



**CCGG**

Canadian Coalition  
for Good Governance

THE VOICE OF THE INVESTOR

# 2025 BEST PRACTICES

FOR PROXY CIRCULAR DISCLOSURE

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## INTRODUCTION

Since 2004, the Canadian Coalition for Good Governance (CCGG) has prepared best practices documents for reporting issuers. These documents, including this “2025 Best Practices for Proxy Circular Disclosure” publication, provide examples of excellent disclosure by Canadian issuers in the area of corporate governance, including as this relates to the oversight of material environmental and social matters, and executive compensation.

### Mission of CCGG

The Members of the Canadian Coalition for Good Governance are Canadian institutional investors that together manage approximately \$6 trillion in assets on behalf of pension fund contributors, mutual fund unit holders and other institutional and individual investors. CCGG promotes good governance practices, including the governance of environmental and social matters, at Canadian public companies, and assists institutional investors in meeting their stewardship responsibilities. CCGG works towards the improvement of the regulatory environment to best align the interests of boards and management with those of their investors, and to increase the efficiency and effectiveness of the Canadian capital markets.

### Why proxy disclosure matters

The proxy circular is the primary means for a board to communicate its corporate governance practices to the company’s shareholders. Shareholders expect the circular to articulate, in plain language, the governance practices and activities of the board, the qualifications of directors, and the issuer’s executive compensation programs.

### How to use this document

We hope that issuers are familiar with and model their policies and behaviours based on the guidelines laid out in CCGG’s *Building High Performance Boards*, *Executive and Director Compensation Guidebook*, *The Directors’ E&S Guidebook*, and other CCGG publications. This document gives life to our principles and provides inspiration for creating and disclosing good corporate governance practices.

### A note on terminology

In this document, any use of the term “company” refers broadly to any reporting issuer and likewise any use of the term “share” refers to any form of traded equity.

### Feedback

We value your feedback. Please feel free to send us best practices you have come across or other suggestions for improvement.

You can reach us at [jslazyk@ccgg.ca](mailto:jslazyk@ccgg.ca).

## RECOMMENDED TOOLS FOR DISCLOSURE

Companies should use plain language in their disclosure documents, but other tools also must be employed to give the document structure, ensure flow, and communicate information meaningfully.

1.

### Organize for understanding

Organize the document in a manner that supports an understanding of the information it contains. Issuers should consider whether their disclosure documents are organized in a logical flow so that information continues to build upon itself, if applicable, and does not jump back and forth between different topics.

2.

### Use descriptive headings and employ visual aids

Descriptive headings and subheadings allow readers to quickly find the information they are seeking and break up the document into more manageable pieces. Use charts, tables, or images to explain complicated or detailed information wherever appropriate. These visual aids can explain information more fully and easily than text alone and their use helps to divide the document into smaller pieces for easier reading.

3.

### Draw attention to key ideas

Some effective disclosures by Canadian issuers provide summary overviews of each major section while others use highlight boxes to draw readers' attention to the main ideas. For example, issuers should consider using a plain language 'letter to shareholders' from the chair of the board near the beginning of the circular summarizing the key ideas that the board wishes to relay to shareholders.

4.

### Group related information

Grouping related information helps readers better understand the overall message being conveyed and reduces redundancies in disclosure documents. Whenever possible, the reader should not be made to jump around to different sections to understand a single component of compensation.

5.

### Introduce at a high level

For disclosure of executive compensation plans, CCGG encourages boards to include a plain-language introduction to the CD&A section that provides a high-level overview of the board's approach to executive compensation decision-making as well as any recent changes to its compensation program.

6.


### Avoid industry talk

Avoid jargon that confuses the message. When it is necessary or best to use industry terminology or technical information, define or explain terms clearly.

## INTEGRATION OF E&S FACTORS IN PROXY CIRCULAR DISCLOSURE

In response to expectations of institutional investors regarding environmental and social (E&S) related oversight and disclosure, CCGG is pleased to note an increasing integration of such factors into key areas of proxy circular disclosure. Along with performance measures and risk considerations, investors are expecting boards to address how E&S factors are impacting other areas such as development of corporate strategy, incentive systems, and director recruitment.

While it is recognized that board practices and disclosure frameworks will continue to evolve, several examples throughout this document provide useful guidance on how companies are working to meet investor expectations.

Examples of topics where issuers have effectively integrated E&S considerations into their disclosure are denoted by: 

For additional guidance, CCGG's 2018 publication [\*The Directors' E&S Guidebook\*](#) provides further recommendations for effective board oversight and company disclosure on E&S matters and also attempts to highlight examples which demonstrate the board's approach to important E&S issues.

## DISCLOSURE OF GOVERNANCE PRACTICES

Proxy circulars should articulate a company’s governance practices clearly. This section provides examples of excellent disclosure in the following areas:

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## Majority Voting

### TMX Group, 2025 Proxy Circular, page 9

#### Majority voting

You can vote for, or withhold your vote, from each nominated director.

According to our director qualification policy, directors who receive more withheld votes than for votes in an uncontested election have not received the support of shareholders, and must resign.

The governance and regulatory oversight committee will review the resignation and, unless there are exceptional circumstances, recommend that the board accept the resignation. The board will announce its decision about accepting the resignation in a press release within 90 days following the meeting. The board will accept the resignation unless there are exceptional circumstances. If the board does not accept the resignation, it will explain why. The director will not participate in these discussions.

The board can appoint another suitable director, or choose not to fill the vacancy until the next annual meeting, as long as it meets the requirements of our recognition orders, and the corporate and securities laws that apply to us.

## Discussion

As of August 31, 2022, companies incorporated under the Canada Business Corporations Act (CBCA) are subject to a legislated majority voting regime in which shareholders may vote for or against director nominees. CCGG believes this development underlines the importance of majority voting, and where an issuer is *not* incorporated under the CBCA, expects such companies to disclose a majority voting policy that is similar to the model form which CCGG has espoused since 2006 and that contains the following important elements:

- directors with more votes withheld than in favour must submit resignations promptly,
- the board must accept resignations except in exceptional circumstances, and
- the board must announce its decision to either accept or reject the resignation in a press release within 90 days, including reasons for not accepting the resignation, if applicable.

## Voting Results

### Cogeco Communications Inc., 2025 Report of Voting Results

#### 1. Election of Directors

Each of the nominees listed in the Information Circular was elected as a director of the Corporation. Individual director results are set out below:

Nominee	Votes For (Aggregate)	%	Votes Against (Aggregate)	%	Votes For (Subordinate Voting Shares)	%	Votes Against (Subordinate Voting Shares)	%
Colleen Abdoulah	142,794,968	99.99%	16,530	0.01%	22,786,258	99.93%	16,530	0.07%
Louis Audet	139,527,856	97.70%	3,283,641	2.30%	19,519,146	85.60%	3,283,641	14.40%
Arun Bajaj	141,977,682	99.42%	833,816	0.58%	21,968,972	96.34%	833,816	3.66%

## Discussion

When a dual class share company reports the results of director elections, in addition to disclosing the aggregate voting results, the company should also disclose the voting results for subordinate voting shares separately, as displayed in the above example from Cogeco Communications.

## Director and Board Independence

### Cogeco Communications Inc., 2025 Proxy Circular, page 23

Nominees as Directors	Independence Status		
	Independent	Not Independent	Reason for non-independence status
Colleen Abdoulah	✓		
Louis Audet		✓	Board Chair of the Corporation and controlling shareholder of Gestion Audem inc., which is the controlling shareholder of Cogeco Inc.
Émilie Audet		✓	Employee of the Corporation and family ties with Louis Audet, the controlling shareholder of Gestion Audem inc., which is the controlling shareholder of Cogeco Inc.
Arun Bajaj	✓		
Robin Bienenstock	✓		
James Cherry	✓		
Bart Demosky	✓		
Pippa Dunn	✓		
Dahra Granovsky	✓		
Michael Hanley	✓		
Frédéric Perron		✓	President and Chief Executive Officer of the Corporation



### Discussion

Cogeco Communications uses a table to clearly identify which directors are independent and why certain directors are not classified as independent. Also, more than two thirds of the board is comprised of independent directors.

### Director Interlocks

#### EQB Inc., 2025 Proxy Circular, page 51

##### Service on other boards

The Board has an interlock policy which states that no more than two directors may serve on the same public company board without the consent of the Governance and Nominating Committee.

The Governance and Nominating Committee reviews external board and committee memberships of all directors as part of its annual review of director independence.

There is currently one interlocking board membership among our director nominees: Rowan Saunders, President and CEO of Definity Financial Corp. ("Definity") and Michael Stramaglia both serve as Directors of Definity. The Governance and Nominating Committee has determined that this relationship does not impair the ability of these directors to act independently.

### Discussion

Boards should limit the number of director interlocks. EQB discloses their policy on director interlocks and indicate which of its board members also serve together on the boards of other public companies. EQB also presents the board's opinion on existing interlocks and indicates that outside directorships are reviewed regularly.

### Independence of the Board Chair

#### Emera Incorporated, 2025 Proxy Circular, page 38

##### Director and Chair Independence

Ms. Sheriff, the Chair of the Board, is an independent Director. The Articles of Association of the Company ("Articles") require that the Chair of the Board and the President and CEO be separate individuals. The Chair of the Board may not be an employee of the Company or of any subsidiary or affiliate of the Company.

### Discussion

The position of Board Chair should be separate from the CEO. Additionally, the Chair should be independent of a company's management team. Emera has split the roles of CEO and Chair and has appointed an independent Board Chair.

#### Thomson Reuters, 2025 Proxy Circular, page 36

##### Lead Independent Director

Michael E. Daniels is the Board's Lead Independent Director. Among other things, responsibilities of our Lead Independent Director include chairing meetings of the independent directors; in consultation with the Chairman and CEO, approving meeting agendas for the Board; as requested, advising the CEO on the quality, quantity, appropriateness and timeliness of information sent by management to the Board; and being available for consultation with the other independent directors as required.

### Discussion

The controlling shareholder of Thomson Reuters owns more than 50% of the common shares. In such cases, it is acceptable for the Chair to be a "related director" as defined in the CCGG publication [\*Governance Differences of Equity Controlled Corporations\*](#) if the board appoints an independent Lead Director. Thomson Reuters' Chair represents the controlling shareholder and, therefore, is a "related director". However, the company has appointed a Lead Independent Director.

## Director Nominee Profiles

### TransAlta Corporation, 2025 Proxy Circular, page 30



**Thomas M. O'Flynn**  
Corporate Director

#### Profile:

- ✦ Age: 65
- ✦ Residency: New Jersey, United States
- ✦ Director Since: 2021
- ✦ Independent

#### Top Four Relevant Competencies:

- ✦ Accounting, Finance and Tax
- ✦ Electric Energy/Utility
- ✦ M&A/Organizational Change
- ✦ Risk Management

#### Relevant Skills and Qualifications

- ✦ Former CEO and Chief Investment Officer, AES Infrastructure Advisors.
  - ✦ Former Executive Vice President and CFO, Head of US Renewables at AES Corporation, being responsible for all aspects of global finance and M&A teams across six global regions, helping to lead AES through a significant transformation, including strategic exits of non-core markets, that resulted in improved financial stability and allowed for the redeployment of cash to primary growth markets during his tenure, and being a key driver in initiating a major transition to renewables and green energy to significantly improve AES's growth profile and reduce its carbon footprint. Directly managed AES's US renewables business. AES's total shareholder return increased 54 per cent during his tenure and its credit rating improved significantly.
  - ✦ Lead Operating Director of Dimension Renewable Energy, a community solar company.
  - ✦ Operating Director of Exus Management Partners, a renewables management and development company.
  - ✦ Director of Nexus Water Group, a water utility company.
  - ✦ Former Senior Advisor with Energy Impact Partners, a private energy technology fund investing in high-growth companies in the energy, utility and transportation industries.
  - ✦ Former CFO of Powin Energy, a battery energy storage company in which Energy Impact Partners is a significant investor.
  - ✦ Former Senior Advisor, Power and Utility Sector at the Blackstone Group Inc. and former chief operating officer and CFO of Transmission Developers Inc., a Blackstone-controlled entity that develops innovative power transmission projects in an environmentally responsible manner.
  - ✦ Former Executive Vice President and CFO at Public Service Enterprise Group Inc. and former Head of North American Power at Morgan Stanley.
  - ✦ Bachelor of Arts in economics from Northwestern University and Master of Business Administration in finance from the University of Chicago.
  - ✦ Former adjunct professor at Northwestern University for a master's program at the Institute for Sustainability and Energy.
- Mr. O'Flynn has demonstrated an ability to realize shareholder value through his significant senior executive experience at large electricity companies. He has led successful organizational transformations, including by focusing on acquisitions and greenfield development. Accordingly, the Board recommends that Shareholders vote FOR Mr. O'Flynn's re-election to the Board.

#### Prior Year's Voting Results: Voting Results of 2024 Annual Meeting of Shareholders

Votes For: 182,108,667 (96.39%)

Votes Against: 6,814,452 (3.61%)

Board/Committee Membership	Attendance	Attendance Total	Value of Compensation Received in 2024
Board of Directors	6 of 6		
Audit, Finance and Risk Committee (Chair)	9 of 9	100.0%	\$216,602
Investment Performance Committee	4 of 4		

#### Securities Held as at December 31 of Respective Year

Year	Common Shares	Deferred Share Units	Total	Market Value <sup>(2)</sup>	Share Ownership Requirement <sup>(3)</sup>
2024	5,171	30,374	35,545	\$673,933	Meets
2023	5,171	21,306	26,477	\$286,481	
2022	5,171	12,805	17,976	\$225,958	

#### Other Public Board Directorships and Committee Memberships

Company: None  
Committee: N/A  
Public Board Interlocks: None

### Discussion

Director profiles provide shareholders with detailed information about the individuals being nominated to sit on the board. TransAlta's circular not only presents each director's profile but also explains why each director's experiences are relevant to the TransAlta board. Each director's profile also clearly displays other useful information such as the director's share ownership, voting results, attendance, and other public board directorships.

### Board Composition and Succession Planning



#### TELUS Corporation, 2025 Proxy Circular, page 60

##### **Board renewal – Size and composition of the Board, nomination of directors and term limits**

The Corporate Governance Committee is responsible for Board and committee succession planning and for making annual recommendations to the Board regarding the size and composition of the Board and its committees. It also proposes new nominees for election as directors. When considering the Board's size and composition, the Corporate Governance Committee and the Board have two primary objectives:

- To form an effectively functioning Board that presents a diversity of views and business experience
- To select a size that is sufficiently small for the Board to operate effectively, but large enough to ensure there is sufficient capacity to fully meet the demands of the Board and its committees and to facilitate transition when new members are elected or appointed.

[...] The Corporate Governance Committee regularly reviews the profile of the Board, including the age and tenure of individual directors and the representation of diversity, geography and areas of expertise according to the skills matrix. The objective is to have a sufficient range of skills, expertise and experience to ensure the Board can carry out its responsibilities effectively. The Board also strives to achieve a balance between the need for a depth of institutional experience and knowledge available from its members and the need for renewal and new perspectives. Board renewal, in line with these objectives, has been a focus of the Corporate Governance Committee and the Board in recent years. For more information, please refer to the Corporate Governance Committee report on page 74.

The Board does not have a mandatory age limit, but it does have a term limit policy that requires independent directors who join the Board after January 1, 2013, to

tender their resignation to the Corporate Governance Committee after 15 years of service.

The Corporate Governance Committee has the discretion to recommend that the Board extend a director's term for such period as the committee deems appropriate, if it is in the best interests of TELUS to do so. The term limit policy does not replace the rigorous performance assessment process that takes place under the leadership of the Corporate Governance Committee (see page 62 for further details). In conjunction with the Board effectiveness review and as part of the succession planning process, directors are also canvassed on their intention to retire from the Board in order to identify impending vacancies as far in advance as possible. [...]

### IAMGOLD Corporation, 2025 Proxy Circular, page 78

#### TENURE LIMITS

In order to ensure that the Board benefits from a balance of fresh perspectives and the experience of longer-serving directors, the Corporation has adopted the Board Renewal Policy which recommends that the average tenure of the Board not exceed ten (10) years, the length of time for any Board chair or any committee not exceed ten (10) consecutive years. The Board Renewal Policy does not include term or age limits for individual directors as such limits could cause the Board to lose an established and experienced director necessary to ensure continuity and stability in transitioning new directors to the Board. Term limits, however, were approved by the Board for the Board chair and the chair of a Board committee in order to ensure that fresh and diverse perspective and insights are maintained in those roles. The Board's membership has been substantially refreshed in recent years, with all directors nominated for election at the Meeting having joined the Board in the time since September 2021.

#### Discussion

Boards should have a plan in place for the orderly succession of directors and should maintain an evergreen list of potential candidates. To facilitate this, boards should identify the key skills that are required of directors and use a skills matrix to ensure that these skills are accounted for among current and prospective directors (see section entitled [Board Skills Matrix](#)).

Notably, while TELUS has chosen to implement a 15-year term limit, the circular denotes that term limits do **not** replace the need for a robust annual board and director assessment process. While term limits and mandatory retirement ages can be helpful tools to promote board renewal and facilitate long-term succession planning, a rigorous annual assessment of board and individual director effectiveness should

remain the primary mechanisms for boards to evaluate whether individual directors are continuing to add value to the board and whether renewal is necessary to enhance the board's overall performance.

Some boards (such as IAMGOLD) have introduced term limits for board leadership positions (board chair and committee chairs) so that fresh perspectives are maintained within board leadership positions. We believe that refreshment, renewal and succession planning for board leadership positions is just as important as succession planning and renewal for the board as a whole.

### Board Skills Matrix

#### Cameco Corporation, 2025 Proxy Circular, page 35

##### **Skills and experience**

Every year each director completes a self-assessment of their competencies to identify areas where they have significant or demonstrable experience. Each director also identifies their key skills and experiences as part of this assessment. See the director profiles beginning on page 17 for a list of each nominee's key skills and experience.

The chair of the nominating, corporate governance and risk committee or the board chair meets with each director to review their self-assessment. The committee reviews the results for consistency and to be satisfied that the directors possess skills in these areas.



### BCE Inc., 2025 Proxy Circular, page 25

## Competency requirements and other information

We maintain a “competency” matrix in which directors indicate their expertise level in areas we think are required on the Board for a company like ours. Each director has to indicate the degree to which the director possesses these competencies. The table below lists the top four competencies of our director nominees together with their age range, tenure on the BCE Board, languages mastered and region of residency.

	Age			Tenure		Language <sup>(1)</sup>			Region				Top four competencies <sup>(2)</sup>												
Name	< 60	60 – 69	≥ 70	≤ 7 Years	> 7 Years	English	French	Other	Ontario	Québec	Atlantic	Other	Accounting/Finance <sup>(3)</sup>	CEO/Senior Management	Corporate Responsibility <sup>(4)</sup>	Cybersecurity	Governance	Government/Regulatory Affairs	HR/Compensation	Investment Banking/ Mergers & Acquisitions	Media/Content	Retail/Customer	Risk Management	Technology	Telecommunications
M. Bibic	✓			✓		✓	✓		✓				✓					✓			✓				✓
R.P. Dexter		✓			✓	✓					✓			✓		✓			✓			✓			
K. Lee		✓			✓	✓			✓				✓	✓			✓						✓		
M.F. Leroux		✓			✓	✓	✓			✓			✓	✓	✓		✓								
S.A. Murray		✓		✓		✓			✓					✓			✓		✓	✓					
G.M. Nixon (Chair)		✓			✓	✓			✓					✓			✓		✓	✓					
L.P. Pagnutti		✓		✓		✓			✓				✓	✓			✓						✓		
C. Rovinescu		✓			✓	✓	✓		✓					✓					✓			✓	✓		
K. Sheriff		✓			✓	✓			✓					✓									✓	✓	✓
J. Tory		✓		✓		✓			✓					✓	✓				✓			✓			
L. Vachon		✓		✓		✓	✓			✓				✓					✓			✓	✓		
J. Wilbergh <sup>(5)</sup>		✓		✓		✓		✓				✓		✓		✓								✓	✓
C. Wright	✓			✓		✓			✓					✓			✓	✓		✓					

(1) For a language to be included in this matrix, a director must have a level of proficiency in that language that is sufficient to enable the director to use it in all facets of life, including the performance of the duties and functions of a director.

(2) Definitions of competencies:

- Accounting/Finance: experience with, or understanding of, financial accounting and reporting, corporate finance and familiarity with internal financial controls and Canadian GAAP/IFRS
- CEO/Senior Management: experience as a CEO or senior executive of a major public company or other major organization
- Corporate Responsibility: experience with/understanding of corporate responsibility risks and opportunities, including ESG and climate-related matters, and their relationship to the company's business and strategy, and experience in stakeholder expectations and the company's overall ESG obligations and overseeing material corporate responsibility, including climate-related, disclosure
- Cybersecurity: experience in, or understanding of, cybersecurity, including cyber threats, risks and governance
- Governance: experience in corporate governance principles and practices at a major organization
- Government/Regulatory Affairs: experience in, or understanding of, government, relevant government agencies and/or public policy in Canada
- Human Resources/Compensation: experience in, or understanding of, compensation plans, leadership development, talent management, succession planning and human resource principles and practices generally
- Investment Banking/Mergers & Acquisitions: experience in investment banking and/or major transactions involving public companies
- Media/Content: senior executive experience in the media or content industry
- Retail/Customer: senior executive experience in a mass consumer industry
- Risk Management: experience in, or understanding of, internal risk controls, risk assessment, risk management and/or reporting
- Technology: senior executive experience in the technology industry or understanding of relevant technologies
- Telecommunications: senior executive experience in the telecommunications industry.

(3) Each director who has Accounting/Finance as one of their top four competencies is also an “audit financial expert”, with expertise as a chartered accountant, a certified public accountant, a former or current Chief Financial Officer of a public company or corporate controller of similar experience, a current or former partner of an audit company, or having similar demonstrably meaningful audit experience. Please see their bios on pages 12, 13 and 14.

(4) For information regarding the climate expertise of M.F. Leroux, S.A. Murray and J. Tory, please see their bios on pages 13 and 16.

(5) J. Wibergh is proficient in Swedish, and his region of residence is in Barbados.

**Experience with corporate responsibility risks and opportunities, including climate-related matters, is a core competency**



### IAMGOLD Corporation, 2025 Proxy Circular, page 73

Skills	Directors								
	Renaud Adams	Christiane Bergevin	L. Peter O'Hagan	Kevin P. O'Kane	Ann K. Masse	David S. Smith	Murray P. Suey	Anne Marie Toutant	Audra Walsh
Executive leadership / strategic planning	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★
Accounting and audit	★	★★	★★★★	★	★	★★★★	★★★★	★	★
Corporate governance / board	★★★★	★★★★	★★★★	★★	★★★★	★★★★	★★★★	★★	★★
Corporate finance / mergers and acquisitions	★★	★★★★	★★★★	★	★★	★★★★	★★★★	★	★
Corporate social responsibility and sustainability	★★★★	★★	★★	★★★★	★★★★	★★	★★	★★★★	★★
Human Resources management and compensation	★★★★	★	★★★★	★★	★	★★★★	★★	★★★★	★★
Health, safety, environment and climate	★★★★	★★	★	★★★★	★★★★	★★	★	★★★★	★★★★
Government affairs	★★	★★★★	★★★★	★★	★★	★★	★	★	★★
International affairs	★★★★	★★★★	★★★★	★	★	★★★★	★	★★	★★★★
Information technology / cyber security	★★	★	★★	★★	★	★★	★★	★★	★
Legal / compliance / regulatory	★★	★★	★★★★	★★	★★	★★	★★	★★	★★
Communications / investor relations	★★★★	★★★★	★★★★	★	★	★★★★	★★	★	★
Risk oversight	★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★	★★★★	★★
Mine engineering / project development / mine operations	★★★★	★★	★	★★★★	★	★	★	★★★★	★★★★
Mineral exploration	★★	★	★	★	★	★	★	★	★★
Senior officer experience	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★

Scale: ★ Some    ★★ Moderate    ★★★ Extensive

## Discussion

A board skills matrix denotes the areas of expertise that are prioritized on a company's board. To aid in renewal planning and assessments of board effectiveness, skills matrices also reveal any existing or potential gaps in the collective skillset of directors. In some cases, issuers may choose to identify only a director's top 3-5 skills and competencies in the matrices (such as in the case of BCE), or differentiate between directors who have some versus extensive experience in a given area (demonstrated by IAMGOLD). Issuers should also provide a definition as to the type of experience that is included under



each area of competency such that readers may better understand the relevance of each skillset to the particular business.

Both IAMGOLD and BCE's skills matrices also track skills and experiences related to E&S matters. E&S-focused capabilities should be captured in the board skills matrix when such matters are **material** to the corporation's business and pertinent to the board's role in risk management and strategic planning oversight. Furthermore, issuers should clearly define the skills and experience that this type of expertise entails given the unique context and circumstances of their business to ensure that they are recruiting directors with the relevant knowledge to provide guidance in these areas.

Notably, given that skills matrices are typically populated based on a self-assessment completed by each director, Cameco's matrix is also reviewed for consistency to ensure that what constitutes expertise in each area is consistent between directors.

## Director Continuing Education



### Gildan Activewear Inc., 2025 Proxy Circular, page 54-55

#### Continuing Education

Each year, the Governance committee creates a director education program for the fiscal year to ensure directors advance their knowledge of our business through regular presentations by senior management on Gildan's business, financial matters, and operations as well as the industry overall. Directors also attend our annual strategic planning meeting where they have the opportunity to review and discuss Gildan's long-term strategic plan with senior management. With the members of the New Board all onboarding at the same time, senior executives designed a board education program to give directors the most pertinent information and enhance their knowledge about Gildan. Documents presented at the board meetings also included background and historical information to introduce topics within context.

Additionally, directors gain a better understanding of Gildan's operations firsthand by visiting various offices, facilities, and operations. They tour the facilities and receive presentations on a range of topics that are relevant to the local operations. To gain a deeper understanding of Gildan's manufacturing processes and meet local leadership, the New Board spent several days in Honduras in 2024, touring most of the manufacturing facilities and seeing the operations firsthand. Directors also have the opportunity to participate in industry trade shows, which provide insight to the overall industry and Gildan's key customers and competitors.

At the committee level, each committee chair ensures that continuing education topics are added to committee agendas from time to time throughout the year to cover areas critical to director knowledge, particularly in evolving subject areas.

Directors are also encouraged to suggest topics for the director education program and the Governance committee canvasses directors from time to time to determine their training and education needs and interests and to arrange trips to Gildan's facilities and operations. Management schedules presentations on these topics, including sessions with external consultants as appropriate.

In 2024, the New Board adopted a new continuing education program that has four main areas of focus: i) operations, ii) the competitive landscape, products, marketing, and innovation, iii) ESG, risks and governance, and iv) human capital. The table below is a summary of the key presentations that were made or made available to the New Board in fiscal 2024.

2024	Topic	Attendees
June	Gildan Sustainable Growth strategy	All directors
	Customers and competitive landscape	All directors
July	IT strategy and cybersecurity	All directors
	ESG annual presentation covering Gildan's 2023 ESG report and practices	Governance committee
	ERM and business continuity management	All directors
	Executive compensation trends	HR committee
	Executive compensation cycle and incentive programs	HR committee
October	Directors' fiduciary duties	Governance committee
	Anti-corruption compliance	Governance committee
	Country focus (Honduras, Bangladesh, Dominican Republic, and Nicaragua)	All directors
	Supply chain	All directors
	Manufacturing, including a visit to the Honduras facilities	All directors

Directors have full access to our senior management and employees. The board encourages management to address the board in instances where a manager's knowledge and expertise can enhance the board's understanding of a particular issue.

Accordingly, in 2024, various members of management were invited to the board's regularly scheduled meetings to present on topics of interest to the board or management.

### Discussion

Directors should participate in continuing education programs and events in order to enhance their understanding of the company and its business, gain familiarity with key executives, and to address ongoing and emerging issues in the functional areas of the board.

In addition to doing all of the above, Gildan also periodically arranges off-site visits for members of its board to the organization's business operations in key markets. This practice provides board members with an opportunity to visit and learn more about the company's key operations, engage with local stakeholders, and enables directors to provide more effective oversight of the business.

## Director Compensation and Share Ownership

Director compensation should not include retirement benefits, change of control or severance provisions, health care coverage, charitable donations, vehicles, club memberships, pensions, or other such perquisites.

Director compensation plans can facilitate the achievement of minimum director shareholding requirements and encourage directors to continue to invest in the company beyond the minimum share ownership level. In instances where there is an equity-based component of compensation, the amount should not be determined based on corporate performance, as that may compromise the objectivity of directors as stewards of the company on behalf of shareholders. The equity-based component of director compensation should consist of full value awards such as common shares or deferred share units (DSUs) rather than stock options.

### ARC Resources Ltd., 2025 Proxy Circular, page 21

#### Director Compensation

[...] ARC's Director compensation program consists of both a cash and an equity-based component awarded in the form of Deferred Share Units ("DSUs.") The maximum cash component received is 40 per cent of total compensation, with the remaining compensation received in the form of DSUs. A Director may elect to receive up to 100 per cent of their compensation in the form of DSUs. DSUs vest immediately upon grant but cannot be redeemed until the holder ceases to be a Director. This reinforces long-term thinking, reduces unnecessary risk taking and aligns Director compensation with the interests of our shareholders. Each Director has until December 1st in the calendar year following the date on which they cease to be a Director to redeem their awards.

The following table presents the total compensation provided to each non-executive Director in 2024.

Director <sup>(1)</sup>	Board Chair or Member Retainer	Committee Chair Retainer	Total Compensation	Portion Taken as DSUs <sup>(6)</sup>	Portion Taken as Cash
Hal Kvisle	\$445,000	\$—	\$445,000	\$445,000	\$—
Carol Banducci	\$250,000	\$—	\$250,000	\$250,000	\$—
David Collyer	\$250,000	\$15,000	\$265,000	\$185,555	\$79,445

## ARC Resources Ltd., 2025 Proxy Circular, page 23

### Director Share Ownership

Directors are required to hold to three times their total annual retainer (including DSUs). Directors have five years from the date they are appointed to attain these holdings. As of December 31, 2024, and as outlined below, all non-executive Directors meet or exceed the minimum share ownership requirement. Hugh Connett and Michael Culbert have until 2029 to meet the shareholding requirement.

Director	Common Shares	DSUs <sup>(1)</sup>	Total	Value <sup>(2)</sup>	Value as a Multiple of Annual Retainer	Meets Minimum Shareholder Requirements
Hal Kvisle	150,000	451,461	601,461	\$15,680,088	35.2	Yes
Carol Banducci	2,964	41,978	44,942	\$1,171,638	4.7	Yes
David Collyer	20,000	125,133	145,133	\$3,783,617	15.1	Yes
Hugh Connett	1,500	5,660	7,160	\$186,661	0.7	No
Michael Culbert	13,547	7,865	21,412	\$558,211	2.2	No

### Discussion

ARC requires each non-management director to own common shares and/or DSUs equal to at least three times their total annual retainer within five years of appointment to the board.

Of note, even after directors have met the share ownership requirement, 60% of total director compensation continues to be awarded in the form of DSUs. Some ARC board members, including the Board Chair, despite having met their share ownership requirement, chose to receive 100% of their 2024 compensation in the form of DSUs. This practice not only demonstrates the Chair's commitment to the company's future but also sets an expectation of members of senior management to build an equity interest in the company beyond the minimum requirements.

## Board, Committee and Director Assessments

### Emera Inc., 2025 Proxy Circular, pages 42-43

#### Board and Director Performance Assessments

The Board annually assesses its effectiveness in an effort to improve its performance.

Each year, the NCGC, in consultation with the Board Chair, determines the process by which assessments of the Board, individual Directors and Committees will be conducted on their effectiveness and contribution. The process includes the use of

questionnaires and one-on-one interviews with each Director. A report on the assessment is provided to Board members and discussed at the NCGC. The Board considers the report, its findings and a set of priority actions for the year at a Directors-only session. Progress is then monitored throughout the year on the priority actions with oversight on that process by the NCGC.

In determining the 2024 Board and Director performance assessment process, the NCGC, in consultation with the Board Chair, agreed that the same process that was used for the 2023 Board and Director performance assessment would continue to be followed. In addition, in light of the Board Chair transition from Ms. Sheppard to Ms. Sheriff, it was agreed that the 2024 Board and Director Performance Assessment would be conducted by Ms. Sheriff, who also served as Chair of the NCGC until February 21, 2025. [...]

### 2024 Assessment Findings

The principal themes that came out of the 2025 Board and Director Performance Assessment related to strategy, executive leadership and succession planning, and Board effectiveness.

The Directors believe the Company's strategic actions over 2024 have strengthened the Company's financial and credit metrics, and positioned the business for future growth and resiliency.

All Directors expressed the view that the Board continues to function effectively and that the Company prioritizes strong governance. The Assessment identified the desire among Directors to improve and streamline board and committee processes and materials in order to further enhance the effectiveness of the Board.

### 2025 Objectives

While performing the Board and Director performance assessments, Directors proposed areas of future focus as it relates to strategy, management succession planning and Board effectiveness. These included:

- Work with management on the continued evolution of the Company's corporate strategy;
- Continue to assess and advance executive succession plans across Emera's businesses;
- Implement the new Board committee structure and operating model, which involved the combination of the Risk and Sustainability Committee and the Health, Safety and Environment Committee into a single committee, in a manner that further enhances Board effectiveness;
- Implement administrative improvements associated with Board and Committee meetings with the goal of enhancing overall Board effectiveness; and

- Continue to advance renewal of the Board and ensure effective on-going adherence with the Board succession plan.

### Discussion

Instead of providing boilerplate language on the company's director assessment process, Emera's circular provides readers with details on the practical impact of assessments that were conducted in previous years. Emera also provides commentary on major themes that emerged during the assessment process, as well as any objectives identified for the following year. This reiterates that Emera is committed to using the assessment process as a tool for continuous improvement throughout the organization.

### Management Succession Planning

#### Intact Financial Corporation, 2025 Proxy Circular, pages 77

##### Succession Planning

With respect to succession, the Company has a comprehensive succession planning program at various levels within the organization to ensure we are developing talent for future roles and that we are prepared for unplanned departures and retirements. While there is succession planning in each of our core regions, we firmly believe in a global talent model allowing the organization to truly benefit from its best talent whether they are in Canada, the US or the UK, Ireland and Europe. [...]

To play its role, the Board of Directors is supported in this function by the HRC Committee, which makes recommendations on the appointment, assessment, compensation and termination (if applicable) of the CEO and certain other Senior Executives, sees to the assessment of certain Senior Executives and presents annual succession plans for certain Senior Executives. The HRC Committee advises Management in relation to its succession planning, including the appointment, development and monitoring of certain Senior Executives. [...]

To mitigate the risk that the Company's operations suffer from a talent gap, succession planning is reviewed at least annually and implemented continuously to facilitate talent renewal and smooth leadership transitions. Each year, the Chief People Officer reviews succession plans and prepares a succession plan report covering a number of critical positions, including certain Senior Executives and the CEO. For each critical position, a pool of "Ready Now", "Ready in 1 – 3 Years" and "Ready in 3 – 5 Years" candidates is identified. Where a talent gap or risk is observed, a development plan is established to identify and develop potential successors. Individualized development plans may include lateral movements to diversify exposure, leadership training, mentoring and other special programs.

The annual succession plan report is presented to the HRC Committee for review, analysis, discussion and reporting to the Board of Directors. Committee members and Directors actively participate in ongoing discussions with Management relating to succession planning year-round. The members of the HRC Committee and the entire Board of Directors ensure they are exposed to, have direct interactions with, and get to know, the candidates identified in the succession plans for certain Senior Executive positions and can appreciate their skills and expertise first-hand, including through presentations by such individuals at regular meetings, through presentations made at annual training sessions and by meetings and discussions held with the candidates. The members of the HRC Committee firmly believe that they, and the Board of Directors in its entirety, have a comprehensive and deep knowledge of succession planning and identified successors within the organization.

### Discussion

As demonstrated by the above example taken from Intact Financial, a board should monitor succession planning efforts (including a plan in the event of an emergency) for all critical roles within the organization. Succession plans should consider various time horizons and seek to build capacity throughout the organization by providing opportunities for high-potential individuals to develop their skills and leadership capabilities.

### Board and Management Diversity



#### TransAlta Corporation, 2025 Proxy Circular, pages 61-64

##### Diversity

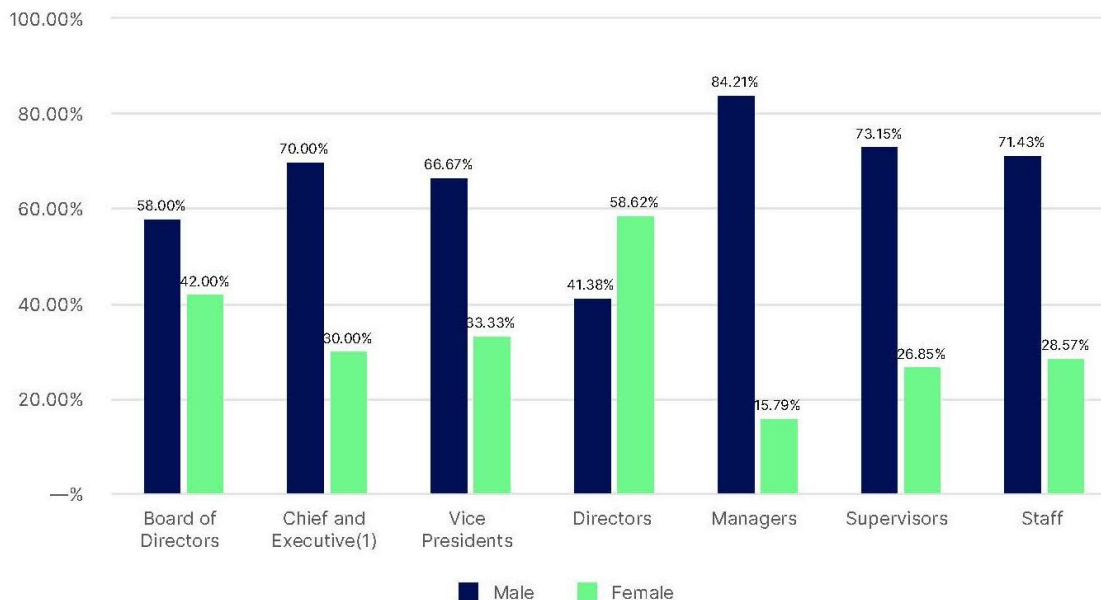
The Company is working towards achieving our Board and company-wide gender targets. On Jan. 16, 2020, the Board approved a target of 50 per cent female membership on the Board by 2030 and achieving gender diversity of at least 40 per cent of female employment for all employees by 2030. Although the Company does not have a target specific for executive officers, the workforce target of 40 per cent women is expected to continue to result in women being well represented at all levels, including the executive level. The Board considers these gender targets to demonstrate the Company's commitment to diversity and inclusion and they are expected to benefit the Company by expanding our pool of qualified employees and senior leaders, while also incorporating different perspectives and ways of thinking to successfully execute our strategy. In 2021, the Company established a Sustainability-Linked Loan that aligns the cost of borrowing to TransAlta's gender diversity targets. [...]



The Board remains committed to maintaining and increasing the representation of women and visible minorities on the Board as turnover occurs, taking into account our skills matrix and the skills, background and knowledge desired at that particular time to fulfil the Board's mix of skills and experience. If all nominees are elected at the Meeting, men will make up 63.6 per cent (seven male directors) and women will make up 36.4 per cent (four female directors) of the Board (excluding the Brookfield nominees, women nominees would constitute 44.4 per cent of the Board)

As of March 7, 2025, 50 per cent (two out of four) of the committees of the Board are chaired by women. The director nominees also include one member (nine per cent) that self-identifies as being a visible minority. There are no nominees to the Board that identify as Indigenous or as having a disability. With respect to executive officer positions, as of March 7, 2025, we have 30 per cent women (three women), 70 per cent men (seven men) and no executive officers who self-identify as visible minorities, Indigenous or as having a disability.

In 2024, we continued our strategic focus to attract diverse talent to our organization by leveraging our internal programs including our Women in Trades Scholarship Program and the Generation Gender Diversity Program. These have both been extremely successful programs for women in the technical trades. As of Dec. 31, 2024, women made up approximately 28 per cent of our total workforce, a one per cent increase over 2023 levels. [...] See the table below for more details of diversity.



<sup>(1)</sup> As of March 7, 2025.

<sup>(2)</sup> The data in this table does not reflect gender self-identification; it only identifies male or female. Nevertheless, the Company encourages directors, officers and employees to self-identify their preferred gender identity, including non-binary identities.



### Discussion

While the quality of individual directors and executive officers is paramount, CCGG supports the principle that boards and management should be diverse with respect to gender and other forms of diversity, conceived broadly and in the context of an issuer's business, strategy, employees, customers, communities and suppliers, to mitigate the risk of group think and benefit from the integration of broader perspectives in oversight and decision-making. TransAlta has set measurable objectives for enhancing gender diversity at the board and management levels and provides transparent data with respect to female representation in the workforce to support decision-making and demonstrate progress against objectives over time.

### Strategic Planning Oversight



#### Emera Incorporated, 2025 Proxy Circular, pages 46-47

##### STRATEGIC OVERSIGHT

The Emera team shares a common purpose of energizing modern life and delivering a cleaner energy future for all. As the energy landscape continues to shift, our vision is to be the energy provider of choice for our customers, the employer of choice for our people and a preferred choice for investors.

Emera is strategically positioned and well-prepared to capitalize on the growth drivers and evolving demands within the electric and gas utility sectors. Guided by our Purpose and Vision, the company's strategy is centered on seeking reliable, growing, forward-thinking utility investment opportunities, focused on premium operations in high-growth jurisdictions, a robust capital investment strategy and a thoughtful approach to risk management, all of which drive value and steady growth for our shareholders.

Emera's electric and gas utilities are at the forefront of a transformative era for energy, driven by economic, demographic, environmental and technological trends. These factors are driving significant growth in demand for the energy we produce and for resilient, flexible and cost-efficient energy supply and delivery systems. At the same time, governments, regulators and other stakeholders in some of the Company's operating jurisdictions require a transition to lower emitting energy sources. Emera's capital plan is largely centered on investments to support these transitions and trends.

Led by the President and CEO, the management team collaborates with the Board to establish the annual strategy agenda. Regular interactions between the Board and management help ensure an ongoing focus on strategy, with each scheduled Board meeting including substantial time to discuss key topics and updates on strategy and related matters. These include industry trends, growth initiatives, financial forecasts and emerging risks and opportunities. These updates ensure the Board remains aware

of developments in the market, industry and within Emera, while providing an opportunity for the Board to offer input and direction on strategy throughout the year.

Each year, the Board dedicates at least one meeting entirely to corporate strategy. In 2024, the Board's dedicated strategy session focused on assessment of the trends and developments in the industry and macroeconomic landscape, evaluation criteria for assessment of potential future growth opportunities, progress updates on ongoing strategic initiatives and an overview of an enterprise-wide strategy for leveraging artificial intelligence to help create business value while managing its risk. It also included an updated financial forecast and long-term scenarios and updates on specific components of the Company's strategy.

### Discussion

Strategic planning oversight is a fundamental area of board responsibility. In addition to providing insight into the board's processes to oversee the development of corporate strategy, issuers should provide details on the board's involvement and contributions to strategic planning. Unlike many Canadian issuers that provide boilerplate commentary, Emera provides details on the board's involvement in the strategic planning process, including key topics considered during the most recent strategic planning session.

### Risk Management Oversight

Circulars should disclose the risks that are foremost **in the mind of the board** and the processes used to identify and monitor such risks.



#### Cameco Corporation, 2025 Proxy Circular, pages 51-52

##### Risk Oversight

The nominating, corporate governance and risk committee assists the board in overseeing risk and management's implementation of appropriate risk management processes and controls. Time is dedicated to risk identification, management and reporting at board and committee meetings. The board includes a strategy session at every regular meeting to review strategic risks, which include risks to the key assumptions of our strategy. In 2024, the board spent time discussing risks relating to the uranium market, including the market outlook, the evolving global geopolitical landscape, labour markets, supply chain disruptions, sustainability matters, including climate related risks and risks related to investments across the fuel cycle.

Management consults with the board on ways it is enhancing its enterprise risk oversight practices, processes and controls. Key performance indicators (KPIs) are tracked to monitor progress against the program objectives and opportunities to

advance the maturity of our risk program. In 2024, the risk management group continued to focus on consistency and integration of our program, and deepening our understanding of assurance activities that support the effectiveness of risk-mitigating processes and controls. Continuous improvement remains a key component of Cameco's risk management program. Management's risk working group met regularly throughout the year, supporting the cross-functional sharing of risk identification and mitigation strategies across the company.

Risks identified throughout the organization are assessed and categorized as functional, tactical or strategic risks:

- *Functional risks* are generally preventable business and operational risks with little to no direct strategic impact or affect. These risks often arise in daily operation. The potential outcomes of functional risks are identifiable, certainty can be assessed, and they are generally quantifiable. Cameco manages functional risks on a day-to-day basis. Board committees are assigned oversight of these risks and receive updates on the effectiveness of the controls aimed at mitigating those risks.
- *Tactical risks* may be influenced by forces external to the organization. The potential outcomes of these risks are identifiable, but some level of uncertainty can make them difficult to assess. Tactical risks primarily impact Cameco's corporate objectives and strategy in the medium term generally within a time horizon of one to three years, aligning with Cameco's budget and business plan. These risks are also assigned to the board committees and regular updates are provided, particularly if risks change or emerging issues arise.
- *Strategic risks*, like tactical risks, can be influenced by forces outside the organization. Potential outcomes of these risks can vary significantly, with significant uncertainty making strategic risks difficult to quantify. These risks could challenge the key assumptions within our strategic plan and life of asset plans and are longer-term in nature, generally falling within a time horizon of three to 10 years. Board oversight and reporting is required for these strategic risks. Examples include risks related to nuclear supply and demand and the resulting impact on the uranium price, global geopolitical uncertainty, attraction and retention of a skilled and diverse workforce, and loss of stakeholder support for our operations.

The table below shows the allocation of tactical and functional risks among the five board committees. Risks related to our investment in Westinghouse have been allocated to the board for oversight. You can read about the board committees beginning on page 41 and compensation risk management on page 73.

Committee risk oversight responsibilities

Audit and finance	Human resources and compensation	Nominating, corporate governance and risk	Safety, health and environment	Technical
Oversees financial and legal risks, risks related to achieving economic value from our assets and risks related to supply chain disruptions	Oversees compensation, talent management and succession risks	Oversees the risk program and governance risks	Oversees safety, health and environmental risks related to our operations, including risks related to our tailings facilities and climate-related risks	Oversees risks related to technological and technical matters including cyber security and artificial intelligence risks, the estimating of our mineral reserves and risks related to our mine plans

Our AIF and annual report include more information about the risks relating to Cameco. The 2024 AIF and the 2024 annual report are available on our website ([cameco.com](https://www.cameco.com)) and on SEDAR+ ([sedarplus.com](https://www.sedarplus.com)).



**Thomson Reuters Corporation, 2025 Proxy Circular, pages 33-34**

**Risk Oversight**

[...] Each year, the enterprise risk team conducts an enterprise top risk assessment exercise which commences with a risk identification process that is facilitated through a survey and workshops with representatives from business segments and corporate functions. The risk identification process also includes focused interviews with each Board member to gather their perspectives on the company's top and emerging risks. Each of the top risks identified are then assessed and prioritized with the respective risk owner and are subsequently presented to the management committee for endorsement and validation. [...]

While the Board discusses various enterprise risks throughout the year with management, the Risk Committee oversees overall risk assessment and risk management, including overseeing management's ERM process and progress with responding to top enterprise risks. [...]

The table below reflects oversight responsibilities for each of the 2024 enterprise risks listed.

Enterprise Risk	Board of Directors	Risk Committee	HR Committee	Audit Committee
Competitive displacement	✓	✓		
Acquisition, divestitures and integrations	✓	✓		
Misuse of intellectual property	✓	✓		
Regulatory and contractual compliance	✓	✓	✓	✓
Data and ethics	✓	✓		
Product stability	✓	✓		
Cybersecurity	✓	✓		
Third party, supply chain and relationship ecosystem	✓	✓		
Talent attraction and retention	✓		✓	
Wellbeing, safety and security of personnel	✓	✓	✓	
Financial performance	✓	✓		✓
Misinformation and disinformation	✓	✓		

### Discussion

Unlike boilerplate commentary provided by many Canadian issuers in this area, Cameco and Thomson Reuters provide a good overview of the key risks currently facing their business and the particular risks that are being closely monitored by the board, in addition to simply acknowledging the board's role in overseeing risk. They also discuss how certain risks are delegated to one or more board committee.

Notably, where material, environmental and social risks are being increasingly integrated into corporate risk management frameworks and elevated to the attention of the board.

### Shareholder Engagement

There is a growing emphasis by institutional shareholders on the benefits of board-shareholder engagement. CCGG recognizes that while boards may be able to meet with their largest institutional shareholders and groups like CCGG, in-person meetings are not a practical forum for boards to engage with *all* shareholders.

#### Metro Inc., 2025 Proxy Circular, pages 47-48

##### Shareholder engagement

The Board of Directors has adopted a written policy regarding shareholder engagement as it believes that constructive engagement with the Company's shareholders is important for good corporate governance and transparency. Under the terms of this policy, the Board welcomes shareholder inquiries and comments relating to the following matters ("Board Matters"):

- Corporate governance practices and disclosure;

- Corporate responsibility and environmental, social and governance matters;
- Board performance;
- Executive performance, compensation and succession planning; and
- Board and Committee composition and succession planning. [...]

The Board, under the Shareholder Engagement Policy and through the Governance Committee, establishes annually a program to engage directly with key shareholders to discuss Board Matters. This program allows the Chair of the Board and the Chair of the Governance Committee, together with the Chair of any other relevant committee of the Board if necessary, to exchange views regularly with shareholders on relevant governance topics and trends, receive feedback on the performance of the Company and the Board with respect to Board Matters and discuss potential areas of improvement, if any. In 2024, the Chair of the Board and the Chair of the Governance Committee met with four (4) significant shareholders of the Company in order to discuss relevant governance topics. Various subjects were discussed during these meetings, including board renewal and diversity, Corporate Responsibility plan and strategy including climate strategy, governance, stakeholder relations, virtual meetings of shareholders and capital allocation.

### Discussion

Metro is a good example of board efforts to proactively reach out to and engage with the company's shareholders on a periodic basis. Notably, Metro also provides details on topics that may be discussed during director-shareholder meetings.

### CGI Inc., 2025 Proxy Circular, page 33-34

#### Shareholder Satisfaction Assessment Program

Since fiscal 2019, the Company includes a Shareholder Satisfaction Assessment Program ("SSAP") questionnaire as part of its SPMF processes. The SSAP questionnaire solicits direct feedback from shareholders on key corporate governance practices, including in respect of executive compensation, and requests shareholder ratings of governance practices on a 10-point scale. With respect to institutional investors, the SSAP is provided directly to the individuals responsible for the investment in the Company and not to proxy departments or external advisors as they are less likely to have a complete understanding of CGI's business, operations and functioning. The SSAP was provided to shareholders and other investors with whom SPMF meetings were held in fiscal 2025. The average SSAP score of the Company in fiscal 2025 was 9.0/10 and few concerns were raised by shareholders with respect to the Company's corporate governance practices. The Company is committed to

maintaining an open and transparent dialogue with its shareholders and addressing their concerns, including with respect to executive compensation. The Company believes that the measures in place are more meaningful than a simple binary advisory vote. vote.

### Discussion

In lieu of other engagement forums, CGI Inc. solicits feedback from select shareholders on key corporate governance and executive compensation practices through the use of an annual survey. With respect to compensation, CCGG continues to encourage all issuers (including those with dual class share structures) to adopt an advisory vote on executive compensation as a supplement to additional forms of shareholder engagement (see section entitled [Say on Pay](#)). While narrow in scope, these votes provide enhanced transparency into the collective views of investors with respect to a company's compensation practices. CCGG commends CGI for establishing a mechanism to solicit a broader range of shareholder feedback, given its particular context as a dual-class share company.

### Chair's Letter to Shareholders

Through a letter to shareholders, board chairs can communicate key corporate governance related activities to their shareholders.



#### Gildan Activewear Inc., 2025 Proxy Circular

Dear shareholders,

[...]

As you are aware, Gildan experienced a series of events that began in late 2023 and extended into 2024, culminating in a new, reconstituted board and the reinstatement of Glenn J. Chamandy as President and CEO in May 2024. The New Board, which assumed its responsibilities on May 24, 2024, and was elected at the annual meeting of shareholders on May 28, 2024, is strong and engaged, and grounded in good governance. It has been focused on instilling stability in the wake of the 2024 proxy contest and ensuring Gildan is poised for future growth. Since its appointment, the New Board immersed itself in the business, reviewed the key pillars necessary for Gildan's future success, engaged with shareholders, launched an aspirational incentive compensation plan aligned with shareholders' interests, conducted a director search, and executed on a multi-year succession planning process. The New Board believes that the Gildan Sustainable Growth strategy is the right path forward for the Company and has been focused on the implementation of the strategy to drive profitable growth.

#### 2024 PERFORMANCE



In 2024, Gildan delivered strong performance with record revenues of \$3.271 billion, strong adjusted operating margins<sup>1</sup> of 21.3%, and year over year adjusted diluted EPS<sup>1</sup> growth of 17%, returning \$889 million to shareholders through a combination of share repurchases and dividend payments. Reflecting on our full-year performance, it's clear that our success has been driven by our unwavering focus on executing the Gildan Sustainable Growth strategy. By reinforcing our core competencies as a low-cost, large-scale, vertically integrated sustainable manufacturer, we continued to enhance our competitive advantage, and we are well positioned for continued growth in the years ahead.

In our 40th anniversary year, Gildan continued to move forward with the ongoing yarn operation modernization in the US, scaling up further and capitalizing on the new Bangladesh operations, while further optimizing operations in Central America. 2024 also saw the largest innovation pipeline in the Company's history with more product launches to come in 2025. The development of new technology for soft cotton and fleece fabric, which reduces the cost of screenprinters digital printing, and the introduction of Pigment Pure™ dyeing and Color Blast™ dyeing innovations in our Comfort Colors® product offering, are just some of these recent advancements. We also expanded our product line for distributors under the Champion® brand, through a license secured for the printwear channel. Finally, Gildan ended the year with strong free cash flow<sup>1</sup> and a strong balance sheet, allowing the leadership team to continue to execute on our capital allocation priorities.

We are very pleased with Gildan's 2024 results despite a mixed macroeconomic backdrop, and believe the Company is on track to deliver on its targets set out for the next three years to generate long-term value for shareholders and other stakeholders.

### STRATEGY AND OUTLOOK

The *Gildan Sustainable Growth* strategy focuses on expanding low-cost capacity, driving product innovation, and cementing ESG as a core focus for the organization. The leadership team is extremely knowledgeable, has a shared passion for excellence, and is committed to successfully advancing the Company's strategy and achieving both short- and long-term business objectives.

The New Board has also been actively overseeing the multi-year succession planning process to support the Company's strategy and progress towards achieving its diversity goals and furthering the leadership succession plan. The New Board also dedicated a significant portion of its time to monitoring an evolving regulatory environment, macroeconomic risk, cybersecurity risk, geopolitics and other matters important to shareholders.

### EXECUTIVE LEADERSHIP CHANGES AND CFO TRANSITION

On February 19, 2025, the Company announced executive leadership changes and a CFO transition as part of the multi-year succession planning process which are



intended to ensure strong continuity as the Company drives forward with the *Gildan Sustainable Growth* strategy. [...]

### A STRONG ESG POSITION

Gildan is committed to good governance and is steadfast in its commitment to ESG and continues to make strides in strengthening its position as a leading, responsible apparel manufacturer.

The Company is three years into the implementation of the Next Generation ESG strategy and we remain fully on track with our objectives. In 2024, Gildan celebrated 20 years of sustainability reporting, marking a significant milestone in the Company's long history of ESG disclosure. Gildan was recognized as one of the Best 50 Corporate Citizens in Canada by Corporate Knights for the third consecutive year and the only company in the Textiles & Clothing Manufacturing peer group to receive such recognition.

Gildan was also included in the inaugural edition of TIME's World Most Sustainable Companies, and one of only 12 Canadian companies featured on this global list. We were also included in the Dow Jones Best-in-Class North America Index, marking our 12th consecutive year of inclusion in this index. More recently, Gildan was included in the 2025 Sustainability Yearbook for the 13th consecutive year based on S&P Global's Corporate Sustainability Assessment. [...]

### THANK YOU AND LOOKING AHEAD

We are extremely proud of the entire Gildan team around the world and sincerely thank everyone for their hard work and dedication. We also appreciate the contributions and support of the members of the newly constituted board. [...]

As we concluded Gildan's 40th anniversary year, the Company is well positioned for continued success and to further drive sustainable long-term value for shareholders and other stakeholders. On behalf of the board of directors and management, we thank you for your trust and support as a Gildan shareholder.

Sincerely,

Michael Kneeland  
Chair of the Board of Directors

Glenn J. Chamandy  
President and Chief Executive Officer

## Discussion

Gildan does a good job of using a letter from the board chair to summarize key developments and governance updates that the board wishes to relay to shareholders.

## Ongoing Relevance of a Dual Class Share Structure

On an ongoing basis, the board of a Dual Class Share (DCS) company should consider the reasons why a DCS structure was established and whether those reasons remain valid and should explain to shareholders annually in the DCS company's proxy circular the reasons why the continued existence of the DCS structure is appropriate. Cogeco Communications provides such disclosure in its proxy circular:

### **Cogeco Communications Inc., 2025 Proxy Circular, pages 21-22**

#### **GOVERNANCE CONSIDERATIONS RELATED TO DUAL-CLASS SHARE STRUCTURE**

Cogeco Communications' dual-class common equity share structure, which consists of subordinate voting shares and multiple voting shares (dual-class share structure) has been in place since the initial public offering and stock exchange listing in 1993. The Board considers that this dual-class share structure has permitted Cogeco Communications to take a long-term orientation in decisions which have helped grow shareholder value significantly over the last decades.

Indeed, the Audet Family, through its ownership of multiple voting shares, has steadfastly supported the Corporation's long-term focus based on continued consideration for various stakeholders and resistance to opportunistic change of control transactions. The Audet Family has also demonstrated decades-long commitment towards good governance practices.

There may have been various recent instances, in Canada and abroad, which have caused some commentators and proxy advisors to question the wisdom or otherwise attack the legitimacy of dual-class share structures generally. It seems to our Board that this kind of criticism comes in phases or waves depending on specific market events or negative experiences relating to the governance or management of particular issuers. In other words, all dual-class share structure issuers become unfairly tarred with the same brush.

However, there is serious research to support the thesis that corporations with dual-class share structures are just as likely, if not more likely, to deliver long-term growth than those with a single-class share structure.

We share the belief that with the right governance practices in place, dual-class share structures are indeed well and arguably better aligned with the long-term interests of shareholders, and certainly less prone to a focus on short-term results. Fundamentally, the Board as a whole is committed towards creating long-term value as one of the essential elements of the Corporation's overall mission and purpose.

It is worth noting that the Corporation has adopted and implemented various measures that provide enhanced minority shareholder protection while taking into account other important stakeholders of the Corporation. Such measures include:

- implementing “coattail provisions”, which ensure equal treatment and tag-along rights for all shareholders in the context of a take-over bid;
- appointing an independent Lead Director;
- having a substantial majority of independent Directors on the Corporation's Board;
- requiring that Committees be exclusively composed of independent directors;
- maintaining clear procedures to deal with related-party transactions and conflicts of interests in accordance with applicable regulations and governance best practices (as described on p. 41 of this Information Circular);
- maintaining diversity policies at the Board and workforce level, setting forth clear objectives for the Corporation and taking additional steps to foster a culture of Diversity & Inclusion (D&I);
- implementing direct and explicit oversight at the Board level of ESG issues with a strategy centered on the levers of reducing our environmental footprint, implementing strong governance practices, and supporting our stakeholders. The Corporation's advancements on the ESG fronts have been recognized by leading voices in ESG practices and reporting (as described in the Corporation's 2023 Sustainability report, 2023 Climate Action Plan and TCFD report and 2023 ESG data supplement); and
- productively engaging with minority shareholders and other stakeholders.

We are very proud that our corporate governance practices are consistently recognized by the Globe and Mail Board Games as among the best within Canadian family-controlled dual class public corporations.

### Additional disclosure relating to dual class share company IPOs

CCGG's board of directors and a majority of CCGG's members also expect the board of a DCS company which undertakes an initial public offering in Canada after September 2013 (i.e. the date CCGG's DCS policy was published) and which does not comply with any or all of CCGG's DCS principles to explain to shareholders annually in the DCS company's proxy circular (or if the DCS company does not issue a proxy circular because the public owns non-voting common shares, then in another public document which is filed with the securities regulatory authorities) the reasons why it is not appropriate for such principles to apply to the DCS company.

## DISCLOSURE OF EXECUTIVE COMPENSATION

Compensation is one of the most powerful tools that boards have at their disposal for shaping the behaviour of company management.

Disclosure of a company’s compensation plan should describe clearly how it is linked to the company’s strategy, objectives and risk management. Compensation disclosure also should communicate the role of the board in designing executive compensation including the key factors considered by the board. This section provides examples of excellent disclosure of the following practices:

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## Executive Compensation and Corporate Strategy

CCGG expects issuers to explain the link between corporate strategy and executive compensation.



### ARC Resources Ltd., 2025 Proxy Circular, pages 34-36

#### 2024 STI Scorecard Assessment

The following is a summary of the assessment of the 2024 STI Scorecard accomplishments which is applied to bonus awards paid for 2024 performance. The assessment considers the performance and weighting in each of the strategic areas, which is then aggregated to determine the final performance assessment score. Performance is evaluated within the range of zero to two with performance thresholds of 1.0 ("Perform"), 1.5 ("Outperform"), and 2.0 ("Outstanding").

#### Strategic Area: High-Quality Assets & Operational Excellence

**Category Weighting: 40%**

**Category overall score: 1.85 out of 2.0**

The category of High-Quality Assets & Operational Excellence was assessed at an overall rating of "Outperform +". ARC achieved record fourth quarter production despite the prudent business decision to voluntarily curtail natural gas production due to low gas prices in western Canada. Project execution across ARC's asset base was very strong, most notably with the execution of Attachie Phase I, the Cutbank 10-10 facility expansion and the ongoing drilling and completions program. Strong development planning and use of technology resulted in execution that maximized efficiency and profitability. Achieved record reserves in all categories.

Performance Metric	Target Range	Result	Key Performance Highlights
Production (boe/day)	350,000 – 360,000	Outperform+	<ul style="list-style-type: none"> <li>Delivered average annual production of 347,908 boe per day, including the 10,500 boe per day impact of the deliberate natural gas production curtailment at Sunrise. For the purposes of the assessment consideration was given to the prudent business decision to curtail natural gas production, production would otherwise have been at the high-end of the range.</li> </ul>
Operating Expenses (\$/boe) <sup>(1)</sup>	4.50 – 4.90	Outperform -	<ul style="list-style-type: none"> <li>Proactively managed costs in controllable areas. Operating costs of \$4.68 per boe. For the purposes of the assessment consideration was given to the prudent business decision to curtail natural gas production which impacted operating costs on a boe basis.</li> </ul>
Quality of Execution	Safe, on budget, on schedule, aligned with operations objectives	Outstanding	<ul style="list-style-type: none"> <li>Safe execution of a \$1.85 billion capital program, which included the commissioning of Attachie Phase I and the Cutbank 10-10 facility expansion.</li> <li>Efficient capital execution with 159 wells drilled and 144 wells completed.</li> </ul>
Development Planning	Enhance development plans, reserves replacement	Outstanding	<ul style="list-style-type: none"> <li>Proactively managed development plans to ensure profitable and efficient execution, including Attachie Phase I.</li> <li>Record reserves across all categories. Replaced 182 per cent of 2P reserves. For the 17th consecutive year, 2P reserve replacement from development has been 140 per cent of produced reserves or greater.</li> </ul>
Technology & Innovation	Application of technology and continuous improvement	Outstanding	<ul style="list-style-type: none"> <li>Applied new technologies and optimized supply chain to enhance value and manage costs.</li> <li>Several advancements in data analytics, clean technology, and internal initiatives to increase efficiencies in systems and processes.</li> <li>Very successful implementation of SAP.</li> </ul>

### Strategic Area: Commercial Activities & Risk Management

**Category Weighting: 15%**

**Category overall score: 1.8 out of 2.0**

The category of Commercial Activities & Risk Management was assessed at an overall rating of “Outperform+”, reflecting very strong execution of market diversification strategies to optimize price and incremental revenue. Further, ARC entered into a long-term liquefaction tolling services agreement with Cedar LNG, the third significant LNG agreement for the Company. The company also demonstrated outstanding operational risk management to mitigate unplanned pipeline outages.

Performance Metric	Target	Result	Key Performance Highlights
Market Access & Commodity Risk Management	Assessment of delivery of profitable price per barrel and risk management	Outperform +	<ul style="list-style-type: none"> <li>Market diversification strategy resulted in an annual average realized natural gas price of \$2.37 per Mcf<sup>(1)</sup> which was \$0.93 per Mcf or 65 per cent greater than the average AECO 7A Monthly Index price. This marks the 12th consecutive year that ARC’s realized natural gas price has exceeded AECO by 20 per cent or greater.</li> <li>Natural gas portfolio with diversified global price exposure.</li> <li>Realized natural gas price was top quartile relative to peers.</li> <li>Executed risk management program to protect our balance sheet and capital program.</li> </ul>

### Strategic Area: Financial Sustainability & Return on Investment

**Category Weighting: 25%**

**Category overall score: 1.8 out of 2.0**

The category of Financial Sustainability & Return on Investment was assessed an overall rating of “Outperform+”. Effective capital allocation distributing essentially all of free funds flow to shareholders through the base dividend and share repurchases. Increased the quarterly dividend by 12 per cent to \$0.19 cents per share. Net debt to funds from operations levels were maintained and ARC delivered top-quartile shareholder returns.

Performance Metric	Target	Result	Key Performance Highlights
Net Debt to Funds from Operations	≤ 1.5 times	Outstanding	<ul style="list-style-type: none"> <li>Proactive management of net debt levels to \$1.3 billion<sup>(1)</sup> and net debt to funds from operations of 0.5 times</li> </ul>
Funds From Operations per Share	Internal performance range with normalized pricing	Outperform	<ul style="list-style-type: none"> <li>Generated funds from operations of \$2.5 billion and free funds flow of \$627 million.</li> <li>Distributed 99 per cent of free funds flow to shareholders through the base dividend and share repurchases.</li> <li>Increased quarterly dividend by 12 percent to \$0.19 per share.</li> </ul>

### Strategic Area: People & ESG Leadership

**Category Weighting: 20%**

**Category overall score: 1.4 out of 2.0**

The People & ESG Leadership category is assessed based on the safety performance metrics at an overall rating of “Outperform-”. Safety is a key priority. In a very busy capital year, safety performance was strong, achieving five out of six key targets. Significant focus was placed on proactive initiatives indicated by leading indicators.

Performance Metric Weighting	Target	Result	Key Performance Highlights
Safety Indicators	TRIF <sup>(2)</sup> - 0.37 LTIF <sup>(3)</sup> - 0.05 PH3+F <sup>(4)</sup> - 0.05 Tier 1 process safety events Proactive prevention initiatives	Outperform-  TRIF - 0.47 LTIF - 0.05 PH3+F - 0.05	<ul style="list-style-type: none"> <li>TRIF underperformed relative to the established top quartile target, LTIF and PH3+F performed relative to top quartile target.</li> <li>No Tier 1 process safety incidents.</li> <li>Exceeded all proactive leading indicators which supports a strong culture of safety and team engagement.</li> <li>Advanced key safety initiatives, such as enhancements to ARC’s contractor safety management program, contractor engagement sessions, and continuous improvement of internal integrated management systems.</li> </ul>



### Discussion

ARC Resources' circular notes that to determine the value of executive compensation, the board assesses the company's performance relative to its strategic priorities. The circular provides a comprehensive overview of performance accomplishments, the corresponding metrics which are used to measure progress on these objectives, and the targets against which performance is assessed. Notably, these objectives include goals related to safety among other objectives. Therefore, executive compensation outcomes are linked not only to the company's financial performance but also to operating the company's assets in a safe and responsible manner.

### Executive Compensation and Risk Management

A company should disclose details of its executive compensation structure and comment on its effectiveness when viewed through a risk oversight lens. The disclosure should explain how the company's policies and practices discourage risk-taking beyond the company's acceptable risk appetite.

#### Enbridge Inc., 2025 Proxy Circular, pages 73-74

##### Compensation risk management

The HRC Committee plays a critical governance role related to enterprise risk. In carrying out this accountability, the HRC Committee employs a number of risk mitigation practices aimed at ensuring that Enbridge's compensation programs are designed in a manner that does not encourage individuals to take inappropriate or excessive risks that could have material adverse impact on the Company.

##### Compensation risk mitigation practices

Enbridge uses the following compensation practices to mitigate risk:

[...]

- compensation programs that include a combination of short-, medium- and long-term elements that provide executives with an incentive to consider both the immediate and long-term implications of their decisions
- program provisions whereby executives are compensated for their short-term performance using a combination of financial performance and operational metrics in areas such as safety, project, and sustainability performance that support a balanced perspective and are a mix of both leading (proactive/ preventative) and lagging (incident-based) indicators
- a rigorous approach to goal setting and a process of establishing targets with multiple levels of performance, which mitigate excessive risk-taking that could harm Enbridge's value or reward poor judgment of executives

- performance thresholds that include both minimum and maximum payouts
- stock award programs that vest over multiple years and are aligned with overall stock price appreciation to drive value for Enbridge shareholders
- share ownership guidelines that require executives to have a meaningful equity stake in Enbridge to align their interests with those of Enbridge shareholders
- Insider Trading Guidelines that include prohibition on hedging provisions to prevent activities that would weaken the intended pay-for-performance link
- two incentive compensation clawback policies: one that allows Enbridge to recoup, from covered members of senior management, certain overpayments of incentive compensation including all cash bonuses and equity-based incentive awards granted or paid to individuals engaged in fraud or willful misconduct; and another policy that requires Enbridge to recover erroneously awarded incentive-based compensation received by covered executive officers in the event that Enbridge is required to prepare a qualifying accounting restatement (subject to certain exceptions) [...]

### **Insider trading and prohibition on hedging**

We have adopted Insider Trading Guidelines governing the purchase, sale and/or other disposition of our securities by our directors, officers (including the NEOs), employees and contractors, as well as by Enbridge itself, that are reasonably designed to promote compliance with insider trading laws, rules and regulations and NYSE and TSX listing standards. We also maintain Disclosure Guidelines, which prohibit the Company from issuing securities or offering securities to the public during a blackout period (subject to specific circumstances outlined in the policy).

Our Insider Trading Guidelines also prohibit directors, officers, employees and contractors from purchasing financial instruments that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by such directors, officers, employees and contractors, as such positions may weaken the link between the intended alignment of director and employee interests with shareholder interests.

The following activities are specifically prohibited:

- speculating in securities of Enbridge and its reporting issuer subsidiaries
- “short-selling” securities of Enbridge and its reporting issuer subsidiaries (i.e. selling securities that the individual does not own)
- purchasing or selling call or put options or other derivatives relating to securities of Enbridge and its reporting issuer subsidiaries



- entering into any other financial transaction that is designed to hedge or offset any decrease in the market value of the securities of Enbridge and its reporting issuer subsidiaries.

### Discussion

Enbridge's proxy circular clearly identifies how the company's compensation policies and practices are specifically designed to discourage excessive risk-taking among executives. Their compensation structure includes several distinct mechanisms which are used to mitigate inappropriate or excessive risk taking.

Several issuers also manage compensation risk through clawback policies, but these policies are often triggered only if there is a financial restatement and an executive is found at fault. CCGG has urged companies to adopt broader clawback policies as exemplified by the clawback policy of Enbridge set out above. Anti-hedging policies are another extremely important tool utilized by companies to discourage management teams from hedging or monetizing their economic interests.

### Imperial Oil Limited, 2025 Proxy Circular, page 65

#### Long-term award program

Through long restriction periods, Imperial executives are incentivized to take a long-term view in decision making.

Restricted stock units represent over 50 percent of total direct compensation, and are intended to link executive pay to the returns of long-term shareholders and encourage a long-term view through the commodity price cycle.

Restricted stock units granted to the CEO vest 50 percent in 5 years and 50 percent in 10 years. Restricted stock units granted to all other executives vest 50 percent in 3 years and 50 percent in 7 years.

### Discussion

To the extent that issuers use options and/or other share-based incentives that vest based on time only, CCGG encourages issuers to consider long-term vesting restrictions, as demonstrated by Imperial Oil.

Restricted stock units often start vesting one year after award date and fully vest after three years. Imperial Oil, however, grants restricted stock units to the CEO that vest equally on the fifth and tenth anniversaries of grant, which are long-term vesting restrictions.

## Performance Share Units

In the interest of improving the alignment between pay and performance, many public company boards across all sectors in Canada have introduced Performance Share Unit (PSU) plans into their executive compensation programs. In some cases, PSU plans are being used in place of stock option plans which have not achieved the originally intended outcome of linking pay with performance. CCGG is supportive of improving this link and believes that an appropriately structured PSU plan may be helpful in that regard. True performance-vesting, in CCGG's view, should contemplate the possibility of a zero-vesting outcome that is not dependent upon a board exercising discretion. Awards that partially vest based on time alone and for which a zero-vesting outcome is possible only if a board exercises discretion should not be classified as PSUs.

### Canadian National Railway, 2025 Proxy Circular, pages 66-67

#### Performance Share Units: 2024 Award

The objective of the PSUs is to enhance the Company's ability to attract and retain talented executives and to provide alignment of interests between such executives and the shareholders of the Company.

PSUs vest after three years and the grant date fair value of the PSUs awarded to each NEO in 2024 is included in the "Summary Compensation Table in Canadian Dollars" on page 75, under the Share-Based Awards column. The vesting of PSUs is subject to the achievement of performance measures defined at the beginning of the cycle and the performance vesting factor can range from 0% to 200%. At the end of the performance cycle, the number of PSUs will be adjusted based on the achievement of the performance conditions detailed below. Quarterly dividend equivalents were introduced in 2024 during the three-year vesting period for PSUs and are reinvested into additional PSUs to strengthen the shareholder-like mindset. PSUs will be settled in CN common shares purchased on the open market.

PSUs awarded in 2024 are subject to the following two performance measures:

#### 1. ROIC PSUs

Effective for LTI awards made in 2024, the weighting of the ROIC PSUs is increased from 33% to 40% of the LTI award value and the minimum share price condition on ROIC PSUs has been removed. ROIC PSUs are subject to the achievement of a target related to the Company's average three-year PSU-ROIC over the plan period. The PSU-ROIC for each of the applicable plan years is generally calculated as net income before interest expense, divided by the total of the Company's average net indebtedness and the average shareholders' equity, and may, in certain instances, be adjusted for certain items as determined by the HRC Committee. ROIC measures the Company's efficiency in the use of its capital funds and is viewed as a key measure of long-term value generation to its shareholders. PSU-ROIC performance objectives are

based on CN's business plan. CN has elected not to disclose the 2024 PSU ROIC targets given these are forward-looking targets that are commercially sensitive. 2024 ROIC PSU targets and CN's performance against the targets will be disclosed at the end of the vesting period.

### 2. Relative TSR PSUs

Effective for LTI awards made in 2024 and after, the weighting of the relative TSR PSUs is increased from 22% to 30% of the LTI award value to strengthen alignment between executive pay and relative shareholder return. The previous two TSR comparator groups (Class I Railroads and S&P/TSX 60 companies) were replaced in 2024 with one comparator, the S&P North America LargeMidCap Transportation Index, providing a more industry-relevant comparison. This group is comprised of Canadian and U.S. companies, including the Class I Railroads. Relative TSR performance measures CN's share price appreciation, inclusive of dividends, over the three-year plan period against the companies within the comparator group. [...]

### Performance Share Units: 2022 Award Payout

The HRC Committee reviewed the vesting of the NEOs' 2022 PSU award against the performance targets for each measure: ROIC PSUs and Relative TSR PSUs.

**ROIC PSUs:** The Company achieved a three-year average PSU-ROIC to December 31, 2024, of 14.7%. In accordance with the plan rules, the minimum average closing share price condition was not achieved over the period, resulting in a payout of 0.0% for the ROIC PSUs awarded in 2022.

**Relative TSR PSUs:** The Company delivered a TSR of -1.7% over the period from January 1, 2022 to December 31, 2024, resulting in an overall payout of 50.0%, reflecting the weighted-average performance vesting factor of both measures (100.0% vesting factor relative to the Class I railroads and 0.0% performance vesting factor relative to the S&P/TSX 60).

PSUs were settled on February 24, 2025 in CN common shares purchased on the open market to encourage share ownership among NEOs, subject to compliance with the other conditions of the award agreements.

## Discussion

CN Rail's PSU plan is noteworthy because:

1. It provides full disclosure of goals set under the PSU plan and describes why return on invested capital (ROIC) is used to determine a major component of the award: ROIC measures the Company's efficiency in the use of its capital funds and is viewed as a key measure of long-term value generation to its shareholders.

2. There is a possibility that, following an assessment of the company's future performance, no PSUs vest. Therefore, CN Rail's PSUs are truly at-risk.
3. ROIC and TSR (total shareholder return) are assessed against a single three-year goal as opposed to three one-year goals. CCGG encourages boards to evaluate key performance measures over multi-year periods in order to focus and incent management on long-term value creation.
4. PSUs are settled in common shares (purchased on the open market) instead of cash, thereby encouraging executive officers to build share ownership.

### Use of non-GAAP measures in Executive Compensation

CCGG has observed that many issuers use non-GAAP financial measures to make executive compensation decisions, and in an attempt to quantify the extent to which these measures are being used by boards, CCGG undertook a study in early 2019 of the compensation structures of a representative group of 100 public companies included in the S&P/TSX Composite Index. Please refer to the [position paper](#), which includes recommendations for improved disclosure on the use of these measures by boards.

Today, the most material gaps between existing proxy circular disclosure and shareholder disclosure expectations include the following:

- An explanation of parameters used by the board to determine the appropriateness of individual adjustments which the board may make from time to time to GAAP figures that are used in the compensation scheme, and
- A plain language discussion on the board's rationale for approving any material adjustments to GAAP figures that were used in the compensation scheme during the most recently completed fiscal year.

The following examples taken from the proxy circulars of Emera and Saputo provide excellent examples of disclosure that shareholders would like to see when non-GAAP financial measures are utilized in the executive compensation scheme.

#### Emera Incorporated, 2025 Proxy Circular, page 84

##### 2024 Short-term Incentive Results

[...] The compensation cash flow and compensation net income figures that are shown in the Emera corporate scorecard are adjusted for incentive purposes from the Company's reported figures. The Company considers the following general principles when determining whether it should adjust financial results for incentive plan purposes:

- The Company adjusts the reported figures for specific items the Company believes are significant, but not reflective of underlying operations in the period.

- Incentive compensation should be directly linked to the performance of the core business and delivering on the plan of record. Meaningful accounting gains or losses are generally the result of strategically or financially driven transactions in which there has been direct involvement and support of the Board; therefore, the impacts of the transactions should typically be excluded from incentive compensation, except as noted below. The Company does not want its strategically or financially driven decisions to be influenced by compensation impacts.
- The Company should, however, consider including all or some portion of the gain (positive impact) or loss (negative impact) if such gain or loss appropriately reflects the value creation or value destruction and overall performance of management in the decision or execution of the transaction leading to such gain or loss.
- Alignment of performance and compensation requires judgement at times. Therefore, the Board reserves the right to adjust incentive payouts in either direction to satisfy itself that there is close alignment between performance and compensation.

For the 2024 Financial portion of the Emera Corporate Scorecard, the Board adjusted the Compensation Cash Flow results. The timing of fuel and storm cost recoveries had significant impacts on the Company's Compensation Cash Flow metric in the Emera corporate scorecard. These unexpected costs will ultimately be recovered in subsequent years following established regulatory processes and incorporated into respective future budgets and targets. As such, the Board adjusted the 2024 Compensation Cash Flow to neutralize the impact of timing differences between when the fuel and storm costs are incurred and when they will be recovered. Additionally, the Board adjusted compensation net income to neutralize the impact to earnings from the strategic asset sale of LIL. In recognition of Management's efforts in successfully completing the timely sale of LIL as well as the improvements to the Company's balance sheet, the Committee has applied discretion to positively adjust earnings by \$18M. The table that follows shows the reconciliation between the reported and adjusted figures used in the Emera Corporate Scorecard. Adjustments in respect of the 2022 PSU grant are disclosed on page 90.

Compensation net income reconciliation (in millions \$)	2024
<b>Reported net income attributable to common shareholders</b>	<b>494</b>
Less: Gain on sale of LIL, after-tax <sup>(1)</sup>	(129)
Less: Financing structure wind-up	(58)
Add: Charges related to wind-down costs and certain asset impairments, after-tax <sup>(2)</sup>	26
Add: Charges related to the pending sale of NMGC, after-tax <sup>(3)(4)</sup>	225
Add: Mark-to-market ("MTM") loss, after tax <sup>(5)</sup>	291
Less: Adjustment to translate USD earnings to budgeted foreign exchange rate	(2)
Add: Earnings impact from sale of LIL	20
Add: Discretionary adjustment to reflect strong management performance and strong financial momentum achieved during the year	18
<b>Compensation net income</b>	<b>885</b>
Compensation cash flow reconciliation (in millions \$)	2024
<b>Reported operating cash flow</b>	<b>2,646</b>
<b>Less: Changes in non-cash working capital</b>	<b>(452)</b>
Less: Adjustment to translate USD earnings to budgeted foreign exchange rate	(1)
Add: Pre-working capital impact from sale of LIL	28
Add: Transaction costs related to sale of LIL and NMGC	17
Add: Adjustment for extraordinary fuel costs to be recovered in subsequent years	6
Add: Adjustment for extraordinary storm costs to be recovered in subsequent years <sup>(6)</sup>	536
<b>Compensation cash flow</b>	<b>2,780</b>

(1) Net of income tax expense of \$53 million.

## Saputo Inc., 2025 Proxy Circular, page 64-65

### CGHR COMMITTEE GUIDING PRINCIPLES

The CGHR Committee has approved a set of guiding principles governing the application of adjustments for events or market factors, with a view to ensure consistency and fairness in its compensation practices by excluding factors not indicative of core business performance for purposes of incentive compensation.

### Guiding principles to adjust performance metric for the purpose of incentive compensation

- Adjustments are only considered for events or market factors:
  - that occurred after setting (i.e., were not reflected in) the annual budget; and
  - which are outside the scope of Management's control, provided that Management is expected to mitigate the impact of these events and market factors on the business.
- Adjustments are meant to prevent Management from undertaking discretionary transactions to improve performance or defer decisions that would otherwise negatively impact incentive plan results.
- Adjustments are symmetrical, reflecting both increases and decreases in performance metric.
- Management is not relieved from the consequences of their decision making.
- Management is expected to manage unexpected events and market factors to minimize the negative effect.
- Adjustments are only made where they have a material effect on incentive payouts.

At year-end, the CGHR Committee reviews any proposed adjustment to assess whether such adjustments are appropriate for the purposes of the annual incentive (bonus) plan or the vesting of PSUs under the PSU Plan and makes recommendations to the Board.

For fiscal 2025, the CGHR Committee considered the impact of market factors not reflected in the annual budget and which were outside the scope of Management's control. As actual market factors materially differed from the assumptions used for the Company's annual budget, the CGHR Committee applied the guiding principles above and adjusted Budgeted EBITDA as well as the Adjusted EPS diluted target at the end of the year to neutralize the impact of the following factors for compensation purposes:

- USA market factors (as defined in our MD&A for the fiscal year ended March 31, 2025);
- commodity prices (Dairy Division (International));
- ingredients markets (Dairy Division (Europe)); and
- foreign exchange.

The foreign exchange and commodity prices adjustments increased Budgeted EBITDA and Adjusted EPS diluted target while the USA market factors and ingredients markets adjustments decreased Budgeted EBITDA and Adjusted EPS diluted target. The adjustments were solely made to the Budgeted EBITDA and Adjusted EPS diluted target for compensation purposes and do not affect Adjusted EBITDA or Adjusted EPS diluted target as reported by the Company.

See section entitled "Annual Incentive (bonus) for fiscal 2025" for the payout percentages, level of achievement reached, and bonus earned relative to each NEO.

### Discussion

Proxy circular disclosure should contain an overview of the board's role in scrutinizing non-GAAP performance measures and any proposed adjustments. Such a discussion should also include an explanation of the parameters that are used by the board to determine the appropriateness of individual adjustments, as well as the rationale for any material adjustments made in the previous year.

In addition to acknowledging that the board reviews proposed adjustments, Emera and Saputo provide a description of the principles that are applied by the board to ensure that adjustments made to financial measures for purposes of determining compensation are appropriate. Furthermore, a plain language



discussion on adjustments approved by the board during the most recent year is provided in the proxy circular of both companies.

## Effectiveness of the Compensation Program over Time

In order to truly understand the effectiveness of an issuer's compensation program, it is useful to know not only the grant date value of compensation awards, which reflects how the board intended to compensate management, but also how effective the compensation program has actually been in aligning management's interests with shareholders.

### Capital Power Corporation, 2025 Proxy Circular, pages 70-71

#### Look back analysis

The table below gives a compensation look back for the President & CEO by comparing absolute shareholder value, the grant date value of compensation awarded for performance, and the actual compensation value received.

On a weighted average basis over the cumulative period of 2017 to 2024, the President & CEO has realized 122% more than the expected value of the compensation that the committee awarded (labeled Awarded compensation) while the shareholder's investment has increased by 159%.

Year	CEO	Targeted compensation <sup>(1)</sup>	Awarded compensation <sup>(2)</sup>	Actual compensation value as of December 31, 2024 <sup>(3)</sup>	Value of \$100		
					Period	CEO <sup>(4)</sup>	Shareholder <sup>(5)</sup>
2017	B. Vaasjo	\$2,521,693	\$2,598,416	\$5,236,489	2017JAN01 to 2024DEC31	\$202	\$454
2018	B. Vaasjo	\$2,676,254	\$3,036,978	\$5,949,785	2018JAN01 to 2024DEC31	\$196	\$397
2019	B. Vaasjo	\$2,692,107	\$3,040,325	\$5,812,056	2019JAN01 to 2024DEC31	\$191	\$342
2020	B. Vaasjo	\$3,032,329	\$3,339,988	\$8,538,110	2020JAN01 to 2024DEC31	\$256	\$249
2021	B. Vaasjo	\$3,579,719	\$3,984,199	\$9,931,555	2021JAN01 to 2024DEC31	\$249	\$230
2022	B. Vaasjo	\$3,611,090	\$4,105,410	\$11,194,232	2022JAN01 to 2024DEC31	\$273	\$193
2023	A. Dey	\$4,176,919	\$3,912,545	\$6,287,567	2023JAN01 to 2024DEC31	\$161	\$156
2024	A. Dey	\$4,279,554	\$4,736,807	\$9,939,600	2024JAN01 to 2024DEC31	\$227	\$181
<b>Weighted average<sup>(6)</sup></b>						<b>\$222</b>	<b>\$259</b>

## Discussion

Capital Power Corporation discloses both the target value of the CEO's compensation and the actual value of the CEO's compensation using yearend stock prices in their circular. The table provides a sufficient period of time over which compensation can be assessed and also compares the value of the CEO's compensation to the value of a \$100 investment in Capital Power Corporation common shares.

## Executive Share Ownership Requirements

To enhance the alignment of interests between management teams and shareholders, companies should adopt share ownership requirements that encourage NEOs to build a meaningful common share interest in the companies they manage over the course of their tenures. Further to CCGG's 2023 [position paper](#) on effective equity ownership policies, in which we articulate CCGG's views with respect to what constitutes an effective equity ownership policy and the instruments that should, and should not, qualify as equity ownership, company disclosure should provide the following information:

- What are the minimum share ownership requirements that each NEO must meet?
- Are NEOs required to maintain minimum share ownership levels for any period of time after leaving the company?
- Beyond direct common shareholdings, do vested or unvested equity-linked forms of compensation (for example, in-the-money option grants, unvested RSU or PSU grants, etc.) count towards an NEO's minimum ownership requirements?
- What are each NEO's current shareholdings, including the makeup of these holdings between common shares and other forms of equity awards, relative to the required holdings level?
- Is the value of securities held by NEOs determined using market value or acquisition price?

### TELUS Corporation, 2025 Proxy Circular, page 123

#### Share ownership requirement

Our executives must beneficially own, either directly or indirectly, a dollar value equivalent in TELUS shares based on targets that vary by position. This is a more rigorous requirement than typical market practice, as we do not include the value of any outstanding options, RSUs or executive performance share units (EPSUs) when determining whether the ownership requirement has been met. In our view, an executive purchasing shares with their own funds more clearly demonstrates their commitment to TELUS and our future success.

The following table summarizes our share ownership requirements for TELUS' CEO and executive leadership team (ELT):

Share ownership guidelines (excluding options, EPSUs and RSUs)	
CEO	7x annual base salary, to be attained within five years of hire or promotion
ELT	3x annual base salary, to be attained within five years of hire or promotion

We require executives who have not met their share ownership requirement to take 50 per cent of net payout (after taxes) in shares instead of cash, unless that executive is pursuing other means of meeting the requirement.

In addition, an executive must continue to hold a number of shares equal to the ownership requirement for one year following retirement. [...]

### Executive shareholdings and total equity summary

The following table lists the number and value of shares and total equity (shares, EPSUs and RSUs, but excluding options) held by each NEO at December 31, 2024. It also summarizes total shareholdings as a multiple of the individual's annualized year-end base salary, relative to share ownership requirements.

Name	2024 base salary at year-end	Total shares	Value of shares <sup>1</sup>	Value of shareholdings as a multiple of base salary <sup>2</sup>	Total EPSUs/RSUs	Value of EPSUs/RSUs <sup>1</sup>	Total equity (shares/EPSUs/RSUs)	Value of total equity <sup>1</sup>	Value of total equity as a multiple of base salary
Darren Entwistle	\$1,600,000	823,490	\$16,049,820	10.0x	1,269,315	\$24,738,949	2,092,805	\$40,788,769	25.5x
Doug French	\$850,000	124,835	\$2,433,034	2.9x	297,105	\$5,790,576	421,940	\$8,223,611	9.7x
Navin Arora	\$800,000	212,383	\$4,139,345	5.2x	311,107	\$6,063,475	523,490	\$10,202,820	12.8x
Zainul Mawji	\$800,000	207,833	\$4,050,665	5.1x	318,256	\$6,202,809	526,089	\$10,253,475	12.8x
Sandy McIntosh	\$650,000	163,193	\$3,180,632	4.9x	209,646	\$4,086,001	372,839	\$7,266,632	11.2x

1 TELUS' TSX closing share price on December 31, 2024 was \$19.49.

2 Excludes EPSUs and RSUs, per TELUS' requirements.

## Discussion

TELUS does not include any form of share-based compensation awards (e.g. options, RSUs, or PSUs) when determining whether an executive has met his/her shareholding requirements. CCGG agrees with TELUS' position that executives purchasing common shares with their own funds more clearly demonstrate a commitment to the company and its future success. TELUS requires all executives (not just the CEO) to continue to meet their respective ownership requirements for at least one year following retirement.

In some cases, issuers include vested and unvested share-based awards in calculating executive share ownership. Awards such as certain Deferred Share Units, that have vested but have not yet paid out, and on which income taxes have been deferred till the awards are settled, may be included in an officer's share ownership if they are adjusted for any income taxes that are owed on settlement. Awards that have not yet vested should **not** count towards an officer's share ownership, particularly if they are to be settled in cash as opposed to shares.

Where relevant, we also ask issuers to differentiate between an officer's common share ownership and any share-based awards included in the computation of share ownership such that investors can see whether an NEO meets their share ownership requirement by virtue of common shares alone.

## National Bank of Canada, 2025 Proxy Circular, pages 102-103

### Share ownership requirements

Requirements designed to tie the long-term interests of Executive Officers, Officers and certain Financial Markets specialists with the interests of shareholders and to discourage them from taking undue and excessive risks. The Human Resources Committee regularly monitors compliance with the minimum holding requirements.

### Share ownership requirement for Executive Officers

- Effective February 1, 2025, we increased the minimum holding requirements for Executive Officers. From now on, their minimum holding must be more significant in relation to their economic situation, bearing in mind that most of their total direct compensation is paid in the form of deferred compensation. As their salary represents less than 20% of their total direct compensation, establishing a share ownership multiple on total direct compensation strengthens their holding. In addition, we have introduced a new requirement to encourage personal investment in shares specifically or equivalent (direct shareholding). The share ownership requirements for Executive Officers are now twofold:

- shareholding; and
- direct shareholding.

#### Until January 31, 2025:

- The Executive Officers must maintain minimum holding of shares, including non-vested RSUs, non-vested PSUs, vested and non-vested DSUs, and the increase in value of vested (but unexercised) in-the-money Options and SARs, it being understood that this minimum holding must be proportional to the compensation received and given that it is based on the position held.
- The minimum holding represented a multiple of the previous three years' average base salary in which the employee held the role subject to the policy. If the employee held the role subject to the policy for less than three years, the average annual base salary earned for the period to which they are subject to the policy is used.

#### Since February 1, 2025:

- To meet shareholding requirements, Executive Officers must maintain a minimum holding in shares, including non-vested RSUs, non-vested PSUs, vested and non-vested DSUs.
- In addition, to meet the direct shareholding requirements, Executive Officers must also maintain a minimum holding in shares or equivalent.

- The minimum holding in shareholding and direct shareholding requirements for Executive Officers is a multiple of the average total direct compensation target for the last three years during which the employee has held the role subject to the policy. If the Executive Officer has held the role subject to the policy for less than three years, then the average target total direct compensation for the period to which they are subject to the policy is used.
- The appreciation in value of vested and in-the-money (but unexercised) Options and SARs is no longer recognized in the calculation of the minimum holding of Executive Officers.

Position	Until January 31, 2025	Since February 1, 2025	
	Multiple of previous three years' average base salary	Multiple of previous three years' average target total direct compensation	
		Shareholding	Direct shareholding
President and Chief Executive Officer <sup>(1)</sup>	8 times	3 times	1 time
Other Executive Officers <sup>(1)(2)</sup>	5 times	1 time	0.25 times

- (1) The President and Chief Executive Officer shall maintain the minimum share ownership requirements for a period of at least two years after retirement. This period is one year for Other Executive Officers.
- (2) Executive Advisors Reporting to the President and Chief Executive Officer remain subject to the multiple of five times the average base salary of the last three years and the requirement to maintain the minimum holding for a period of one year after retirement.

### National Bank of Canada, 2025 Proxy Circular, page 125

#### Share ownership requirements for 2024 and 2025

As of October 31, 2024, Laurent Ferreira was compliant with his share ownership requirements of eight times the average base salary of the last three years (i.e., \$1,016,675).

He also meets the shareholding requirements that came into effect on February 1, 2025, being the share ownership requirements of three times his average target total direct compensation over the last three years (i.e., \$8,883,333) and the direct share ownership requirements of one time this same average (i.e., \$8,883,333).

He will have to maintain the required multiple of shareholdings, including direct shareholding, for a period of at least two years after retirement. The following table sets forth his 2024 holding as of October 31, 2024, based on the Closing Price, i.e., \$132.80, and his 2025 holding as of February 1, 2025, based on the Closing Price, i.e., \$128.99.

	Directly held shares	Multiple of direct shareholding <sup>(1)</sup>	Non-vested PSUs	Non-vested RSUs	DSUs vested and non-vested	Appreciation in value of vested Options	Total value of shareholding	Multiple of total shareholding <sup>(1)</sup>
2024	\$14,791,662	14.5 times	\$13,642,627	\$6,004,853	\$0	\$19,124,225	\$53,563,367	52.7 times
2025	\$17,346,962	1.95 times	\$16,168,851	\$0	\$0	N/A	\$33,515,813	3.77 times

(1) The total shareholder multiple represents a multiple of the average base salary over the last three years. As of February 1, 2025, the minimum shareholding to be held, including in directly held shares, represents a multiple of the average target total direct compensation over the last three years.

## Discussion

National Bank's ownership policy is also noteworthy as executive share ownership requirements are expressed as a multiple of total direct compensation (TDC) as opposed to the common practice of using base salary. National Bank requires its CEO to hold at least one times average total direct compensation in common shares of the bank. In many cases, base salary is the smallest component of TDC. If the purpose of the threshold requirement is to define an ownership stake that is meaningful in the context of an NEO's total compensation, CCGG is of the view that benchmarking ownership relative to TDC offers a more meaningful reference point.

## Termination and Change of Control Benefits

To understand the employment arrangements between an issuer and its NEOs, CCGG looks for compensation disclosure to answer the following questions:

- Does the company have employment agreements with its NEOs? What are the material terms of the agreements?
- What payment, if any, is awarded...
  - ...if a NEO resigns?
  - ...if a NEO is terminated without cause?
  - ...if a NEO is terminated without cause after a change of control occurs?
  - ...if a change of control occurs but a NEO is not terminated?
- How is a change of control defined and are vesting provisions upon a change of control based on a "double-trigger"?
- What payments would be made to NEOs under each scenario if their employment had been terminated at year-end?



Stantec Inc., 2025 Proxy Circular, pages 68-69

**Benefits on Termination and Change of Control** The following table summarizes the payments due to each NEO upon termination of employment or upon a change of control followed by a termination of employment without cause or a resignation by the executive for good reason.

**Benefits on Termination and Change of Control for Our NEOs**

Name	Resignation	Termination without Cause	Change of Control and “Double Trigger” Conditions Fulfilled <sup>(1)</sup>	Retirement <sup>(2)</sup>
Short-Term Incentive	None	None other than what may be calculated in the severance payment (described below)	None other than what may be calculated in the severance payment (described below)	None
Restricted Share Units (RSUs)	Cancelled	Cancelled	All RSUs immediately vest and are paid out within two and one-half (2 ½) months following the termination date	Remain outstanding and vest in accordance with their original vesting schedule
Performance Share Units (PSUs)	Cancelled	Cancelled	All PSUs vest based on the actual performance of the Company between the grant date and termination date; paid out within 60 days of termination date	Remain outstanding, vest and pay out in accordance with the performance objectives actually achieved during the life of the unit on the settlement date originally scheduled
Other Benefits, including the Group RRSP and the ESPP	None other than payout of vested benefits	None other than payout of vested benefits	None other than payout of vested benefits	None other than payout of vested benefits
Severance Payment	None	<p>Unpaid salary earned to the termination date, together with a payment equal to</p> <ul style="list-style-type: none"> <li>• Two times (2x) the annual base salary existing as at the termination date, plus</li> <li>• Two times (2x) the CEO's Historical STI Amount<sup>(3)</sup></li> </ul> <p>in the case of the CEO.</p> <p>For all other NEOs, the payment is</p> <ul style="list-style-type: none"> <li>• One times (1x) the annual base salary existing as at the termination date, plus</li> <li>• One times (1x) the NEO's Historical STI Amount</li> </ul>	<p>Unpaid salary earned to the termination date, together with a payment equal to</p> <ul style="list-style-type: none"> <li>• Two times (2x) the annual base salary existing as at the termination date, plus</li> <li>• Two times (2x) the CEO's Historical STI Amount<sup>(3)</sup></li> </ul> <p>in the case of the CEO.</p> <p>For all other NEOs, the payment is</p> <ul style="list-style-type: none"> <li>• One times (1x) the annual base salary existing as at the termination date, plus</li> <li>• One times (1x) the NEO's Historical STI Amount</li> </ul>	None



## Termination Payment Calculation

The following table presents the incremental payments we would have to make to each NEO if a triggering event—a termination without cause or a change of control payment trigger—occurred on the last business day of Stantec’s most recently completed fiscal year, in this case, 2024

Name	Termination Payout on a Without-Cause Termination (\$)	Termination Payout on a Change in Control (\$)
Gord Johnston	7,623,369	7,623,369
Vito Culmone	1,585,000	1,585,000
Stu Lerner	1,681,601	1,681,601
Cath Schefer	1,370,001	1,370,001
Steve Fleck	1,209,689	1,209,689

(1) On a termination without cause or a termination following a change of control (assuming double-trigger conditions are not satisfied), all unvested long-term incentives (RSUs and PSUs) are forfeited. The amounts in the table above reflect the severance payment required in the event of a termination without cause or change of control with a double-trigger event.

## Discussion

Stantec’s circular includes all of the information discussed above.

## Retirement Benefits and Perquisites

In reviewing executive perquisites and retirement benefits, CCGG looks for compensation disclosure to answer the following questions:

- Has the company granted a NEO bonus years of pension service beyond those years actually worked? Does the company have a policy on whether it will do so in the future?
- Does the company have caps, either hard-dollar or otherwise, on pension benefits?
- Does the company have any policies governing the use of perquisites for executives, particularly for controversial perquisites such as personal use of corporate aircraft or tax-gross ups?

### Vermilion Energy Inc., 2025 Proxy Circular, page 77

#### Savings Plan

The purpose of providing employer contributions in respect of employee savings under the Plan is to help employees enhance their financial well-being.

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***We do not have a pension plan for any Canadian-based employees.***

Eligible employees, including executives, can contribute up to 7% of their base earnings to our savings plan through regular payroll deductions. We match employees' contributions 1.5 times to a maximum of 10.5%.

Employees can choose to invest their personal contributions in Common Shares, cash, tax-free savings account, registered retirement savings plan or other investments. Employer contributions are made through Common Shares issued from treasury, acquired on the open market or a combination of both (as decided by the Board).

The employer match helps increase employee ownership in Vermilion. Under the Plan, the employer contribution by issuance of Common Shares from treasury is limited to 25% of the total contribution. In 2024, a total of 72,123 Common Shares were issued from treasury at prices per share between \$13.28 and \$14.59.

### **Benefits and Perquisites**

Our Canadian benefit plans provide all employees with extended health and dental coverage, life insurance, an employee assistance program and disability insurance. Benefits provided to employees vary depending on the country where employees are located.

Additionally, we provide an enhanced executive medical program, that offers proactive and personalized healthcare to support the overall well-being of our Principal Vice Presidents.

We limit the use of perquisites – special benefits – for our executives, as we do not think they should be a significant element of compensation, but we understand that some are appropriate to keep us competitive. The GHRC regularly reviews benefits and perquisites to ensure they are market competitive.

## **Pembina Pipeline Corporation, 2025 Proxy Circular, pages 94-95**

### **Supplementary retirement plan**

Eligible employees can also earn supplementary benefits under our supplementary retirement plan. This plan is designed to provide benefits to employees beyond the limitations imposed by the Income Tax Act (Canada).

Liabilities under the supplementary plan are unsecured.

### **Annual pension benefits payable**

The table below shows the total estimated annual benefits payable to each named executive under the defined benefit and supplementary retirement plans, and the present value of our accrued obligation.

	Years of credited service	Annual benefits payable <sup>2</sup> (\$)		Present value of defined benefit obligation as at January 1, 2024 (\$)	Compensatory change <sup>3</sup> (\$)	Non-compensatory change <sup>4</sup> (\$)	Present value of defined benefit obligation as at December 31, 2024 (\$)
		at year end	at age 65				
Scott Burrows <sup>1</sup>	10	176,556	540,497	2,002,542	192,059	92,916	2,287,517
Cameron Goldade <sup>1</sup>	7.5	57,051	222,961	639,810	127,904	32,849	800,563
Jaret Sprott	10	86,722	267,093	1,040,855	171,163	50,512	1,262,530
Stuart Taylor	15.5	130,320	143,056	1,826,793	54,408	98,780	1,979,981
Janet Loduca	4.2	31,014	95,200	341,449	100,414	34,686	476,549

<sup>1</sup> Mr. Burrows became eligible for the defined benefit pension plan on January 1, 2015. He is also entitled to benefits under the defined contribution plan in the amount of \$117,503. Mr. Goldade became eligible for the defined benefit pension plan on July 1, 2017 and is also entitled to benefits under the defined contribution plan in the amount of \$64,012.

<sup>2</sup> Annual benefits payable represents the estimated annual pension, excluding any applicable early retirement reductions that would be received by the named executive based on years of credited service and actual executive earnings as at December 31, 2024.

<sup>3</sup> The compensatory change is the increase or decrease in the pension obligation for 2024, which includes the annual service cost, differences between actual and estimated compensation and the impact of plan changes, if any. Compensatory changes may fluctuate year-to-year as changes in compensation impact the pension obligation for all years of credited service.

<sup>4</sup> The non-compensatory change is the increase or decrease in our accrued obligation for reasons not related to the compensatory change. It includes interest on accrued obligations at December 31, 2024 and changes to mortality rate tables and discount rates.

## Discussion

Vermilion clearly discloses in its proxy circular the types and value (in its summary compensation table) of benefits and perquisites offered to executive officers. Of note, Vermilion does not offer its Canadian-based employees (including Canadian NEOs) supplemental retirement benefits; instead, Canadian-based NEOs participate under the company's employee savings plan which promotes share ownership.

Certain issuers such as Pembina Pipeline offer their NEOs retirement plans that supplement those available to other employees. In some instances, supplemental retirement benefits may be difficult to avoid for competitive reasons. We encourage issuers to limit such supplemental benefits, however, and to not grant extra years of service or special benefits such as higher than normal accrual rates.

## Say on Pay

### First Capital Real Estate Investment Trust, 2025 Proxy Circular, pages 26-27

#### Say-on-Pay Non-Binding Advisory Vote

[...] This non-binding, advisory vote, commonly known as "Say-on-Pay", gives unitholders an opportunity to either endorse or not endorse the REIT's approach to its executive compensation programs and policies. [...]

The purpose of the Say-on-Pay Resolution is to provide appropriate trustee accountability to unitholders of First Capital REIT for the Board's compensation decisions by giving unitholders a formal opportunity to provide their views on the disclosed objectives of the executive compensation plans, and on the plans themselves, for the past, current and future fiscal years. While unitholders will provide their collective advisory vote, the trustees remain fully responsible for their compensation decision and are not relieved of these responsibilities by a positive advisory vote by unitholders.

Approval of the Say-on-Pay Resolution will require an affirmative vote of a majority of the votes cast at the Meeting. As this is an advisory vote, the results will not be binding upon the Board. However, the Board will take the results of the vote into account, as appropriate, when considering future compensation policies, procedures and decisions and in determining whether there is a need to significantly increase their engagement with unitholders of First Capital REIT on compensation and related matters. The REIT will disclose the voting results of the Say-on-Pay Resolution as a part of its report on voting results for the Meeting. In addition, in the event that the Say-on-Pay Resolution does not receive sufficient support of at least 80% of the votes cast, the Board will consult with the unitholders, particularly those who are known to have voted against it, in order to better understand their concerns. The People and Compensation Committee will review the REIT's approach to compensation in the context of those concerns. Unitholders who have voted against the Say-on-Pay Resolution will be encouraged to contact the People and Compensation Committee to discuss their specific concerns.

Following the review by the People and Compensation Committee, the REIT will disclose to its unitholders as soon as is practicable, a summary of the significant comments relating to compensation received from unitholders in the process, a description of the process undertaken and a description of any resulting changes to executive compensation or why no changes will be made. The REIT will endeavor to provide this disclosure within six months of voting on the Say-on-Pay Resolution, and no later than in the management information circular for the next annual meeting of unitholders.

### Discussion

Offering shareholders a 'Say on Pay' vote is a meaningful tool that is used by boards to assess shareholders' acceptance of the corporation's approach to executive compensation. Approximately 80% of the issuers in the S&P/TSX composite index now offer their shareholders a 'Say on Pay' vote.

First Capital REIT offers its shareholders a 'Say on Pay' vote and discloses in the circular that, in the event that less than 80% of the votes cast are in support of the advisory resolution, the board will oversee a shareholder consultation process, particularly with those who voted against the resolution, to understand

shareholder concerns. Following these consultations, the board will disclose to all shareholders a summary of the feedback received and any action taken.

### Compensation Peer Groups

Boards commonly benchmark compensation against peers to ensure the company pays in a manner that is competitive. We caution that the practice of benchmarking against peers should not be overly relied upon at the expense of a robust, independent analysis. Absent extenuating circumstances, the quantum of compensation awarded should be determined within the context of the organization and should be justified primarily by performance.

When external consultants are retained by the board, the board should ensure that the consultant is independent of management. In any event, while the input received from independent compensation consultants may provide valuable assistance to the board, following a consultant's recommendation does not reduce a board's responsibility to ensure that compensation decisions are appropriate.

Boards should disclose answers to the following questions:

- Does the compensation committee make use of an independent compensation consultant?
- If management retains the same compensation consultant as the committee, must the committee first give its approval? If so, what portion of the consultant's total fees was attributable to work done for management?
- To the extent peer group benchmarking is used, does it serve solely to inform the board or does the board target a specific range or percentile level for compensation relative to its chosen peer group?
- What companies comprise the peer benchmarking group and what is the rationale for their inclusion?

### Precision Drilling Corporation, 2025 Proxy Circular, page 36

#### Role of the Independent Compensation Consultant

Since 2019, the HRCC has engaged Meridian Compensation Partners (Meridian) as its independent advisor for research and analysis on executive compensation matters. Meridian provides insights on general compensation issues, competitiveness of pay levels, risks relating to compensation design, insights into market trends, and advice about technical matters. The HRCC takes this information into account, but ultimately makes its own recommendations and decisions.

The HRCC and management regularly assess the independence of the compensation consultant, and in 2024 confirmed that Meridian's work has not raised any conflicts of interest.

The table below shows the total fees paid to our external consultant in the last two years:

Year Ended as of December 31	2023	2024
Executive compensation-related fees (HRCC)	\$192,290	\$208,350
All other fees (pension and benefits consulting)	—	—
<b>Total fees</b>	<b>\$192,290</b>	<b>\$208,350</b>

### Precision Drilling Corporation, 2025 Proxy Circular, pages 38-39

#### Benchmarking

We benchmark executive compensation with the aim to attract, engage, and retain global talent and remain competitive in markets where we operate. The HRCC works with Meridian and our human resources group to review market data and establish a peer group of public companies that we compete with for executive talent. We also look at these companies to assess compensation trends and market practices.

Total compensation for each executive is based on several factors, including individual performance, leadership, global responsibilities, collaboration, experience, education, succession planning considerations, competitive pressures and internal equity.

We aim to align base salaries and total direct compensation aligned with or near the median (50th percentile) of our Compensation Peer Group.

#### Compensation Peer Group

Our Compensation Peer Group, which includes contract drilling, well servicing, and offshore drilling companies, has been carefully selected based on comparability to Precision – comparable business lines and similarity in size, complexity, operating regions and style of operation. Our Compensation Peer Group also includes companies from the broader oilfield services sector that we compete with for global talent, market share and customers.

Our growth over the last several years, as well as our future growth plans, are primarily focused in the U.S. and our international regions. In fiscal 2024, 42% of our revenue was from our U.S. and international operations, and 58% was from our operations in Canada. Our leadership team is centralized in Houston, Texas and we compensate them in U.S. dollars. With assistance from Meridian, we review the companies included in our Compensation Peer Group annually and include both Canadian and U.S.-based companies. Establishing a peer group that consists of a mix of Canadian and U.S.-based companies reinforces our strategy of attracting and retaining the best talent in the drilling services market to drive value to shareholders over the long term.

The HRCC works with Meridian on the peer group analysis, examining eight metrics that provide a reasonable assessment of comparability to establish a peer group of companies that is relevant and appropriate.

▪ Revenue ▪ Earnings before interest, taxes, depreciation, and amortization (EBITDA) ▪ Assets ▪ Total employees ▪ Market capitalization ▪ Enterprise value ▪ Geographic footprint ▪ Complexity of service offerings

For benchmarking purposes, a review is performed of the proxy materials of peer companies. If compensation data for equivalent executive positions is not publicly available, we use third party compensation survey data, and relevant information from other companies in the energy services sector that have revenue of a similar size, as well as similar operational makeup.

The HRCC reviews our Compensation Peer Group every year (more frequently if there are mergers, acquisitions or other industry developments) to ensure the group is appropriate for compensation planning purposes.

We use a different peer group to assess our relative TSR performance under our PSU plan. This group consists of companies we compete with for investors (see page 48 for details).

### 2024 Compensation Peer Group

We benchmarked compensation levels for 2024 against the following 16 companies.

▪ CES Energy Solutions Corp. ▪ Diamond Offshore Drilling, Inc. ▪ Enerflex Ltd. ▪ Ensign Energy Services Inc. ▪ Forum Energy Technologies, Inc. ▪ Helmerich & Payne, Inc. ▪ Liberty Oilfield Services, Inc. ▪ Mattr Corp. ▪ Nabors Industries Ltd. ▪ Noble Corp. ▪ Oil States International, Inc. ▪ Pason Systems ▪ Patterson-UTI Energy, Inc. ▪ RPC, Inc. ▪ Secure Energy Services Inc. ▪ TETRA Technologies, Inc.

With our operations spanning across Canada, the U.S. and the Middle East, the HRCC is confident that our Compensation Peer Group is appropriate. Aligned with our philosophy of targeting the median for setting compensation, we also aim to be positioned near the median for the relevant metrics of size and operational complexity we compare. Among the metrics used to determine comparability are revenue (42nd percentile), EBITDA (69th percentile), assets (57th percentile), market capitalization (51st percentile), enterprise value (49th percentile), employee count (69th percentile), geographic footprint and complexity of service offerings. Of the financial factors listed, in 2024, Precision was on average at the 56th percentile of our Compensation Peer Group.

## Discussion

Precision Drilling explains its approach to setting executive compensation which, among other things, includes the use of a compensation peer group. The method used to select compensation peers is also explained. Under its Performance Share Unit plan, Precision uses a different peer group to assess the company's relative performance and describes why it does so.



Precision Drilling also highlights the company's positioning relative to peers included in the company's compensation peer group.