020, consistent with overall totals in recent years.
- » Over half (52%) of the *CSSBI 100* boards had one non-independent director (typically the CEO), an increase of five boards over 2019, and 23 others had two non-independents, an increase of four boards over 2019.
- » Higher concentrations of non-independent directors (ranging from three to seven members) could be found on the boards of 25 (often closely held) *CSSBI 100* companies.

Non-Independent Directors on the Boards of *CSSBI 100* Companies

Number of non-independent directors*	Number of boards	
	2020	2019
One	52	47
Two	23	27
Three	10	10
Four	5	6
Five	4	5
Six	3	3
Seven	3	2

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

Board Compensation

Spencer Stuart presents its annual review of board compensation and related practices at *CSSBI 100* companies. Benchmarks and trends are provided for director retainers, chair compensation, fees for meetings, committees and equity compensation. All figures are in \$CAD unless otherwise noted.

2020 SNAPSHOT

\$227,000

Total NXD compensation
(median, including equity)

3.8% increase over
2019 (on a constant
company basis)



\$400,000

Total Board Chair
compensation (median,
including equity)

1.4% increase over
2019 (on a constant
company basis)



22% of *CSSBI 100*
companies paid **per
meeting fees**, down
from 50% in 2016

Mining and metals
industry led all sectors
in total NXD compensation:



\$273,729
(median, including equity)

Non-executive director compensation in 2020: Pay practices, components and benchmarks

Reviewing and setting annual NXD compensation

- » Based on disclosure, *CSSBI 100* boards generally review board compensation every one-to-two years. In 2020, almost every *CSSBI 100* company disclosed the peer-group that was used to develop and to set compensation levels for the board. The peer groups were often the same for executive and board compensation.

Currency Pay Practices Used by CSSBI 100 in 2020

Currency pay practices	Number of CSSBI 100 companies
Board compensation specified and paid in \$CAD	55
Board compensation specified and/or paid in \$U.S.	26
Nominal compensation practice (e.g., NXDs not resident in Canada paid in \$U.S., based on a one-for-one exchange rate of \$CAD to \$U.S.)	19

Components of CSSBI 100 NXD Compensation in 2020

	Annual NXD retainer (including equity)	Committee member retainer	Board meeting fee	Committee meeting fee
Median	\$200,000	\$7,500	\$2,000 per meeting	\$2,000 per meeting
Percentage of companies paying retainer/fee	N/A	57%	21%	22%*

* One CSSBI company paid fees exclusively for committee meetings.

Median Total CSSBI 100 NXD Compensation in 2020

	Overall	More than \$5 billion (n=57)	\$1 billion to \$5 billion (n=43)
Median total compensation	\$227,000	\$245,000	\$174,500
Equity	50%	50%	50%
Cash	50%	50%	50%

Range of Total CSSBI 100 NXD Compensation in 2020

Percentile	Total director compensation
1st Percentile	\$91,286
25th Percentile	\$157,831
50th Percentile	\$235,815
75th Percentile	\$272,153
99th Percentile	\$468,696

Growth trends in non-executive director compensation

Slow growth period for board compensation; pandemic prompted some pay cuts in 2020

- » Median total NXD compensation (for the constant set of 86 CSSBI 100 companies) increased by 3.8% over 2019. The year-to-year increase was in line with compensation growth seen since 2016.
- » Notably, some boards announced temporary cuts to NXD compensation (one board by as much as 50%) as part of its pandemic response. Most director compensation plans, however, were finalized and/or disclosed to the market before the full effects of pandemic were felt; further reductions in NXD compensation could be announced in 2021.

Median Total NXD Compensation for the Constant Set of 86 CSSBI Companies (2016 to 2020)*

2020	2019	2018	2017	2016	CAGR
\$216,000	\$208,000	\$201,000	\$197,000	\$185,000	3.95%

* Figures for this analysis were sourced from S&P Capital IQ. Annual totals were based on nominal \$CAD and \$U.S. to remove the effect of fluctuating exchange rates over the time period. Includes all forms of director compensation (including equity and applicable dividends, compensation for travel) and excludes amounts paid to board chairs and lead directors. The total for 2020 reflects changes (increases or decreases) made by individual CSSBI 100 companies, as disclosed in Information Circulars or disclosed confidentially to Spencer Stuart as part of a data validation process.

Compensation growth slightly higher at larger companies

- » Since 2016, annual compensation growth was approximately one percentage point higher at the larger CSSBI 100 companies (4.35% compared to 3.32% for the smaller set of companies, as measured annually in the constant set of 86 CSSBI 100 companies).

Median Total NXD Compensation for the Constant Set of 86 CSSBI Companies (smaller compared to larger companies, 2016 to 2020)*

	Number of companies	2020	2019	2018	2017	2016	CAGR
\$1 billion to \$5 billion	35	\$196,000	\$195,000	\$189,000	\$184,000	\$172,000	3.32%
More than \$5 billion	51	\$230,000	\$217,000	\$210,000	\$206,000	\$194,000	4.35%

* Figures for this analysis were sourced from S&P Capital IQ. Annual totals were based on nominal \$CAD and \$U.S. to remove the effect of fluctuating exchange rates over the time period. Includes all forms of director compensation (including equity and applicable dividends, compensation for travel) and excludes amounts paid to board chairs and lead directors. The total for 2020 reflects changes (increases or decreases) made by individual CSSBI 100 companies, as disclosed in Information Circulars or disclosed confidentially to Spencer Stuart as part of a data validation process.

Total non-executive director compensation by industry

Increases in NXD compensation varied across industries

- » Increases in annual board compensation (by industry) ranged from a high of 7.6% for boards in the energy sector (encompassing utilities and oil & gas) to a low of 1.1% in the industrials group.
- » In 2020, median total NXD compensation in the mining and metals industry was the highest by a large margin.

Median Total CSSBI 100 NXD Compensation by Industry

	Median total compensation (2020)	% change from 2019
Mining and metals	\$273,729	5.2%
Energy	\$238,535	7.6%
Financial services	\$235,846	4.6%
Communications, media and technology	\$232,447	1.8%
Transportation	\$199,630	1.5%
Consumer	\$188,282	6.6%
Industrials	\$182,990	1.1%

Annual non-executive director retainers

Annual NXD retainers balanced equally with cash and equity

- » In 2020, median annual NXD retainers were balanced equally with cash and equity, irrespective of company size.
- » Most annual NXD retainers (86%) in *CSSBI 100* were paid with a mix of cash and long-term equity. Equity portions ranged from a low of 10% to a high of 100% of the annual director retainer.
- » It was also common for NXD compensation to be paid in equity until the company's minimum share ownership requirement had been met.

Median *CSSBI 100* NXD Retainers in 2020

	Median retainer	Equity	Cash
Overall	\$200,000	50%	50%
More than \$5 billion (n=57)	\$220,000	50%	50%
\$1 billion to \$5 billion (n=43)	\$170,000	50%	50%

Distribution of Annual *CSSBI 100* NXD Retainers in 2020 (including equity)

Percentile	Annual director retainer
1st Percentile	\$63,176
25th Percentile	\$137,500
50th Percentile	\$200,000
75th Percentile	\$230,000
99th Percentile	\$369,857

Equity Compensation Practices for NXDs of *CSSBI 100* companies

- » 86 *CSSBI 100* companies required their NXDs to accept some form of equity (typically common shares and/or DSUs, with long-term holding requirements) as part of their annual compensation.
- » 77 granted equity based on a pre-set fraction of the overall retainer.
- » 9 granted equity at market value (e.g., 2,000 common shares issued on a certain day).
- » None granted share options, as part of a regular annual board compensation schedule.
- » 93 permitted NXDs to elect equity in lieu of cash compensation.

Committee member retainers

Committee retainers were still common, audit members often received higher amounts

- » Additional retainers for committee memberships were paid by 57% of *CSSBI 100* companies in 2020, nine less compared to 2016.
- » Over half of these companies (34) paid a uniform retainer and a slightly lower number (22) paid a variable amount for service on different committees. Higher amounts continued to be paid to audit committee members.
- » At one company, only audit committee members received a retainer. This continued to be an uncommon practice amongst *CSSBI 100* companies.

Committee Member Compensation Practices for the *CSSBI 100* (2020 compared to 2016)

	2020	2016
Companies that pay committee retainers	57	66
Uniform committee member retainer	34	34
Variable committee member retainers	22	28
Audit members only	1	4

Committee Member Retainers for the *CSSBI 100* (2020 compared to 2016)

	2020		2016	
Committee	Median	Range	Median	Range
Audit	\$10,000	\$2,000 to \$55,000	\$6,000	\$1,085 to \$55,000
Gov/NomCo	\$7,500	\$2,000 to \$55,000	\$5,000	\$1,085 to \$55,000
HRCC	\$7,500	\$2,000 to \$55,000	\$5,000	\$1,500 to \$55,000

Board and committee meeting fees

Meeting fees continued to be phased out in favour of flat fee model

- » Meeting fees were paid by less than one-quarter (22%) of *CSSBI 100* companies in 2020, a steep drop from 2016 when 51% of the index still followed the practice.
- » An increasing number of *CSSBI 100* companies have been adopting a simpler flat fee model that is inclusive of meetings.
- » Median per meeting fees, when paid, were slightly higher in 2020 compared to 2016.

Board and Committee Meeting Fees for the *CSSBI 100* (2020 compared to 2016)

	Board meetings				Committee meetings			
	Median board meeting fees		Number of companies paying this type		Median committee meeting fees		Number of companies paying this type	
	2020	2016	2020	2016	2020	2016	2020	2016
Overall	\$2,000	\$1,500	21%	50%	\$2,000	\$1,500	22%*	51%*
More than \$5 billion	\$2,000	\$1,500	8 of 21	19 of 50	\$2,000	\$1,500	9 of 22	20 of 51
\$1 billion to \$5 billion	\$2,000	\$1,500	13 of 21	31 of 50	\$2,000	\$1,500	13 of 22	31 of 51

* One *CSSBI* company paid fees exclusively for committee meetings.

Board chair compensation

Board chair compensation significantly higher at larger companies

- » Median total board chair compensation was \$400,000 in 2020 (for the 72 *CSSBI 100* companies that provided remuneration for serving in the role). Half of the total came in the form of risk-based, equity compensation.
- » In 2020, median total board chair compensation was substantially (\$112,000) 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 2020

	Number of companies	Median total board chair compensation	Cash portion	Equity portion
Overall	72	\$400,000	50%	50%
More than \$5 billion	41	\$437,500	50%	50%
\$1 billion to \$5 billion	31	\$325,500	53%	47%

Board chair compensation mostly an all-inclusive model

- » In 2020, the vast majority (90%) 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).
- » A small number (seven) of board chairs were still remunerated using a mixed model (retainers, committee member retainers and additional per meeting compensation).
- » Sixty-six board chairs received a larger equity grant (on average, close to double) than the NXDs on board.

Compensation Practices for *CSSBI 100* Board Chairs in 2020

	All-inclusive compensation model	Mixed compensation model
Number of companies	65	7
More than \$5 billion	38	3
\$1 billion to \$5 billion	27	4

Non-independent board chairs were paid more than independents

- » Median total board chair compensation was \$65,000 less for the group of independents when compared to amounts paid to the non-independent group.
- » Total compensation for the independent board chairs was also weighted more heavily in equity, 50% compared to 41% for non-independent group.

Median Total Board Chair Compensation: Independent Compared to Non-Independent Board Chairs of CSSBI 100 Companies in 2020

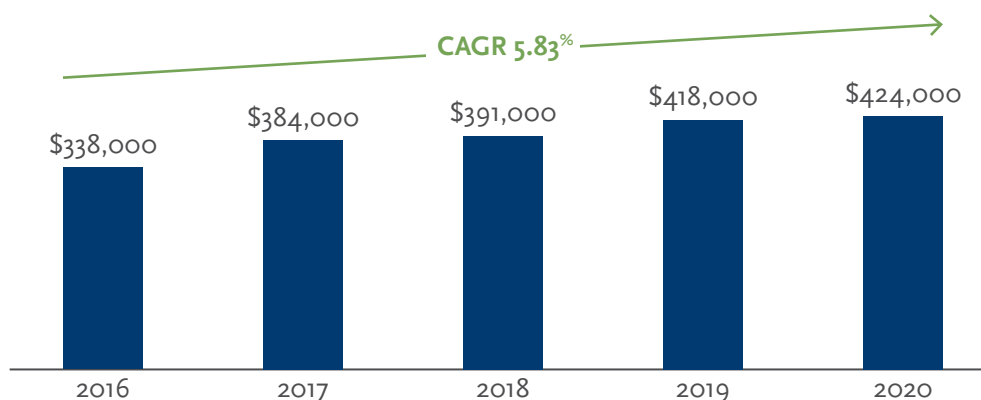
	Median	Cash portion	Equity portion
Independent board chairs (n = 63)	\$400,000	50%	50%
Non-Independent board chairs (n = 9)	\$465,000	59%	41%

Growth trends in board chair compensation

Small increase in board chair compensation in 2020

- » Median total board chair compensation increased by 1.4% over 2019 (in the constant set of companies). This increase was under the average annual growth rate since 2016.

Median Total Board Chair Compensation for the CSSBI 100 (2016 to 2020)*



* Figures for this analysis were sourced from S&P Capital IQ. Annual totals were based on nominal \$CAD and \$U.S. to remove the effect of fluctuating exchange rates over the time period and includes all forms of compensation (including equity and applicable dividends, compensation for travel). The total for 2020 reflects 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.

Lead director compensation

Little change in additional amounts paid to lead directors

- » In 2020, there were 35 lead directors serving on *CSSBI 100* boards. All but two received additional compensation (additional retainer or larger equity grant) for serving in this board leadership role.
- » The additional amounts paid to lead directors have changed slightly in recent years.

Lead Director Compensation for the *CSSBI 100* (2020 compared to 2016)

	2020	2016
Number of lead directors	35	36
Additional compensation (median)	\$35,000	\$35,000
Range	\$10,000 to \$195,000	\$8,000 to \$199,000

Committee chair compensation

Variable committee chair retainers were most common

- » In 2020, nearly all (96%) of the *CSSBI 100* companies paid an additional retainer to their committee chairs.
- » The vast majority (77 in 2020) of the *CSSBI 100* companies used variable amounts to remunerate their committee chairs, rather than a uniform (or same) retainer paid to all. Two companies restricted the retainer to the audit committee chair.

Committee Chair Compensation Practices for the *CSSBI 100*

	Variable committee chair retainer	Uniform committee chair retainer	Restricted to audit committee chair	Total
<i>CSSBI 100</i> overall	77	19	2	96
More than \$5 billion	40	14	1	54
\$1 billion to \$5 billion	37	5	1	42

Audit and HRCC committee chair retainers stepped-up

- » Audit and HRCC committee chairs continued to receive the highest retainers. Median chair retainers for these two committees also increased in recent years, while those for Gov/NomCo committee chairs remained level.

Median Committee Chair Retainers for the *CSSBI 100* (2016 to 2020)

Committee	2020	2019	2018	2017	2016
Audit	\$25,000	\$25,000	\$20,000	\$20,000	\$20,000
HRCC	\$20,000	\$20,000	\$15,000	\$10,000	\$10,000
Gov/NomCo	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000

Compensation for special board work and travel

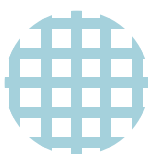
- » **Special meetings:** For companies using a flat fee model, inclusive of meetings (which applied to a large majority of *CSSBI 100* companies in 2020), additional compensation was typically paid only when the number of special meetings exceeded certain thresholds. The other companies used the existing, applicable board meeting fee (either the rate for in-person or telephonic attendance) for special or ad-hoc meetings.
- » **Special committees:** Compensation for special committees (based on the disclosure of a small number of *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 2020.
- » **Travel:** Just over one-third (35) of *CSSBI 100* companies disclosed additional compensation in recognition of time spent for travel (under normal in-person board proceedings).
 - Most (30) of the companies paid an additional allowance per meeting or a per diem for travel.
 - Five companies paid annual lump sums (ranging from \$10,000 to \$20,000) to certain directors for their extended travel.
 - Extra compensation was typically restricted to those NXDs traveling over specified distances to attend board and committee meetings, related orientation and/or training.

Board Organization, Process and Policies

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

2020 SNAPSHOT

11 board members
— the *CSSBI 100* average —
unchanged for over 10 years



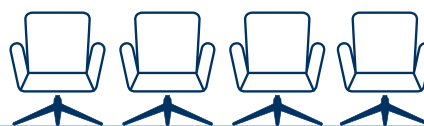
60 boards had a
**mandatory retirement age
and/or term limits** for board
members, two less than in 2016



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



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



Board size

Small fluctuations in the size of boards

- » Board sizes across the *CSSBI 100* have remained the same (on average), with small observed changes coming as the result of board renewal initiatives and consequent “rightsizing.”
- » The number of large (16+) boards has declined slightly over the past five years.

Board sizes for the *CSSBI 100* (2016 to 2020)

	2020	2019	2018	2017	2016
5 to 10	45%	44%	45%	46%	49%
11 to 15	52%	53%	49%	46%	47%
16 or more	3%	3%	6%	8%	4%
Average size	11	11	11	11	11

Larger companies, bigger boards

- » In 2020, the boards of the larger *CSSBI 100* companies continued to be bigger (by an average of two board members) than the boards of the smaller group.
- » Most (76%) of the boards of the smaller *CSSBI 100* companies ranged from five to 10 board members, whereas most (72%) of the boards of the larger companies had 11 to 15 board members.
- » The largest boards in the range (16) were restricted to the larger set of *CSSBI 100* companies.

Board Size Comparison: Larger compared to smaller *CSSBI 100* Companies in 2020

	5 to 10 board members	11 to 15 board members	16 board members	Average size
More than \$5 billion (n=57)	13	41	3	12
\$1 billion to \$5 billion (n=43)	32	11	0	10

Board committees

Smaller companies, fewer committees

- » In 2020, boards of the *CSSBI 100* had an average of four standing committees, the same as in 2016.
- » Smaller company boards, however, were structured with an average of three committees, one less than the average of the larger group. Close to half (47%) of the smaller company boards were structured with two-to-three committees compared to just under one-third of the larger group.

Standing Committees on the Boards of *CSSBI 100* Companies (2020 compared to 2016)

Number of committees	2020			2016		
	Overall	More than \$5 billion (n=57)	\$1 billion to \$5 billion (n=43)	Overall	More than \$5 billion (n=54)	\$1 billion to \$5 billion (n=46)
Two	12%	7%	19%	9%	9%	9%
Three	26%	25%	28%	31%	18%	46%
Four	50%	56%	42%	44%	52%	34%
Five	10%	11%	9%	14%	17%	11%
Six	1%	0%	2%	0%	0%	0%
Seven to Eight	1%	2%	0%	2%	4%	0%
Average	4	4	3	4	4	3

Board and committee meetings

Board meetings continued to fluctuate

- » Overall, boards of *CSSBI 100* companies held an average of eight scheduled meetings in 2019 (generally the most current available data), the same as in 2016.
- » Number of meetings across the range did fluctuate compared to 2016. More boards of the smaller *CSSBI 100* companies scheduled the fewest (1 to 5) and the most (14 to 23) meetings in 2019.

Number of Board Meetings Scheduled by *CSSBI 100* Boards (2019 compared to 2016)

Scheduled board meetings	2019			2016		
	Overall	More than \$5 billion (n=57)	\$1 billion to \$5 billion (n=43)	Overall	More than \$5 billion (n=54)	\$1 billion to \$5 billion (n=46)
1 to 5	15%	9%	23%	14%	12%	16%
6 or 7	42%	46%	37%	40%	36%	44%
8 or 9	16%	21%	9%	24%	28%	20%
10 to 13	22%	23%	21%	19%	18%	20%
14 to 16	3%	2%	5%	3%	6%	0%
17 to 23	2%	0%	5%	0	0	0
Average	8	8	8	8	8	8

Larger company boards still held more committee meetings

- » Overall, *CSSBI 100* boards held an average of five committee meetings in 2019, based on a sample of meetings for three core committees, audit, Gov/NomCo and HRCC.
- » The boards of the larger *CSSBI 100* companies continued to schedule an average of one additional committee meeting.

Number of Committee Meetings Scheduled by *CSSBI 100* Boards (2019 compared to 2016)

<i>CSSBI 100</i> committees	2019			2016		
	Overall	More than \$5 billion (n=57)	\$1 billion to \$5 billion (n=43)	Overall	More than \$5 billion (n=54)	\$1 billion to \$5 billion (n=46)
Audit	5	5	5	5	6	5
Gov/NomCo	4	4	4	4	5	4
HRCC	5	5	4	6	6	5
Average	5	5	4	5	6	5

Attendance at board and committee meetings

Near perfect attendance at board and committee meetings continued

- » Average individual director attendance (either in person or via teleconference) at scheduled *CSSBI 100* board and committee meetings was almost perfect, as it has been in Spencer Stuart's annual analyses.
- » *CSSBI 100* boards held an average total of 25 meetings (all scheduled board and committee meetings combined) in 2019.

Attendance at *CSSBI 100* Board and Committee Meetings (2019 compared to 2016)

	2019	2016
Board meetings	98%	98%
Committee meetings	98%	98%

Board and non-executive director performance evaluations

Performance evaluations part of the annual board cycle, often facilitated by external advisors

- » Every *CSSBI 100* company evaluated the performance of their individual NXDs, committees and the board overall. Evaluations, for the most part, were conducted annually, based on individual company disclosure.
- » Committee chair evaluations, distinct from the individual NXD evaluation, were held by over half (56%) of the *CSSBI 100* boards.
- » Board chair performance was evaluated by close to all (92%) of *CSSBI 100* companies, in a process typically led by the Gov/NomCo committee of the respective boards.
- » Several *CSSBI 100* boards disclosed having third-party advisors facilitate/lead the assessments of the board, NXDs and chairs.

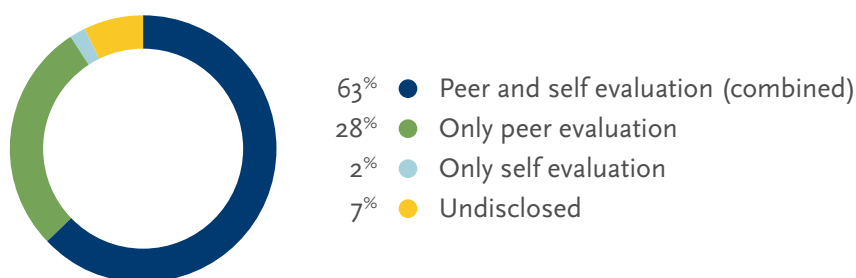
Performance Evaluations on the Boards of *CSSBI 100* Companies



Peer reviews a core part of director evaluation process, capped by a one-on-one with the board chair

- » Close to two-thirds (63%) of *CSSBI 100* boards used combined peer and self-evaluations to review NXD performance, and as critical inputs for board performance overall.
- » A significant number of the boards (28) used peer evaluation exclusively; only two boards relied solely upon a self-evaluation method.
- » Additionally, one-on-one feedback from the board chair was usually part of the evaluation process for individual NXDs throughout the *CSSBI 100*.

Methods used by *CSSBI 100* Boards to Evaluate NXDs in 2020



Share ownership requirements for non-executive directors

Directors with “skin in the game”

- » In 2020, nearly all (98%) *CSSBI 100* board had a minimum share ownership requirement for their NXDs.
- » 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 (82%), the minimum value of shares was a multiple based on the annual director retainer, including the equity portion.

Minimum Share Ownership Requirements for NXDs of *CSSBI 100* Boards (2020 compared to 2016)

	2020	2016
Less than 2 times retainer value	1%	0%
2 times retainer value	2%	2%
3 times retainer value	55%	56%
4 times retainer value	8%	7%
5 times retainer value	15%	17%
6 times retainer value	3%	3%
7 times retainer value	2%	0%
8 times retainer value	2%	2%
Specified number of shares or dollar value (not a fixed multiple)	10%	12%
No minimum requirement	2%	1%

Majority voting for non-executive directors

Majority voting well established as a best practice

- » As of 2020, nearly all *CSSBI 100* boards had voluntarily adopted majority voting procedures for the election of their NXDs.

Boards of *CSSBI 100* Companies with Majority Voting (2020, 2016 and 2012)



Policies for interlocking directorships and limits on board service

Board interlocks were checked and limited

- » Most boards, based on disclosure, reviewed interlocks (when board members serve together on the board of another public company), on a case-by-case level to ensure high levels of independence among board members.
- » Limits on interlocks were disclosed and applied by 30 *CSSBI 100* boards: the majority (26 of 30) permitted no more than one interlock (i.e., no more than two board members could serve together on another public company board).

Over-boarding kept in check

- » In 2020, close to one-third (30) of boards of *CSSBI 100* companies set and disclosed hard limits on the number of concurrent, listed-company boards upon which their NXDs could serve. This was typically a maximum of four boards.
- » Informal limits often applied, reflecting the desire of *CSSBI* boards for engaged directors with the appropriate time to dedicate to their roles. These were often applied to the NXD recruitment process, with some boards (based on Spencer Stuart's recent work) eliminating candidate prospects already holding two concurrent public boards.
- » Additionally, NXDs often need to seek prior approval from the board chair before accepting additional board mandates.

Retirement practices for non-executive directors

Retirement for NXDs often not fixed, term limits on the rise

- » Mandatory retirement ages and/or term limits were in effect at 60% of *CSSBI 100* boards in 2020, a decrease of two compared to the total Spencer Stuart reported in the 2016 *CSSBI*.
- » Service limits (either hard age or term limits) were still not applied at 40% of *CSSBI 100* boards. Some boards, based on disclosure, have chosen to rely on their director evaluation process to guide the length of a director's service.
- » Term limits, used exclusively, were employed by 12 *CSSBI 100* boards, a notable increase of six compared to the total in 2016.

Retirement Practices for NXDs of the *CSSBI 100* (2020 compared to 2016)

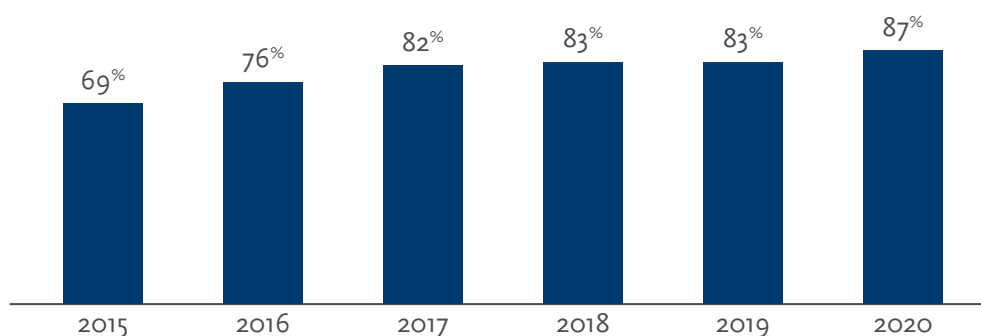
Retirement practice	Number of <i>CSSBI 100</i> Boards	
	2020	2016
Retirement ages and term limits used together	28	23
Retirement ages (exclusively)	20 (average, 73)	33 (average, 73)
Term limits (exclusively)	12 (10 to 20 years of service)	6 (10 or 15 years of service)
Total with mandatory retirement age and/or term limit	60%	62%
Total without a mandatory retirement age and/or term limit	40%	31%
Practice not disclosed	0	7

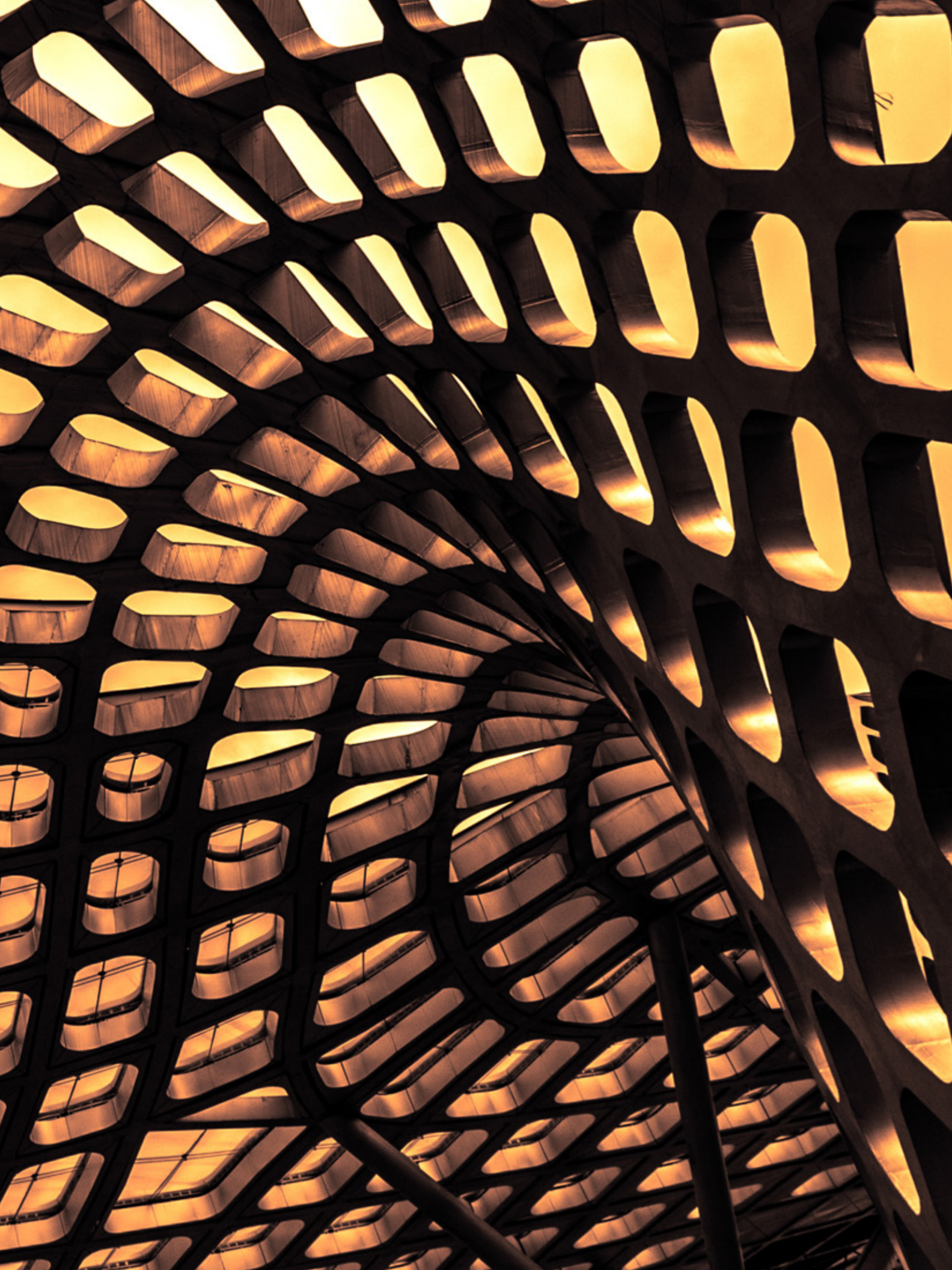
Shareholder advisory votes on executive compensation

“Say on pay” votes almost fully adopted

- » Advisory (non-binding) shareholder votes on executive compensation plans were held by almost 90% *CSSBI 100* boards in 2020.
- » The number of boards following this practice increased in 2020, after being flat from 2017 through 2019.

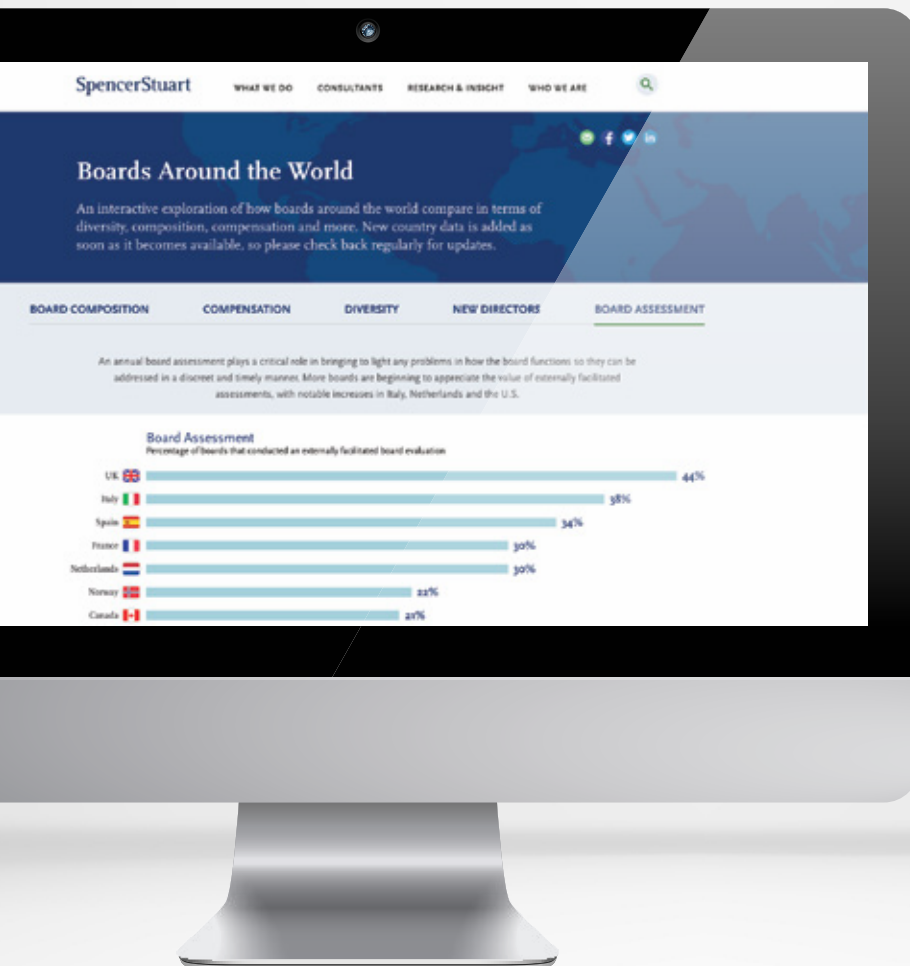
“Say on Pay” Votes Held by the Boards of *CSSBI 100* Companies (2015 to 2020)





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 ^a				AGE, TENURE AND SERVICE LIMITS ^{a,c}			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 ^a	AVERAGE DIRECTOR TENURE (YEARS)	AVERAGE AGE OF DIRECTORS (YEARS)	BOARD MEETINGS PER YEAR ^b	NUMBER OF STANDING COMMITTEES	BOARD CHAIR RETAINER \$+d	DIRECTOR RETAINER \$ ^e	BOARD MEETING FEE \$ ^e	COMMITTEE CHAIR RETAINER \$ ^e	COMMITTEE MEETING FEE \$ ^e	COMMITTEE MEMBER RETAINER \$ ^e
Aecon Group Inc.	Yes	Yes	10	2	2	3	75/15 years	11.7	68.0	9	4	700,000	200,000	N/A	12,500	N/A	7,500
Agnico Eagle Mines Limited	Yes	No	10	1	2	3	No	13.7	67.8	6	4	U.S. 225,000+	U.S. 100,000+	N/A	U.S. 15,000	N/A	N/A
Air Canada	Yes	No	12	1	4	4	75/15 years	6.2	61.0	13	4	415,000	195,000	N/A	20,000	N/A	10,000
Algonquin Power & Utilities Corp.	Yes	No	10	2	4	3	71	7.0	63.1	13	4	U.S. 275,000	U.S. 175,000	U.S. 1,500	U.S. 10,000	U.S. 1,500	N/A
Alimentation Couche-Tard Inc.	Yes	Yes	13	6	2	4	No	7.2	62.6	11	2	N/A	100,000	2,000	25,000	2,000	5,000
AltaGas Ltd.	Yes	No	11	2	3	4	75/15 years	4.8	63.5	6	4	350,000	200,000	N/A	15,000	N/A	6,000
ATCO Ltd.	No	Yes	9	3	3	3	70	9.8	71.1	7	2	N/A	195,000	25,000	29,500	2,000	4,500
Bank of Montreal	Yes	No	12	1	5	5	70/15 years	7.9	62.0	10	4	435,000	225,000 ¹	N/A	50,000	N/A	15,000 ⁸
The Bank of Nova Scotia	Yes	No	14	1	4	6	70/12 years	5.6	59.2	10	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	64.5	6	3	N/A	U.S. 275,000	N/A	U.S. 25,000	N/A	U.S. 15,000
BCE Inc.	Yes	No	16	1	2	4	12 years	5.6	66.5	6	4	460,000	225,000	N/A	10,000 ²	N/A	N/A
BlackBerry Limited	No	Yes	9	1	6	3	No	6.1	66.8	5	2	N/A	270,000	N/A	20,000	N/A	N/A
Bombardier Inc.	Yes	Yes	12	5	5	4	72	5.5	60.8	10	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	5	No	8.6	67.8	9	4	U.S. 500,000	U.S. 200,000	N/A	U.S. 15,000	N/A	U.S. 10,000 ¹⁰
BRP Inc.	No	Yes	11	7	5	2	No	8.0	54.0	7	4	N/A	U.S. 150,000	N/A	U.S. 7,500	N/A	U.S. 5,000
CAE Inc.	Yes	No	10	1	2	2	72/12 years	5.4	61.7	7	3	310,000	167,000	N/A	20,000	N/A	10,000
Cameco Corporation	Yes	No	10	1	1	4	72/15 years	7.3	64.4	8	5	375,000	200,000	N/A	11,000	N/A	5,000
Canadian Imperial Bank of Commerce	Yes	No	15	1	4	6	75/15 years	8.6	63.8	8	4	425,000	215,000 ¹	N/A	50,000	N/A	15,000 ⁸
Canadian National Railway Company	Yes	No	14	1	5	6	75/14 years	12.1	65.5	7	8	U.S. 550,000	U.S. 235,000	N/A	U.S. 65,000	N/A	U.S. 55,000 ⁹
Canadian Natural Resources Limited	Yes	Yes	11	3	2	3	75	13.1	66.1	6	5	N/A ³	42,500+	1,500	10,000	1,500	5,000
Canadian Pacific Railway Limited	Yes	No	11	1	4	5	No	3.8	62.9	7	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	5	3	4	No	10.1	N/Avail	11	4	500,000	170,000	2,000	13,500	2,000	5,000
Canfor Corporation	Yes	No	12	3	2	2	No	5.4	65.4	7	5	150,000	90,000	2,000	5,000	2,000	5,000
Cascades Inc.	Yes	Yes	13	4	0	6	72/20 years	11.0	58.8	12	4	N/A	80,000	N/A	25,000	N/A	18,500
CCL Industries Inc.	Yes	Yes	10	4	2	3	75	9.8	62.4	6	4	N/A	92,500	2,000	12,000	2,000	N/A
Celestica Inc.	Yes	No	9	2	4	2	75	7.2	64.6	9	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	4	3	12 years	2.7	62.4	7	4	330,000	190,000	N/A	10,000	N/A	5,000
CGI Inc.	Yes	Yes	16	5	5	5	No	12.2	64.2	7	3	N/A	225,000 ¹	N/A	25,000	N/A	20,000 ⁸
Chemtrade Logistics Income Fund	Yes	No	6	1	0	3	No	7.5	61.2	8	3	235,000	150,000	N/A	10,000	N/A	N/A
CI Financial Corp.	Yes	Yes	8	3	1	2	12 years	7.4	59.4	5	2	250,000	140,000	N/A	20,000	N/A	N/A

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 ^a	AVERAGE DIRECTOR TENURE (YEARS)	AVERAGE AGE OF DIRECTORS (YEARS)	BOARD MEETINGS PER YEAR ^b	NUMBER OF STANDING COMMITTEES	BOARD CHAIR RETAINER \$+d	DIRECTOR RETAINER \$ ^e	BOARD MEETING FEE \$ ^e	COMMITTEE CHAIR RETAINER \$ ^e	COMMITTEE MEETING FEE \$ ^e	COMMITTEE MEMBER RETAINER \$ ^e
Cineplex Inc.	Yes	No	9	1	1	4	No	6.6	63.0	6	2	175,000	100,000	N/A	15,000	N/A	N/A
Cogeco Inc.	Yes	Yes	12	2	2	2	No	7.1	70.0	7	4	N/A	130,000	N/A	15,000	N/A	N/A
Constellation Software Inc.	No	Yes	15	7	3	3	No	4.4	55.3	12	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	9.8	59.9	6	3	190,000	125,000	1,500	8,500	1,500	3,000
Dorel Industries Inc.	No	Yes	10	4	1	2	No	18.4	68.2	16	3	N/A	160,000	N/A	10,000	N/A	N/A
Emera Incorporated	Yes	No	11	2	3	4	No	7.1	64.2	6	4	425,000	227,500	N/A	17,500	N/A	10,500
Empire Company Limited	Yes	No	14	1	2	5	72/15 years	12.5	62.5	6	4	450,000	220,000 ^d	N/A	15,000	N/A	N/A ^d
Enbridge Inc.	Yes	No	11	3	6	4	73/15 years	5.6	66.9	7	5	U.S. 550,000	U.S. 285,000	N/A	U.S. 15,000	N/A	N/A
Fairfax Financial Holdings Limited	No	Yes	12	5	3	3	No	7.6	64.8	6	3	N/A	75,000	N/A	5,000	N/A	N/A
Finning International Inc.	Yes	No	12	1	6	4	72	6.0	64.9	7	4	395,000	230,000	N/A	15,000	N/A	N/A
First Quantum Minerals Ltd.	No	Yes	8	2	6	2	No	9.8	64.4	5	4	N/A	U.S. 165,000	N/A	U.S. 10,000	N/A	U.S. 5,000
Fortis Inc.	Yes	No	10	1	5	4	72/12 years	4.7	61.7	10	3	405,000	220,000	N/A	15,000	N/A	7,500
George Weston Limited	No	Yes	10	2	2	3	75	6.4	64.3	5	4	N/A	225,000	N/A	15,000	N/A	7,500
Gibson Energy Inc.	Yes	No	9	1	3	3	No	5.0	62.3	7	3	244,700	160,000	N/A	10,000	N/A	N/A
Gildan Activewear Inc.	Yes	No	11	1	4	3	72/15 years	4.6	62.3	9	3	U.S. 325,000	U.S. 180,000	U.S. 1,500	U.S. 10,000	U.S. 1,500	N/A
Husky Energy Inc.	Yes	No	15	6	10	2	No	15.1	71.9	5	4	205,000	205,000	N/A	10,000	N/A	5,000
Hydro One Limited	Yes	No	11	1	0	5	75/12 years	1.8	61.0	7	4	120,000	80,000	N/A	5,000	N/A	N/A
iA Financial Corporation Inc.	Yes	No	13	1	3	5	15 years	4.2	60.5	11	4	220,000	100,000	N/A	25,000	N/A	15,000
Imperial Oil Limited	No	No	7	2	2	2	72	7.5	64.3	7	5	N/A	110,000+	N/A	N/A	N/A	N/A
Intact Financial Corporation	Yes	No	11	1	4	4	12 years	7.1	61.8	6	4	400,000	210,000	N/A	25,000	N/A	9,000
Interfor Corporation	Yes	No	11	1	4	3	75/10 years	9.4	67.3	4	4	250,000	125,000	N/A	10,000	N/A	N/A
Keyera Corp.	Yes	Yes	10	1	1	3	72/12 years	5.7	62.3	6	3	285,000	170,000	N/A	30,000	N/A	15,000
Kinross Gold Corporation	Yes	No	10	1	2	3	73/10 years	7.0	61.4	11	4	480,000	240,000	N/A	30,000	N/A	15,000
Linamar Corporation	Yes	No	6	3	0	2	70	19.2	67.0	5	2	N/A	65,980	N/A	N/A	N/A	N/A
Magna International Inc.	Yes	No	12	1	7	4	12 years	4.9	64.5	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	13	1	4	5	12 years	8.6	66.8	6	4	U.S. 400,000	U.S. 205,000	N/A	U.S. 40,000	N/A	N/A
Maple Leaf Foods Inc.	Yes	No	10	2	1	3	75/15 years	4.9	61.1	9	4	350,000	175,000	N/A	15,000	N/A	2,000
Martinrea International Inc.	Yes	Yes	8	2	3	2	No	9.3	64.3	6	3	N/A	210,000	N/A	15,000	N/A	4,000
Methanex Corporation	Yes	No	12	1	6	5	No	5.7	62.5	10	4	430,000	240,000	N/A	10,000	N/A	10,000 ¹⁰
Metro Inc.	Yes	No	13	3	1	4	72/15 years	7.1	62.8	6	3	250,000	110,000 ¹	N/A	10,000	N/A	10,000 ⁸

Comparative Board Data

	BOARD CHAIRS AND LEAD DIRECTORS		NUMBER OF DIRECTORS ^a				AGE, TENURE AND SERVICE LIMITS ^b			MEETINGS AND COMMITTEES		BOARD COMPENSATION ^{c,d,e}					
	SEPARATE CHAIR AND CEO	LEAD DIRECTOR	TOTAL	RESIDENT IN CANADA	NUMBER NOT IN CANADA	NUMBER OF WOMEN	MANDATORY RETIREMENT AGE AND/OR TERM LIMITS ^f	AVERAGE DIRECTOR TENURE (YEARS)	AVERAGE AGE OF DIRECTORS (YEARS)	BOARD MEETINGS PER YEAR ^g	NUMBER OF STANDING COMMITTEES	BOARD CHAIR RETAINER \$+d	DIRECTOR RETAINER \$+d	BOARD MEETING FEE \$+e	COMMITTEE CHAIR RETAINER \$+d	COMMITTEE MEETING FEE \$+e	COMMITTEE MEMBER RETAINER \$+d
National Bank of Canada	Yes	No	15	1	0	6	12 years	4.7	60.3	15	4	365,000	140,000	N/A	25,000	N/A	15,000
NFI Group Inc.	Yes	No	9	1	5	3	75/15 years	8.1	65.0	13	2	U.S. 360,000	U.S. 180,000	N/A	U.S. 15,000	N/A	N/A
Nutrien Ltd.	Yes	No	11	1	4	4	72	2.5	59.7	6	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	4	3	No	14.4	70.5	6	2	N/A	U.S. 240,000	N/A	U.S. 20,000	U.S. 5,000	U.S. 4,500
Open Text Corporation	Yes	No	11	2	5	3	No	11.5	61.1	7	3	U.S. 495,000	U.S. 295,000	N/A	U.S. 14,000	N/A	U.S. 8,000
Parkland Corporation	Yes	No	9	1	0	2	No	9.8	65.0	7	3	395,000	155,000	1,500	10,000	1,500	N/A
Pembina Pipeline Corporation	Yes	No	11	1	4	4	72	5.6	63.0	8	4	400,000	205,000	N/A	17,500	N/A	12,500
Power Corporation of Canada	Yes	Yes	13	3	3	2	No	11.9	64.5	11	4	350,000	200,000	N/A	15,000	N/A	5,000
Premium Brands Holdings Corporation	Yes	No	7	1	0	1	75	10.6	59.3	7	3	265,000	95,000	N/A	12,500	N/A	3,500
Quebecor Inc.	Yes	Yes	9	3	0	4	No	6.3	65.1	9	2	390,000	90,000	20,000 ⁵	26,000	20,000	15,000
Resolute Forest Products Inc.	Yes	Yes	7	2	1	2	No	6.3	64.1	8	4	U.S. 300,000	U.S. 150,000	N/A	U.S. 15,000	N/A	N/A
Restaurant Brands International Inc.	Yes	No	11	1	8	1	No	3.9	54.6	1	5	U.S. 100,000+	U.S. 50,000+	N/A	N/A	N/A	U.S. 10,000
RioCan Real Estate Investment Trust	Yes	No	9	2	1	2	75/15 years	11.8	67.8	5	4	375,000	170,000	1,500	10,000	1,500	N/A
Rogers Communications Inc.	Yes	Yes	15	7	0	5	No	15.9	63.6	7	7	1,000,000	230,000	N/A	15,000	N/A	5,500
Royal Bank of Canada	Yes	No	15	1	5	7	70/15 years	7.3	61.4	8	4	575,000	300,000	N/A	50,000	N/A	N/A
Russel Metals Inc.	Yes	No	9	2	2	2	75/10 years	9.7	67.6	4	4	295,000	170,000	N/A	12,000	N/A	N/A
Saputo Inc.	No	Yes	10	2	0	5	No	7.2	59.9	10	2	N/A	240,000 ⁶	N/A	75,000 ²	N/A	20,000 ¹¹
Shaw Communications Inc.	No	Yes	14	1	4	3	No	12.3	68.8	9	3	N/A	150,000	N/A	15,000	N/A	N/A
Shopify Inc.	No	Yes	6	1	2	2	No	6.0	59.2	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	5	3	15 years	2.3	60.6	5	4	400,000	180,000	2,250	12,000	2,250	N/A
Stantec Inc.	Yes	No	8	2	2	3	15 years	4.1	65.1	7	3	125,000+	50,000+	N/A	18,000	N/A	N/A
Stella-Jones Inc.	Yes	No	9	1	4	3	75/15 years	4.3	58.9	5	4	150,000	107,500	N/A	20,000 ⁷	N/A	N/A
Sun Life Financial Inc.	Yes	No	11	1	4	4	12 years	6.6	62.4	11	4	440,000	225,000	N/A	45,000	N/A	10,000
Suncor Energy Inc.	Yes	No	10	1	5	4	72	8.3	63.9	7	4	530,000	290,000	N/A	10,000	N/A	5,000
Superior Plus Corp.	Yes	No	10	2	3	2	72	8.5	60.9	11	4	310,000	120,000	2,000	10,000	2,000	5,000
TC Energy Corporation	Yes	No	14	2	5	4	73/15 years	4.0	61.6	8	4	U.S. 491,000	U.S. 260,000	N/A	U.S. 20,000	N/A	N/A
Teck Resources Limited	Yes	No	12	2	4	3	No	6.7	61.5	6	5	500,000	235,000	N/A	8,000	N/A	7,500
TELUS Corporation	Yes	No	12	1	0	5	15 years	5.5	63.3	6	4	510,000	230,000	N/A	15,000	N/A	N/A
TFI International Inc.	No	Yes	10	1	3	4	No	9.6	66.9	6	3	N/A	120,000	1,500	12,000	1,500	5,000
Thomson Reuters Corporation	Yes	Yes	12	5	7	2	No	10.2	63.1	9	4	U.S. 600,000	U.S. 225,000	N/A	U.S. 50,000	N/A	N/A
Toromont Industries Ltd.	Yes	Yes	10	1	0	3	72	8.6	65.2	5	3	325,000	120,500	2,000	12,000	2,000	5,000

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 ^b	NUMBER OF STANDING COMMITTEES	BOARD CHAIR RETAINER \$ ^{c,d}	DIRECTOR RETAINER \$ ^e	BOARD MEETING FEE \$ ^f	COMMITTEE CHAIR RETAINER \$ ^g	COMMITTEE MEETING FEE \$ ^g	COMMITTEE MEMBER RETAINER \$ ^g
The Toronto-Dominion Bank	Yes	No	13	1	4	5	75/10 years	7.9	65.2	10	4	445,000	225,000 ¹	N/A	52,500	N/A	15,000 ⁹
TransAlta Corporation	Yes	No	11	1	3	5	75	4.4	63.2	5	4	330,000	160,000	N/A	15,000	N/A	N/A
Transat A.T. Inc.	No	Yes	12	1	0	4	75	12.6	66.0	23	4	N/A	85,000	1,500	13,500	1,500	5,000
Transcontinental Inc.	Yes	Yes	13	5	0	5	No	10.0	58.3	6	3	1,033,678	90,000	N/A	18,000	N/A	10,000
Uni-Select Inc.	Yes	No	10	1	3	2	72/15 years	2.4	56.9	23	3	U.S. 225,000	U.S. 80,000	U.S. 1,750	U.S. 20,000	U.S. 1,750	N/A
Wajax Corporation	Yes	No	10	1	2	3	70	10.6	63.4	9	3	225,000	90,000	1,500	10,000	1,500	N/A
West Fraser Timber Co. Ltd.	Yes	Yes	10	1	2	2	No	10.2	63.8	5	4	465,000	170,000	N/A	10,000	N/A	N/A
WSP Global Inc.	Yes	No	8	2	3	3	No	5.4	61.1	8	2	407,576	180,000	N/A	25,000	N/A	5,000
Yamana Gold Inc.	Yes	Yes	8	1	3	3	75	10.7	62.9	14	4	N/A	U.S. 175,000	U.S. 2,000	U.S. 12,500	U.S. 1,750	N/A

Notes for column headings

* Does not reflect changes made by the boards of individual *CSSBI 100* companies after August 31, 2020.

** Average board tenure and ages are as of the end of October, 2020.

*** All amounts are in \$CAD, unless otherwise indicated, and do not reflect temporary reductions in compensation (made by certain companies) in response to the pandemic.

- Mandatory director retirement ages and/or term 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 company Information Circulars.
- Figures include dedicated board chair retainer and regular annual director retainers, where applicable. See company disclosure for further detail on remuneration practices for directors not resident in Canada.
- Figures include compensation in equity, except where noted with "+", which indicates additional share compensation. See company disclosure for further detail.
- Paid for regularly scheduled board and committee meetings. Additional fees for travel, where applicable, are not reflected here.
- Indicates the lowest committee chair retainer paid (if variable).
- Indicates the lowest committee member retainer (if variable).

Notes for comparative board data

N/A: not applicable.

N/Avail: not available and/or not disclosed.

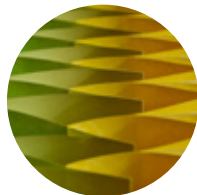
- Includes membership on one committee.
- Represents the additional amount paid above the base annual director retainer.
- The executive chairman is a significant shareholder of the corporation and does not receive additional compensation for chairing the board.
- All-inclusive retainer: members of one committee \$220,000, members of two or more committees \$225,000.
- Annual lump sum.
- Base annual retainer; board members who serve on a committee receive \$260,000.
- Restricted to chair of the audit committee.
- In excess of one committee.
- Includes service on most committees of the board.
- Restricted to the audit committee.
- Indicates the difference between the retainer for board members who serve on a committee and the base retainer for those who do not. See note 6.

Research and Insights

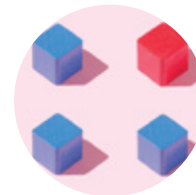
Spencer Stuart regularly explores the key concerns of boards and senior management, as well as innovative solutions to the challenges they face.



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on CEO Succession?



Becoming a
Non-Executive Chair



Now is the Time to Revisit Your
Emergency Succession Plan



Building a Better Board
and CEO Partnership



Meet Your New
CEO ... on Video



Where is Your Organization in
Its Digital Transformation?



When an Executive Chair
Helps or Hinders
Company Performance



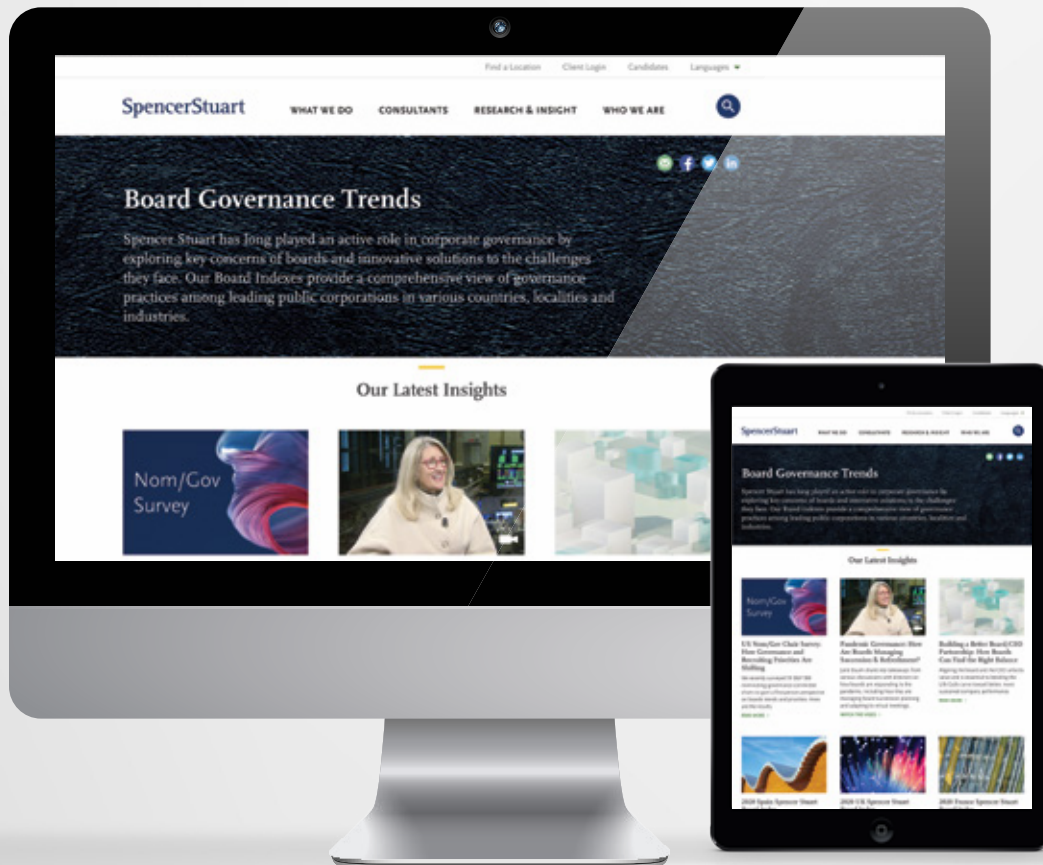
Getting Real Value
from Board Assessments:
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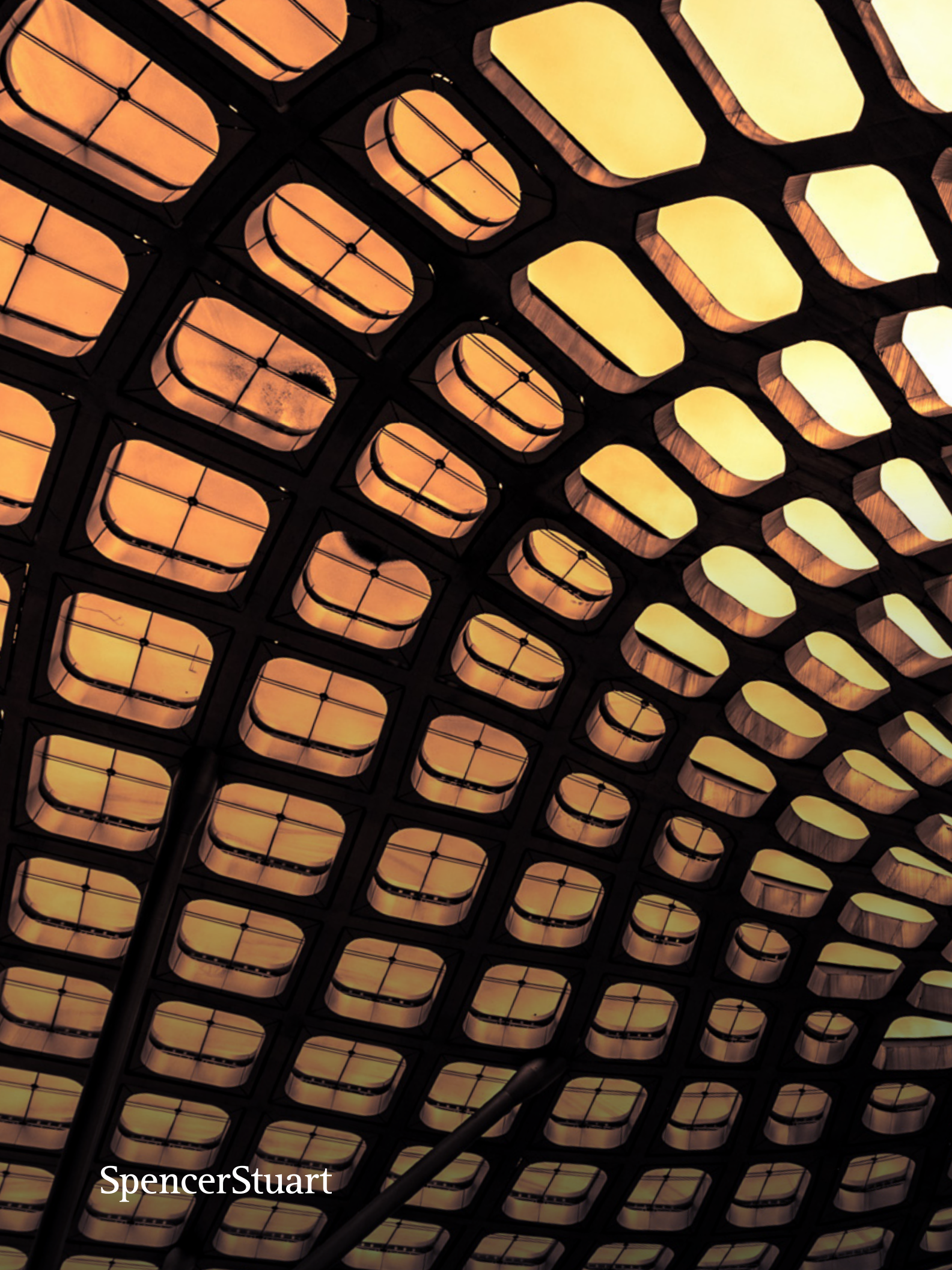
Board Governance Trends: A Global View



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