

Mint Condition

CEO pay in Canada

David Macdonald





CCPA

CANADIAN CENTRE
for POLICY ALTERNATIVES
CENTRE CANADIEN
de POLITIQUES ALTERNATIVES

ISBN 978-1-77125-433-5

This report is available free of charge at
www.policyalternatives.ca.

PLEASE MAKE A DONATION...

**Help us to continue to offer our
publications free online.**

With your support we can continue to produce high quality research—and make sure it gets into the hands of citizens, journalists, policy makers and progressive organizations. Visit www.policyalternatives.ca or call 613-563-1341 for more information.

The CCPA is an independent policy research organization. This report has been subjected to peer review and meets the research standards of the Centre.

The opinions and recommendations in this report, and any errors, are those of the authors, and do not necessarily reflect the views of the funders of this report.



ABOUT THE AUTHORS

David Macdonald is a senior economist at the CCPA.

ACKNOWLEDGMENTS

The author would like to thank Elliot Setzer for his research assistance in compiling the data. He would also like to thank Hugh Mackenzie and Katherine Scott for their comments on an earlier version of this report.

Mint Condition

- 4 Introduction
- 5 This year's results
- 9 Conclusion and recommendations
- 11 **Appendix**
- 17 **Notes**

Mint Condition

CEO pay in Canada

Introduction

Our annual report tracking CEO pay is now in its twelfth year, with the first one published in 2008. These reports have consistently followed the average pay of the top 100 highest-paid CEOs from companies on Canada's S&P/TSX Composite, the largest 260-odd publicly traded companies in Canada. As always, we compiled our data this year directly from company proxy circulars as filed on SEDAR (the System for Electronic Document Analysis and Retrieval).¹ All pay data is from 2017 (the most recent data available) and is stated in Canadian dollars unless otherwise specified.² The full data tables are available in the Appendix.

In a separate report, “The Double-Pane Glass Ceiling,”³ we use a broader version of this dataset to examine the gender pay gap among *all* top-earning executives from S&P/TSX Composite companies—not just the CEO. We looked also at the chief financial officer (CFO), the chief operations officer (COO) and others. The report finds that extreme bonus pay observed at the CEO level is also driving a yawning gender pay gap between the top male and female executives in general in corporate Canada.

This year's results

By 11:33 a.m. on January 2, Canada's richest CEOs will have already made what the average Canadian worker makes in a year.⁴ The richest Canadian CEOs made on average \$10.0 million in 2017 (the most recent data available). Although this is slightly less than the year before, when they made \$10.4 million, this year's average is still the second-highest since we began keeping track. Also, last year's total was particularly high because six men received extreme golden parachute retirement bonuses worth between \$9 million and \$18 million each. If we remove those bonuses from the equation, then this year becomes the highest-paid year for the richest 100 CEOs.

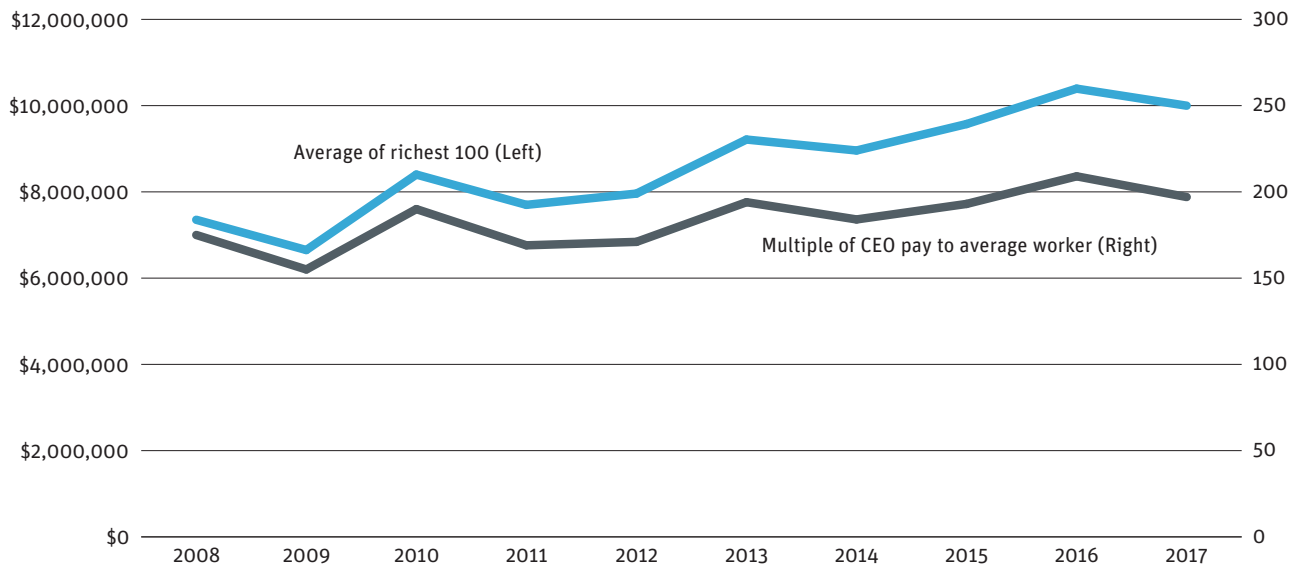
Put another way, the average-richest CEO made 197 times more than the average worker, down from last year's record 209 times more, but still the second-highest in the last 12 years.⁵ In comparison, the average worker made \$50,759 (for 2017),⁶ up from \$49,738 the previous year. This is an increase of 2.1%, which is certainly better than the dismal 0.5% wage growth we saw in 2016, but it's still surprisingly low given the tightness of the current labour market. By late-2017 unemployment had plummeted to 5.8%, a record low maintained through much of 2018. But this supposedly more competitive job market is not yielding markedly higher average wages, and ordinary workers aren't gaining on CEOs.

The amount the richest CEOs make and the ratio of their pay to that of the average worker has been on a steady climb since our annual survey began. It isn't a straight line and it varies year to year, sometimes declining a small amount, as it did this year, but the long-term trend in both variables that *Figure 1* shows is clear: the gap between Canada's richest CEOs and the rest of us keeps widening.

It's important to note that executive compensation differs vastly from the way most ordinary Canadians are paid, as *Figure 2* illustrates. Almost all of CEO pay comes in the form of bonuses, not wages. Corporate executives receive bonuses when they are hired, when they retire, when their company is bought out (e.g., Intact Financial), when their company is spun off (e.g., Mitel Mobile), when they are fired (e.g., Home Capital group) or when their company goes bankrupt (e.g., Sears Canada). They receive bonuses in spades when their company's stock goes up and somehow, they still receive them when the stock price falls.

In 2017, 77% of the total pay for the richest CEOs came in the form of "variable pay"—bonuses including cash, stock and options to buy stock. A third of CEO pay was in bonus cash, with amounts related to the company's

FIGURE 1 Richest-100 CEO pay in \$ and as a multiple of worker pay



Source CCPA CEO reports, company proxy circulars, Statistics Canada table 14-10-0204-01 and author's calculations.

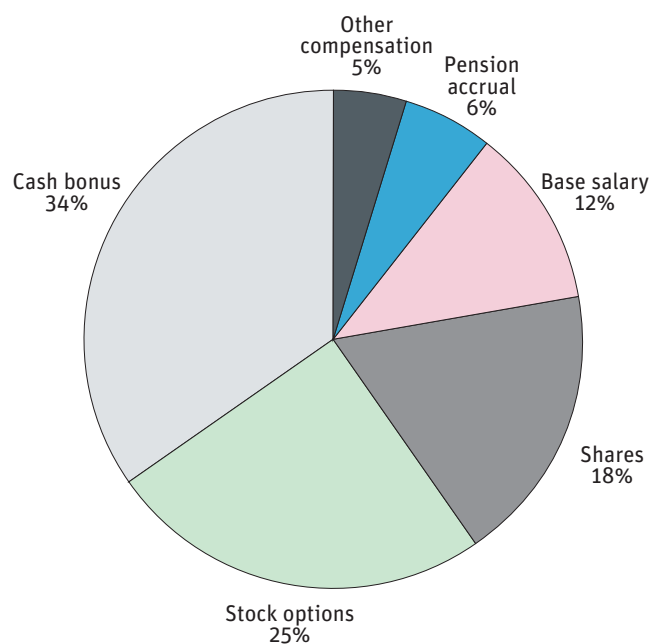
stock price in addition to a straight salary (which they also got). Another quarter of their pay came from receiving options to buy company stock in the future at a set price, and a final 18% of their pay was in company stock. That is, they got paid in stock instead of money.

Several of the bonuses CEOs get, such as stock options and capital gains on stock awards, take advantage of lavish tax breaks that aren't available to people whose income is composed of wages.

The linking of bonus pay to stock price is purported to link CEOs' incentives to those of shareholders. But with Canadian stocks now held on average for less than a year (i.e., the average shareholder is looking to cash out their shares at a profit in under a year)⁷, linking CEO pay to shareholders' interests could easily be destructive to a company's long-term interests amidst such high stock turnover. With so much of CEO total pay being variable and related to short-term stock price fluctuations, there is a strong incentive to forego long-term investments that may depress present-day profits in favour of short-term decisions, like underinvestment, that will boost current profits and stock prices.

Since 2008, the proportion of CEO pay that comes from traditional areas like salary and pension has been falling. Salary made up 14% of the richest CEOs' pay in 2008 and it makes up only 12% today. A similar trend exists for

FIGURE 2 Breakdown of richest-100 CEO pay by compensation type (2017)



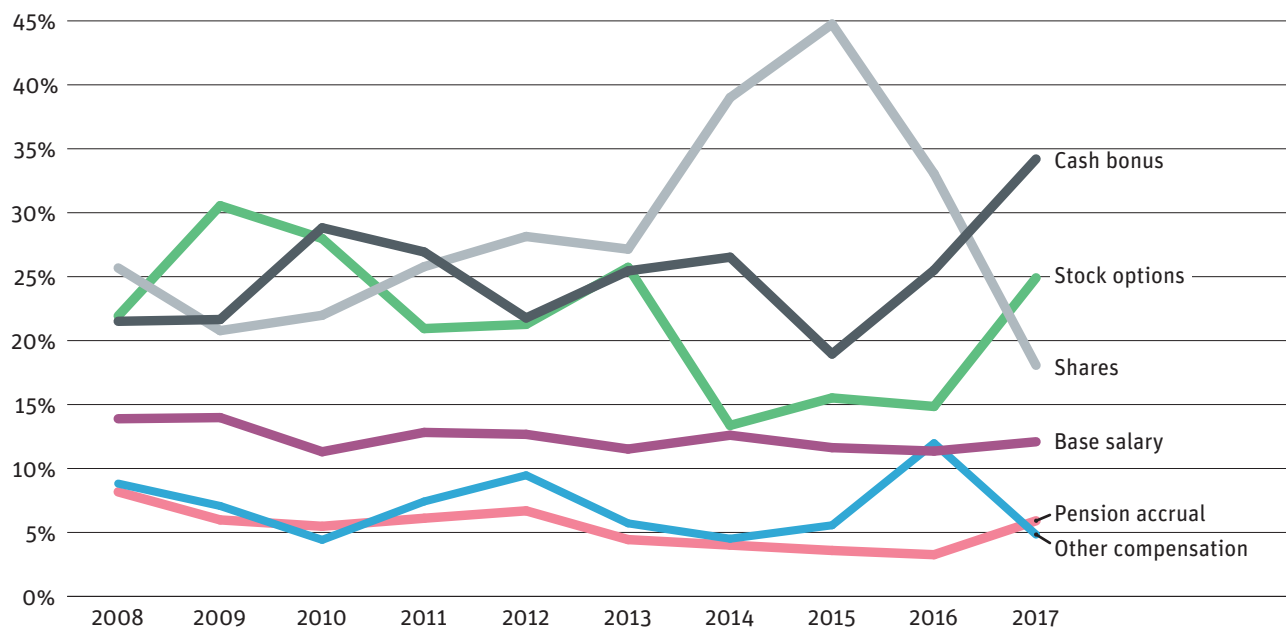
Source Company proxy circulars and author's calculations.

CEO pensions, which have fallen from 8% of their total pay to 6% over the same period. But CEO pensions are still nothing to sneeze at—the richest CEOs receive an average pension of \$1.34 million a year upon retirement, an amount akin to winning the lottery for most Canadians.⁸

The “other compensation” category in *Figure 2* captures golden parachutes upon retirement and “retention bonuses” that keep executives around when things are going badly, even if they caused them to go badly. This category saw a one-time jump last year largely due to six CEOs receiving substantial golden parachutes. This burst of retirements and the incredibly high bonuses that went along with them was one of the drivers for the all-time high CEO pay we saw last year.

Figure 3 shows how the composition of CEO pay has changed since 2008. The base salary that CEOs receive has remained relatively stable since 2008, at roughly \$1 million on average. Again, what has been driving CEO pay up has been variable pay: bonuses in cash, stock awards and stock options. Together, their value has increased from \$5 million on average in 2008 to \$8 million in 2017.

FIGURE 3 Change in richest-100 CEO pay type since 2008



Source CCPA CEO reports, company proxy circulars, Statistics Canada table 14-10-0204-01 and author's calculations.

Stock-option awards have roared back to life this year. Since 2014, CEO awards as a proportion of total pay have been down markedly. It is perhaps no surprise that the 2015 election campaign saw several parties, including the winning Liberals, advocating for the cancellation of the sweetheart tax deal on stock options that the top 1% enjoys. But that proposal has lost steam and no substantive action has been taken on it since the election. With their preferential tax treatment now firmly set in place, the popularity of stock options among CEOs seems to have returned—they climbed from 15% to 25% of CEO pay between 2016 and 2017.

CEOs' interest in receiving shares as compensation seems to have been waning since 2015. In 2015, 45% of total CEO compensation came in the form of company shares. That proportion has fallen precipitously to only 18%, the lowest it has been since we began producing these reports. In 2016, the fall in the value of shares awarded was completely offset and then some by the increase in the cash bonuses that were paid. Being paid in cash provides more flexibility as share awards can be subject to restrictions, such as having to hold them for a certain period. On the other hand, the capital gains on shares awarded enjoy a substantial tax break, halving what execs would pay if they'd earned that money as a salary. This year, payments in shares

continue to decline as payments in cash bonuses continue to rise, although the fall in share-based compensation in 2017 is not completely offset by the increase in bonus cash.

Conclusion and recommendations

In Canada the CEO-to-average-worker pay gap has been a consistent reminder that there is immense wealth circulating through the economy—it's simply not making its way into the hands of the average worker. The long-term trend that we are seeing in this data series is a widening gap between Canada's richest CEOs and the average worker. The type of pay that is driving this trend is largely “variable” or bonus pay that is linked to stock prices. This encourages short-term thinking to the detriment of long-term investment and Canadian economic growth.

Policy can affect CEO pay. Our numbers for 2017 show how deftly executive compensation responds to even a suggested political response. When taxing stock options appeared as a plank in the federal Liberal platform in 2015, the C-suite began de-emphasizing stock options as a component of executive pay. As soon as the Liberals abandoned this promised change in tax law, stock options popped back up as a significant component of executive pay.

This lends credence to the idea that CEOs choose different types of pay, at least in part, because they are incentivized to do so with sweetheart tax treatments. As such, there is good reason to equalize the tax treatment on all executive pay, whether it comes in the form of cash, stocks, or capital gains either on awarded stock or the exercise of stock options. All of these should be taxed as income in the same way they are for employees who don't work in the C-suite. It's unlikely that this would curb extreme CEO pay completely, but it would at least stop providing tax breaks for it.

Meanwhile, federal government revenues as a share of GDP have fallen to 14.5%—that's \$40 billion lower than the 50-year average of 16.4%. This means our government does not have the money needed to properly fund initiatives such as child care, pharmacare or poverty reduction.

As we noted in the 2019 Alternative Federal Budget,⁹ closing tax loopholes could raise \$18 billion in additional revenue—all without raising taxes for the vast majority of Canadians. In particular, by introducing the following changes, the federal government could begin addressing Canada's growing inequality problem while also addressing its revenue problem:

- **Eliminating the stock option deduction** would raise revenues of \$700 million/year. Over 90% of the benefit from this loophole goes to the top 1% (i.e., people earning more than \$250,000 a year), including 70 of the richest 100 CEOs.
- **Taxing capital gains at the same rate as income** (after adjusting for inflation) would raise \$11 billion a year. Capital gains from the sale of investments or assets are currently taxed at half the rate charged on employment income.

Now in its twelfth year, this report has demonstrated time and again that, left to their own devices, CEOs will award themselves increasingly large compensation packages. Although it is unlikely that any one measure will curtail overall growth in CEO pay, the government should consider more comprehensive tax reforms to help act as an equalizer between the rich and the rest of us.

Appendix

Detailed data tables

TABLE 1 CEO and average worker pay, 2008 to 2017

| Year | Average worker wage (\$) | Average of richest-100 CEOs | Multiple |
|---|--------------------------|-----------------------------|----------|
| <i>Prior to 2008 options valued at exercise not award</i> | | | |
| 2008 | \$42,134 | \$7,352,895 | 175 |
| 2009 | \$42,777 | \$6,651,164 | 155 |
| 2010 | \$44,328 | \$8,401,322 | 190 |
| 2011 | \$45,430 | \$7,699,136 | 169 |
| 2012 | \$46,572 | \$7,960,300 | 171 |
| 2013 | \$47,400 | \$9,213,416 | 194 |
| 2014 | \$48,648 | \$8,959,425 | 184 |
| 2015 | \$49,510 | \$9,572,762 | 193 |
| 2016 | \$49,738 | \$10,393,670 | 209 |
| 2017 | \$50,759 | \$9,998,238 | 197 |

Source CCPA CEO pay reports from 2008 to 2016, company proxy circulars, Statistics Canada table 14-10-0204-01 and author's calculations.

TABLE 2 Average richest-100 CEO pay by compensation type

| | Base salary | Bonus | Shares | Stock options | Other compensation | Pension accrual | Total |
|------|-------------|-------------|-------------|---------------|--------------------|-----------------|--------------|
| 2008 | \$1,021,638 | \$1,581,503 | \$1,888,328 | \$1,612,278 | \$648,482 | \$600,666 | \$7,352,895 |
| 2009 | \$929,938 | \$1,439,817 | \$1,381,994 | \$2,031,688 | \$470,221 | \$397,506 | \$6,651,164 |
| 2010 | \$950,575 | \$2,421,405 | \$1,846,725 | \$2,350,974 | \$370,981 | \$460,662 | \$8,401,322 |
| 2011 | \$987,239 | \$2,073,317 | \$1,984,670 | \$1,612,175 | \$571,416 | \$470,319 | \$7,699,136 |
| 2012 | \$1,008,280 | \$1,732,621 | \$2,240,133 | \$1,692,912 | \$753,693 | \$532,660 | \$7,960,300 |
| 2013 | \$1,061,505 | \$2,345,120 | \$2,501,594 | \$2,370,268 | \$525,932 | \$408,997 | \$9,213,416 |
| 2014 | \$1,128,625 | \$2,376,061 | \$3,493,992 | \$1,197,751 | \$404,155 | \$358,842 | \$8,959,425 |
| 2015 | \$1,112,972 | \$1,814,174 | \$4,283,593 | \$1,485,452 | \$532,613 | \$343,959 | \$9,572,762 |
| 2016 | \$1,180,309 | \$2,651,623 | \$3,434,792 | \$1,542,951 | \$1,244,909 | \$339,085 | \$10,393,670 |
| 2017 | \$1,208,659 | \$3,419,154 | \$1,806,351 | \$2,490,260 | \$483,255 | \$590,559 | \$9,998,238 |

Source CCPA CEO pay reports from 2008 to 2016, and company proxy circulars.

TABLE 3 100-richest CEOs (2017)

| Rank and name (* converted from \$USD) | Company | Title | Salary | Share-based awards | Option- based awards | Non-equity incentive plan compensation | Pension value | All other compensation | Total compensation 2017 |
|---|------------------------------------|--|-------------|-----------------------|----------------------------|--|------------------|---------------------------|-------------------------------|
| 1. Richard Baker | Hudson's Bay Co | Governor, Interim CEO Executive Chairman | \$861,311 | \$37,247,123 | \$16,625,299 | \$0 | \$113,398 | \$0 | \$54,847,131 |
| 2. Donald J. Walker* | Magna International Inc | Chief Executive Officer | \$422,045 | \$9,272,004 | \$6,181,336 | \$10,360,231 | \$0 | \$201,283 | \$26,436,899 |
| 3. Keith E. Creel | Canadian Pacific Railway Ltd | President and Chief Executive Officer | \$1,436,594 | \$4,407,788 | \$10,516,630 | \$2,419,292 | \$398,894 | \$926,402 | \$20,105,600 |
| 4. James C. Smith* | Thomson-Reuters Corp | President and Chief Executive Officer | \$2,077,760 | \$5,713,845 | \$5,713,841 | \$3,891,644 | -\$74,020 | \$1,422,198 | \$18,745,269 |
| 5. Linda Hasenfratz | Linamar Corp | Chief Executive Officer | \$630,315 | \$3,804,286 | \$0 | \$10,702,912 | \$3,500 | \$1,329,640 | \$16,470,653 |
| 6. Al Monaco* | Enbridge Inc | President & Chief Executive Officer | \$1,515,099 | \$2,661,031 | \$3,486,398 | \$2,871,472 | \$5,608,653 | \$124,785 | \$16,267,439 |
| 7. Doug Suttles* | Encana Corp | President & Chief Executive Officer | \$1,428,460 | \$8,382,537 | \$2,794,172 | \$2,838,018 | \$0 | \$385,702 | \$15,828,889 |
| 8. Mark J. Barrechea* | Open Text Corp | Chief Executive Officer and Chief Technology Officer | \$1,227,177 | \$4,198,841 | \$7,559,180 | \$2,500,617 | \$0 | \$18,084 | \$15,503,900 |
| 9. Stephen W. Williams | Suncor Energy Inc | President and Chief Executive Officer | \$1,415,769 | \$5,077,224 | \$4,847,100 | \$3,189,000 | \$117,600 | \$173,309 | \$14,820,002 |
| 10. Alain Bellemare* | Bombardier Inc Class B | President and Chief Executive Officer | \$1,445,861 | \$2,693,556 | \$2,693,556 | \$4,097,083 | \$26,232 | \$2,848,999 | \$13,805,287 |
| 11. David McKay | Royal Bank of Canada | President and Chief Executive Officer | \$1,500,000 | \$6,300,000 | \$1,575,000 | \$3,055,000 | \$886,000 | \$44,877 | \$13,360,877 |
| 12. Joe Natale | Rogers Communications Class B | President and Chief Executive Officer | \$879,808 | \$4,500,173 | \$4,000,013 | \$1,601,563 | \$2,055,846 | \$234,506 | \$13,271,909 |
| 13. Larry Richman | Canadian Imperial Bank of Commerce | Group Head, US Region, President and CEO, CIBC Bank USA | \$483,345 | \$1,108,589 | \$277,147 | \$593,885 | \$66,000 | \$10,721,500 | \$13,250,466 |
| 14. Serge Godin | CGI Group Inc Class A | Founder and Executive Chairman of the Board | \$1,375,000 | \$10,357,718 | \$0 | \$1,315,000 | \$0 | \$109,501 | \$13,157,219 |
| 15. N. Murray Edwards | Canadian Natural Resources Ltd | Executive Chair | \$1 | \$0 | \$3,879,000 | \$9,235,278 | \$0 | \$0 | \$13,114,279 |
| 16. Bruce J. Berry* | Winpak Ltd | President and Chief Executive Officer Winpak Ltd. | \$503,889 | \$12,472,547 | \$0 | \$0 | \$0 | \$0 | \$12,976,436 |
| 17. Brian J. Porter | Bank of Nova Scotia | President and Chief Executive Officer | \$1,000,000 | \$5,800,000 | \$1,450,000 | \$2,610,000 | \$1,973,000 | \$2,990 | \$12,835,990 |
| 18. Roy Gori | Manulife Financial Corp | President and CEO | \$1,195,187 | \$3,926,499 | \$2,087,065 | \$3,006,683 | \$119,100 | \$2,421,808 | \$12,756,342 |
| 19. Jim Jarrell | Linamar Corp | President & Chief Operating Officer | \$489,804 | \$0 | \$4,199,100 | \$7,142,204 | \$3,500 | \$906,006 | \$12,740,614 |
| 20. Charles V. Magro* | Agrium Inc | President & CEO (Agrium) | \$1,581,868 | \$3,490,273 | \$3,455,825 | \$3,438,192 | \$600,096 | \$47,811 | \$12,614,064 |
| 21. Sean Boyd* | Agnico-Eagle Mines Ltd | Vice-Chairman and Chief Executive Officer | \$1,551,489 | \$5,830,597 | \$0 | \$4,184,016 | \$1,015,104 | \$25,388 | \$12,606,595 |
| 22. Frank Hasenfratz | Linamar Corp | Chairman of the Board | \$446,064 | \$0 | \$0 | \$10,684,365 | \$0 | \$1,345,003 | \$12,475,432 |
| 23. Bharat Masrani | Toronto Dominion Bank | Group President and Chief Executive Officer, TD Bank Group | \$1,209,179 | \$5,145,600 | \$2,534,415 | \$1,920,000 | \$1,549,800 | \$78,324 | \$12,437,318 |
| 24. R. Jeffrey Orr | Power Financial Corp | President and Chief Executive Officer | \$4,550,000 | \$2,805,989 | \$2,668,505 | \$0 | \$1,922,000 | \$463,750 | \$12,410,244 |

| Rank and name (* converted from \$USD) | Company | Title | Salary | Share-based awards | Option- based awards | Non-equity incentive plan compensation | Pension value | All other compensation | Total compensation 2017 |
|---|------------------------------------|--|-------------|-----------------------|----------------------------|--|------------------|---------------------------|-------------------------------|
| 25. Luc Jobin | Canadian National Railway Co | Former President and Chief Executive Officer | \$1,395,995 | \$5,150,586 | \$2,686,640 | \$2,558,978 | \$485,604 | \$37,032 | \$12,314,835 |
| 26. Donald Guloien | Manulife Financial Corp | Former President and CEO | \$1,333,537 | \$4,005,274 | \$4,005,274 | \$1,906,808 | \$702,800 | \$234,572 | \$12,188,265 |
| 27. Darren Entwistle | Telus Corp | President and Chief Executive Officer | \$1,375,000 | \$9,395,565 | \$0 | \$645,565 | \$619,000 | \$132,448 | \$12,167,618 |
| 28. Bradley Shaw | Shaw Communications Inc Class B | Chief Executive Officer | \$2,000,000 | \$1,391,500 | \$106,200 | \$5,566,000 | \$2,475,230 | \$432,209 | \$11,971,139 |
| 29. George A. Cope | BCE Inc | President and CEO, BCE and Bell Canada | \$1,400,000 | \$4,406,250 | \$1,468,750 | \$3,360,000 | \$634,010 | \$171,560 | \$11,440,570 |
| 30. Howard L Lance* | Maxar Technologies Ltd. | President and Chief Executive Officer | \$1,102,561 | \$5,333,468 | \$1,346,116 | \$2,228,203 | \$0 | \$1,279,308 | \$11,289,656 |
| 31. JR Shaw | Shaw Communications Inc Class B | Executive Chair | \$1,200,000 | \$0 | \$0 | \$9,600,000 | \$0 | \$283,200 | \$11,083,200 |
| 32. Robert A. Mionis* | Celestica Inc | President and Chief Executive Officer | \$1,201,649 | \$7,142,300 | \$0 | \$1,184,376 | \$202,349 | \$937,457 | \$10,668,131 |
| 33. Donald R. Lindsay | Teck Resources Ltd | President and CEO | \$1,550,875 | \$2,974,200 | \$2,973,600 | \$2,386,400 | \$776,000 | \$0 | \$10,661,075 |
| 34. Tobias Lutke* | Shopify Inc. Class A | CEO | \$828,091 | \$3,895,856 | \$5,933,303 | \$0 | \$0 | \$0 | \$10,657,250 |
| 35. Glenn J. Chamandy* | Gildan Activewear Inc | President and CEO | \$1,428,460 | \$3,116,619 | \$3,116,634 | \$2,721,216 | \$74,701 | \$148,425 | \$10,606,054 |
| 36. William A. Downe | Bank of Montreal | Chief Executive Officer | \$1,960,650 | \$6,275,000 | \$850,000 | \$1,414,350 | \$0 | \$30,081 | \$10,530,081 |
| 37. Jay Mehr | Shaw Communications Inc Class B | President | \$1,320,000 | \$822,250 | \$88,500 | \$3,289,000 | \$4,514,230 | \$49,913 | \$10,083,893 |
| 38. Russell Girling | TransCanada Corp | President & CEO | \$1,300,008 | \$3,150,000 | \$3,150,000 | \$1,872,012 | \$556,000 | \$13,000 | \$10,041,020 |
| 39. John L. Thornton* | Barrick Gold Corp | Executive Chairman | \$3,246,500 | \$0 | \$0 | \$5,637,223 | \$486,975 | \$629,143 | \$9,999,841 |
| 40. Brian Hannasch | Alimentation Couche-Tard Inc | President and Chief Executive Officer | \$1,748,215 | \$3,185,514 | \$1,520,845 | \$1,913,629 | \$1,566,926 | \$0 | \$9,935,129 |
| 41. J. Paul Rollinson* | Kinross Gold Corp | President and CEO | \$1,449,160 | \$3,767,814 | \$941,954 | \$2,408,503 | \$652,122 | \$316,394 | \$9,535,946 |
| 42. Victor Dodig | Canadian Imperial Bank of Commerce | CEO | \$1,000,000 | \$4,445,280 | \$1,111,320 | \$2,381,400 | \$496,000 | \$2,250 | \$9,436,250 |
| 43. Gerald Storch | Hudson's Bay Co | Former Chief Executive Officer | \$1,345,798 | \$1,962,368 | \$2,247,375 | \$86,820 | \$160,288 | \$3,617,507 | \$9,420,156 |
| 44. Louis Vachon | National Bank Canada | President and Chief Executive Officer | \$1,125,015 | \$3,375,000 | \$1,687,501 | \$2,413,125 | \$740,000 | \$5,233 | \$9,345,874 |
| 45. Barry V. Perry | Fortis Inc | President and Chief Executive Officer | \$1,200,000 | \$3,600,000 | \$1,200,000 | \$2,446,000 | \$415,990 | \$391,307 | \$9,253,297 |
| 46. Gerald W. Schwartz | Onex Corp | Chief Executive Officer | \$1,300,000 | \$0 | \$0 | \$7,939,440 | \$0 | \$0 | \$9,239,440 |
| 47. Dean A. Connor | Sun Life Financial Inc | President & Chief Executive Officer | \$1,100,000 | \$4,125,043 | \$1,375,001 | \$2,185,000 | \$350,743 | \$11,060 | \$9,146,847 |
| 48. Calin Rovinescu | Air Canada | President and Chief Executive Officer | \$1,400,000 | \$1,970,379 | \$1,537,170 | \$3,156,300 | \$942,000 | \$0 | \$9,005,849 |
| 49. Steve W. Laut | Canadian Natural Resources Ltd | President | \$567,000 | \$0 | \$2,315,625 | \$5,924,259 | \$0 | \$101,711 | \$8,908,595 |
| 50. J. Bruce Flatt* | Brookfield Asset Management Inc | Senior Managing Partner and CEO | \$973,950 | \$7,859,777 | \$0 | \$0 | \$0 | \$48,698 | \$8,882,424 |
| 51. Anthony Caputo | ATS Automation Tooling Systems Inc | Former Chief Executive Officer | \$738,300 | \$0 | \$0 | \$1,027,200 | \$3,046,000 | \$4,010,700 | \$8,822,200 |
| 52. David Garofalo | Goldcorp Inc | President and CEO | \$1,350,000 | \$4,387,489 | \$0 | \$1,907,000 | \$366,938 | \$384,623 | \$8,396,050 |

| Rank and name (* converted from \$USD) | Company | Title | Salary | Share-based awards | Option- based awards | Non-equity incentive plan compensation | Pension value | All other compensation | Total compensation 2017 |
|---|--|---|-------------|-----------------------|----------------------------|--|------------------|---------------------------|-------------------------------|
| 53. Rod N. Baker | Great Canadian Gaming Corp | President and Chief Executive Officer | \$700,000 | \$29,708 | \$6,942,417 | \$700,000 | \$13,115 | \$1,855 | \$8,387,095 |
| 54. Michael H. McCain | Maple Leaf Foods Inc | President and CEO | \$1,105,465 | \$3,091,801 | \$2,369,911 | \$1,500,355 | \$268,378 | \$0 | \$8,335,910 |
| 55. Sébastien de Montessus* | Endeavour Mining Corp | CEO and President | \$1,233,670 | \$3,689,339 | \$0 | \$1,850,505 | \$0 | \$1,392,585 | \$8,166,099 |
| 56. Harry Culham | Canadian Imperial Bank of Commerce | Group Head, CM | \$500,000 | \$4,186,477 | \$1,046,619 | \$2,242,754 | \$146,000 | \$2,250 | \$8,124,100 |
| 57. Jerry Fowden* | Cott Corp | Chief Executive Officer | \$1,172,111 | \$3,652,313 | \$2,191,388 | \$996,295 | \$0 | \$24,579 | \$8,036,685 |
| 58. Jay S. Hennick* | Colliers International Group Inc/FirstService Corp | Chairman and Chief Executive Officer (CIGI) / Founder and Chairman (FSV) | \$2,201,387 | \$0 | \$0 | \$5,796,837 | \$0 | \$0 | \$7,998,224 |
| 59. Paul Mahon | Great-West Lifeco Inc | President and Chief Executive Officer of the Corporation, Great-West, London Life, CLFC and Canada Life | \$1,184,423 | \$2,116,689 | \$874,000 | \$1,871,388 | \$1,597,746 | \$208,383 | \$7,852,629 |
| 60. José Boisjoli | BRP Inc | President and CEO | \$1,034,005 | \$0 | \$4,165,410 | \$1,888,403 | \$743,000 | \$2,000 | \$7,832,818 |
| 61. Charles Brindamour | Intact Financial Corp | Chief Executive Officer | \$1,197,115 | \$3,600,000 | \$0 | \$1,625,625 | \$1,363,270 | \$0 | \$7,786,010 |
| 62. Bob Gomes | Stantec Inc | President & CEO | \$850,005 | \$1,133,333 | \$566,667 | \$595,000 | \$0 | \$4,558,892 | \$7,703,897 |
| 63. Stephen G. Wetmore | Canadian Tire Corp Class A | President and CEO | \$1,250,000 | \$3,749,782 | \$0 | \$2,143,500 | \$0 | \$477,214 | \$7,620,496 |
| 64. Alain Bédard | Transforce Inc | President and CEO | \$1,707,659 | \$629,293 | \$629,293 | \$2,575,150 | \$458,500 | \$1,407,751 | \$7,407,646 |
| 65. George Burns | Eldorado Gold Corp | President & CEO | \$916,667 | \$3,350,000 | \$1,700,000 | \$490,188 | \$275,000 | \$600,000 | \$7,331,855 |
| 66. George D. Schindler | CGI Group Inc Class A | President and Chief Executive Officer | \$1,182,556 | \$0 | \$4,623,586 | \$1,329,112 | \$3,285 | \$190,401 | \$7,328,940 |
| 67. Ronald J. Mittelstaedt* | Waste Connections Inc | Chief Executive Officer and Chairman | \$1,229,304 | \$2,894,140 | \$0 | \$2,894,190 | \$0 | \$49,053 | \$7,066,688 |
| 68. Geoffrey T. Martin | CCL Industries Class B | President and Chief Executive Officer | \$1,406,383 | \$0 | \$2,010,000 | \$3,284,446 | \$353,941 | \$0 | \$7,054,770 |
| 69. Gregory Lang* | Novagold Resources Ltd | President and CEO | \$984,544 | \$2,492,084 | \$2,304,567 | \$1,203,587 | \$0 | \$65,042 | \$7,049,823 |
| 70. Brian C. Ferguson | Cenovus Energy Inc | Former President and Chief Executive Officer | \$1,350,000 | \$1,812,897 | \$1,848,732 | \$1,265,625 | \$626,118 | \$132,470 | \$7,035,842 |
| 71. John Floren | Methanex Corp | President & CEO | \$1,006,500 | \$2,148,800 | \$2,146,759 | \$1,169,000 | \$221,430 | \$277,991 | \$6,970,480 |
| 72. Robert J. Peabody | Husky Energy Inc | President & Chief Executive Officer | \$1,375,000 | \$2,619,239 | \$637,452 | \$2,060,000 | \$123,750 | \$99,962 | \$6,915,403 |
| 73. Steven K. Hudson | ECN Capital Corp | Chief Executive Officer | \$875,000 | \$2,100,000 | \$1,390,649 | \$2,187,500 | \$0 | \$342,680 | \$6,895,829 |
| 74. Richard M. Kruger | Imperial Oil Ltd | Chairman, president and chief executive officer | \$1,129,782 | \$3,908,520 | \$0 | \$1,109,650 | -\$1,159,234 | \$1,850,506 | \$6,839,224 |
| 75. Paul Desmarais Jr. | Power Corp of Canada / Power Financial Corp | Chairman and Co-Chief Executive Officer / Executive Co-Chairman | \$1,200,000 | \$187,500 | \$3,570,987 | \$1,500,000 | -\$249,000 | \$438,000 | \$6,647,487 |
| 76. Dawn L. Farrell | Transalta Corp | President and Chief Executive Officer | \$1,000,000 | \$1,760,000 | \$440,000 | \$1,710,000 | \$1,525,800 | \$82,616 | \$6,518,416 |
| 77. Marc Parent | CAE Inc | President and Chief Executive Officer | \$924,233 | \$2,116,296 | \$915,420 | \$1,818,540 | \$563,000 | \$163,352 | \$6,500,841 |
| 78. Joseph C. Papa* | Valeant Pharmaceuticals International | Chief Executive Officer | \$1,947,900 | \$0 | \$0 | \$3,871,451 | \$0 | \$537,436 | \$6,356,787 |

| Rank and name (* converted from \$USD) | Company | Title | Salary | Share-based awards | Option- based awards | Non-equity incentive plan compensation | Pension value | All other compensation | Total compensation 2017 |
|---|--|---|-------------|-----------------------|----------------------------|--|------------------|---------------------------|-------------------------------|
| 79. François Olivier | Transcontinental Inc Class A | President and Chief Executive Officer | \$1,015,539 | \$2,037,988 | \$0 | \$2,614,398 | \$176,946 | \$493,597 | \$6,338,467 |
| 80. Neil Bruce | SNC-Lavalin Group Inc | President and CEO | \$1,127,575 | \$3,427,595 | \$0 | \$1,452,000 | \$0 | \$262,560 | \$6,269,730 |
| 81. Tim Gitzel | Cameco Corp | President and Chief Executive Officer | \$1,025,000 | \$2,182,950 | \$1,455,575 | \$1,292,000 | \$302,900 | \$0 | \$6,258,425 |
| 82. Michel Dallaire | Cominar REIT | Former Chief Executive Officer and Chairman of the Board of Trustees | \$759,000 | \$0 | \$0 | \$0 | \$0 | \$5,486,428 | \$6,245,428 |
| 83. Kevin A. Neveu | Precision Drilling Corp | President and CEO | \$976,397 | \$2,502,094 | \$1,706,037 | \$803,102 | \$0 | \$232,080 | \$6,219,710 |
| 84. Mayo Schmidt | Hydro One Ltd | President and Chief Executive Officer | \$1,082,054 | \$3,542,265 | \$0 | \$1,450,000 | \$89,423 | \$25,980 | \$6,189,722 |
| 85. Alexandre L'Heureux | WSP Global Inc | President and CEO | \$1,100,000 | \$2,419,963 | \$604,996 | \$1,939,300 | \$0 | \$108,885 | \$6,173,144 |
| 86. Sachin Shah* | Brookfield Business Partners | Chief Executive Officer of the Service Provider | \$600,810 | \$5,190,933 | \$0 | \$300,405 | \$0 | \$54,931 | \$6,147,079 |
| 87. L. Scott Thomson | Finning International Inc | President and Chief Executive Officer | \$927,000 | \$3,000,000 | \$750,000 | \$1,077,526 | \$222,480 | \$120,931 | \$6,097,937 |
| 88. Galen G. Weston | George Weston Ltd / Loblaw Companies Ltd | Chairman and CEO of the Corporation and Loblaw | \$1,180,000 | \$3,146,550 | \$1,573,339 | \$0 | \$0 | \$116,881 | \$6,016,770 |
| 89. Nancy C. Southern | ATCO Ltd Class I | Chair & Chief Executive Officer | \$1,000,000 | \$655,534 | \$875,012 | \$1,000,000 | \$2,410,439 | \$35,000 | \$5,975,985 |
| 90. Jeffrey R. Carney | IGM Financial Inc | President and Chief Executive Officer, IGM Financial Inc., President and Chief Executive Officer, Investors Group | \$1,220,000 | \$1,237,500 | \$113,091 | \$2,850,166 | \$251,330 | \$133,399 | \$5,805,486 |
| 91. Michael Dilger | Pembina Pipeline Corp | President and CEO | \$904,167 | \$1,665,000 | \$1,110,000 | \$1,650,200 | \$411,188 | \$63,373 | \$5,803,928 |
| 92. Alexander J. Pourbaix | Cenovus Energy Inc | President & Chief Executive Officer | \$155,303 | \$3,249,994 | \$2,250,001 | \$122,740 | \$6,667 | \$10,939 | \$5,795,644 |
| 93. Richard D. McBee* | Mitel Networks Corp | President and CEO | \$1,056,736 | \$3,299,834 | \$0 | \$1,200,769 | \$0 | \$234,282 | \$5,791,620 |
| 94. Christopher Huskilson | Emera Inc | President and Chief Executive Officer | \$1,095,769 | \$1,899,773 | \$1,900,208 | \$842,600 | \$0 | \$23,592 | \$5,761,942 |
| 95. Edward Sonshine | Riocan Reit | CEO | \$1,300,000 | \$2,600,000 | \$0 | \$1,813,851 | \$0 | \$0 | \$5,713,851 |
| 96. Barry McInerney | IGM Financial Inc | President and Chief Executive Officer, Mackenzie Investments | \$1,016,667 | \$1,000,000 | \$94,369 | \$2,296,216 | \$223,530 | \$1,040,372 | \$5,671,154 |
| 97. Peter Marrone* | Yamana Gold Inc | Chairman and Chief Executive Officer | \$1,955,863 | \$649,300 | \$0 | \$2,114,121 | \$707,893 | \$219,996 | \$5,647,171 |
| 98. Clive Johnson | B2Gold Corp | President and CEO | \$1,200,000 | \$2,500,000 | \$0 | \$1,800,000 | \$0 | \$5,100 | \$5,505,100 |
| 99. Daniel Schwartz* | Restaurant Brands Intl Inc | Chief Executive Officer | \$1,038,880 | \$1,936,885 | \$0 | \$2,245,896 | \$0 | \$170,471 | \$5,392,133 |
| 100. Ravi Saligram* | Ritchie Bros Auctioneers Inc | Chief Executive Officer | \$1,298,600 | \$1,569,257 | \$1,623,260 | \$666,312 | \$0 | \$212,393 | \$5,369,821 |

Source Company proxy circulars as available on www.sedar.com. Job titles are as reported in company documents for 2017. All values in Canadian dollars.

* reported in US dollars, but converted to Canadian dollars for consistency.¹⁰

Notes

1 See www.sedar.com.

2 Bank of Canada, Annual Exchange Rates, 2017 (<https://www.bankofcanada.ca/rates/exchange/annual-average-exchange-rates/>).

3 David Macdonald, “The Double-Pane Glass Ceiling: The Gender Pay Gap at The Top of Corporate Canada,” Canadian Centre for Policy Alternatives, January 2019.

4 Based on a calendar of 260 non-weekend days in the year. This assumes that CEOs received paid holidays like New Year’s Day, January 1, 2018.

5 Although prior to 2008, stock options were valued at exercise, which provided a more accurate evaluation of how much CEOs made from them, although it didn’t reveal when the options were awarded. In 2008 and after, options were valued at the time of award using the Black-Scholes method. This provides a better understanding of when they were awarded but likely substantially underestimates their ultimate exercise value.

6 Statistics Canada, Survey of Employment, Payroll and Hours (SEPH), Table: 14-10-0204-01, Industrial aggregate excluding unclassified businesses, average weekly earnings including overtime for 2017 for 52 weeks of work.

7 Andrew Haldane, *Patience and finance*, Bank of England, September 9, 2010 (<http://www.bis.org/review/r100909e.pdf>).

8 The average annual benefit accessible at age 65 for those receiving a pension, based on 2017 Company proxy circulars and author’s calculations.

9 Canadian Centre for Policy Alternatives, *No Time to Lose: Alternative Federal Budget 2019* (<https://www.policyalternatives.ca/afb2019>).

10 Bank of Canada, Annual Exchange Rates, 2017 (<https://www.bankofcanada.ca/rates/exchange/annual-average-exchange-rates/>).

