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Boundless bonuses

Skyrocketing Canadian executive pay during the 2020 pandemic

Alicia Massie and David Macdonald

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Boundless bonuses

Skyrocketing Canadian executive pay
during the 2020 pandemic

Fast Facts

- Executive pay is up on average 17% in 2020 compared to 2019.
- 49 of Canada's biggest companies modified their own compensation rules to boost executive bonuses during the pandemic in these ways (see Appendix B for full list):
    - 13 companies awarded large direct bonuses via cash, shares, or options;
    - 8 companies excluded poor financial results or otherwise adjusted away the impacts of the pandemic;
    - 24 companies altered the weighting, percentages, scores, or categories within performance evaluations;
    - 4 companies shifted to different financial or time-based evaluations.
- Among the executives who took "salary cuts" due to COVID-19, 52% saw their total pay increase anyway because bonuses overcame any salary decrease.

Introduction

Despite a devastating pandemic and ensuing financial crisis, Canadian CEOs enjoyed ever-healthier[1] paycheques in 2020—thanks, in part, to alterations of bonus pay rules.

Using filings from 209 publicly traded companies on the S&P/TSX Composite Index, we've combed through the numbers to see how executive pay shifted between 2019 and 2020. We tracked the compensation of 1,096 of the Named Executive Officers (NEOs) at these companies. This includes the CEO (which we've tracked elsewhere[2]) but also the other top paid execs at each company, like the Chief Financial Officer (CFO) and others. See Appendix A: Methodology for more details.

Executives across these companies are paid through multifaceted compensation programs where "salary" is typically the smallest component of overall pay. Beyond salaries and pensions, the rest of their pay is generally made up of "pay for performance" bonuses, which is hypothetically based on how the company is doing. The performance measures differ by company but can include revenue, profit or stock price goals. Measures can also include low workplace deaths and how much employees like working for a company.

We found many executive officers in Canada actively benefited from the pandemic—either because their companies were on the right side of COVID-19 and made a profit from it or because their bonus formulas were changed.

Executive pay is up 17% from 2019

For low-wage workers, the pandemic meant widespread hour and job losses. In fact, in April and May of 2020, the first few months of pandemic lockdowns, half of all workers making $17 an hour or less had lost their jobs or the majority of their hours. As of June 2021, they still haven't fully recovered.

In contrast, those making over $35 an hour, the top quarter of workers, saw a complete recovery in jobs and hours by July 2020.

Pay increases for top executives were even rosier between 2019 and 2020. For the 758 executives with data, their average pay increase was 17%. This works out to an average raise of $171,000 per top executive. Soaring stock markets in 2020, despite the pandemic, drove much of this increase as much of executives' pay is often linked to their company's stock price.

For others, as we'll see below, COVID-19 bonuses and rule alterations also boosted their pay.

Bonus adjustments

Executives aren't paid like regular workers. Normal workers receive a salary or an hourly wage, which is taxed at statutory rates. They might get a small end-of-year bonus, but it would make up a very small part of their overall pay. Corporate executives are the exact opposite: the majority of their pay comes from bonuses, not salaries. To make matters more complicated, these executives often aren't paid in money, they are paid in stock or stock options that will only have value in a few years' time. Being paid this way allows for often generous tax breaks that are generally unavailable for working Canadians.

How much top executives make in bonus cash, stock and stock options is notoriously convoluted. These awards, routinely related to multiple factors (such as profit or stock price), are determined over multiple time frames, and are tied to categories or "targets" that might change from year to year or even quarter to quarter.

We found 49 companies, nearly a quarter of S&P/TSX Composite companies, altered their own rules to boost executives' paycheques, relying on a variety of maneuvers, including:

- Awarding large COVID-19 related bonuses via either cash, shares or stock options;
- Simulating financial figures for 2020 that excluded the impact of COVID-19;
- Altering the weighting, percentages, or overall categories within performance evaluations;
- Shifting to different financial or time-based evaluations.

It is worth mentioning that a few companies changed their bonus calculations so as to cancel or reduce their bonuses. For example: The CEO of Agnico-Eagle Mines Ltd. committed to a reduction in his short-term bonus, and Air Canada notoriously agreed to return[3] its "Pandemic Mitigation Bonuses" after widespread public outcry, given the federal loan support it had just received.

The devil remains in the details: Air Canada's named executive officers (NEOs), for example, publicly returned their COVID-19 bonuses due to public outcry over their recent receipt of a $5.879 billion federal government bailout.[4] The CEO and executive vice-presidents agreed to voluntarily return[5] their combined $2 million "pandemic mitigation bonuses" and a small,

TABLE 1 Bonus adjustments

Type of bonus adjustment	Number of companies
Awarding direct COVID-19 bonuses	13
Creating hypothetical results excluding COVID-19 and then re-evaluated the bonuses	8
Altering the weighting, percentages, scores, or categories within performance evaluations	24
Shifting to different financial or time-based evaluations	4

undisclosed amount of share appreciation units. But this wasn't their entire bonus package for the 2020 year—it was only 15% of it. The executives kept the remaining 85% of their bonuses, which were worth $11 million (spread across five top executives).

COVID-19 bonuses

Thirteen companies awarded COVID-19 related bonuses. These took the form of cash, stock or stock option awards at least in part related to executives addressing the impact of COVID-19 on their companies. For example:

- Gildan Activewear, a company reported to have taken a "huge hit"[6] during the pandemic, rationalized giving its CEO a direct bonus of $7.8 million due, in large part, to his role leading the company through COVID-19

Creating hypothetical financial results

Eight of Canada's biggest companies simulated their financial results without COVID-19 and then awarded bonuses based on the simulated results rather than the actual results for 2020. For example:

- Martinrea International rationalized its bonus payments based on the assertion that the financial impacts of COVID-19 were simply too "unusual and external" and, given the company's "heroic" efforts, excluded the second quarter from bonus calculations.

- Dollarama justified its bonuses by rationalizing that once you remove the direct costs associated with COVID-19, executives *would* have received bonuses. Consequently, their compensation committee recommended that executives *should* receive their bonus.

- Sienna Senior Living, a company that experienced multiple COVID-19 outbreaks[7] at its facilities, explained that the loss of revenue and additional expenses incurred as a result of the pandemic were "extraordinary operating expenses" and were thus excluded when determining bonuses.

Altering performance evaluations

Twenty four big companies altered the weighting, percentage scores or categories upon which the final bonus was based. For example:

- Companies such as George Weston Ltd. and Laurentian Bank, bypassed their own performance results, saying that while 2020's results *would have* resulted in a nil (0%) bonus payout in particular categories, it didn't seem fair, given what they deemed as "substantial" and "significant" efforts during 2020. As a result, they paid the bonuses.

Shifting to different financial or time evaluations

A final four companies modified the timeframes or financial measures used in calculating their bonuses. For example:

- CCL Industries argued that it created its bonus program before the pandemic, so it reworked its performance measures and targets to "motivate management to meet these unforeseen challenges." It did this by offering executives an additional two years to meet these targets.

- Bausch Health Companies bonus structure was based on using the results over an entire year. During the pandemic, the company instead evaluated bonuses on a quarterly basis "to allow for the instability and unpredictability of the COVID rebound."

Salary cuts = bigger bonuses

Many companies have used "salary cuts"[8] to explain their compensation packages during such a difficult time.

Despite the prominence of those salary cuts within corporate public relations, flexible bonus packages can render those salary cuts to be symbolic in nature.

Salary is typically the smallest component of an executive's compensation package, which typically includes stock, stock options, cash bonuses and pension allocations. These make up the real substance of their pay. Among the 209 companies analyzed, salary accounted for 28%, on average, of overall top executive pay.

Among the 1,096 executives reviewed in this analysis, only 169 agreed to salary reductions and over half of the top executives (52%) who experienced a salary cut saw their overall pay *actually increase* in 2020 because their bonuses went up by more than what they lost in salary.

Often salary cuts were completely offset with other bonuses buffering the salary cut.

For example, Open Text, a company that permanently closed half of its offices and laid off 5% of its workforce,[9] offered "special performance bonuses" to executives in the amount equal to their original salary reductions.

Three of Alamos Gold's NEOs accepted a 25% reduction in salary for two months yet they saw their overall pay increase in 2020, despite experiencing multiple COVID-19 outbreaks[10] at a mine and receiving federal support via Canada Emergency Wage Subsidy.[11]

Executive compensation: No risk, all reward

Such bonus pay practices are perfectly legal. Many companies carve out room for discretionary adjustments and compensation committees can determine how much executives should be awarded in bonuses.

Executive bonuses are inflated all the time due to formula alterations, despite world events. Take Canadian National Railway's 2020 removal of the financial impacts of "illegal rail blockades" from its bonus calculations or Teck Resources' adjustments to account for commodity prices and foreign exchange rate changes.

An oft-stated rationale for high executive compensation is that it is due to the "exceptional risk" executives shoulder. The bonuses they receive are high, but *risky*. If targets aren't met, those bonuses could be wiped out. But this argument falls apart when looking at the bonus formula alterations to limit reductions in bonuses during the pandemic. Bad commodity prices this year? Adjust the performance target downward. Bad second quarter due to a pandemic? Eliminate that from the calculation. Less than half of company employees say this is a good place to work? Substitute a rating of 100% on employee engagement.

Tools that can push back

Not only are corporate executives receiving some of the biggest paycheques, they are often among the largest shareholders in companies providing them with extreme wealth.

There is an increased push across North America, and strong support from the majority of Canadians,[12] for the implementation of a wealth tax. The federal government has promised to explore ways to tax extreme wealth inequality, but we've seen nothing yet. CCPA's analysis shows[13] that a modestly progressive wealth tax of 1% for wealth over $10 million, 2% on wealth over $100 million and 3% for wealth over $1 billion would generate close to $20 billion annually.

Rich corporate executives also benefit from tax loopholes that most Canadians would never be able to access.

While ordinary Canadians pay the full tax rate on their income from working, those with income from selling businesses or investments can pay tax at only half the rate.

Corporate executives, with their share- and option-based compensation, are chief among those benefiting from this loophole. Canada should follow President Biden's announcement[14] to tax capital gains at the full rate for millionaires. Even after recent stock option tax limits,[15] up to $200,000 of executive compensation via option-based awards is subject only to capital gains tax, not income tax. That means a regular working Canadian must pay full income tax on their salary up to $200,000. But a multi-millionaire executive getting a share-based bonus pays only 50%.[16]

Unlike in the U.S., where there is a $1 million limit per executive, Canadian companies are entitled to deduct any amount of corporate pay as a business deduction. Limiting this tax-deductible expense to $1 million per employee would send a signal to corporations and save the federal government hundreds of millions of dollars annually.

While last year was a period of devastating job loss and financial ruin for many Canadians, many executives were buffered from the pressure that COVID-19 placed on household income—thanks to executive compensation practices that are impervious to major crises such as a global pandemic.

Appendix A

Methodology

A total of 222 companies were listed on the S&P/TSX in June 2020. 209 companies had usable proxy circular data and were analyzed. Thirteen companies were excluded from the analysis as they either had no filed proxy circular, or the proxy circulars did not contain executive compensation data. This was generally due to mergers. Publicly-available proxy circulars for 2020 were downloaded from either Sedar.com or individual companies' websites.

This resulted in a total of 1,096 executives analyzed, of which 758 had data for both 2019 and 2020. When calculating the average change in total compensation between 2019 and 2020 the top 1% and bottom 1% of average changes were excluded.

Executive compensation data was extracted from Summary Executive Compensation Tables and related notes. Adjustments to compensation programs and bonuses were analyzed from these tables and the surrounding contextual/narrative information included in the broader Executive Compensation and Letter to Shareholder sections.

Appendix B

S&P/TSX companies which changed bonus formulas in 2020

TABLE 2 S&P/TSX companies which changed bonus formulas in 2020

Company Name	Type of adjustment	Language from proxy circular	2020 proxy circular page reference(s)
Agnico-Eagle Mines Ltd.	Direct bonus	"For 2020, the Compensation Committee initially awarded Mr. Boyd a short term incentive award of C$4.75 million, having regard to, among other things, his accomplishments achieved during the year … However, we determined that, notwithstanding we were prepared to award Mr. Boyd a short term incentive award of C$4.75 million, having regard to the fact that Mr. Boyd had committed to a reduction of his short terms incentive award of C$1 million in response to the COVID-19 pandemic, the Compensation Committee would approve a award of C$3.75 million. We commend Mr. Boyd for his leadership throughout the COVID-19 pandemic and results that the Company achieved while facing these unprecedented challenges..."	29
Air Canada	Direct bonus	"Due to the unprecedented impact of COVID-19 on the airline industry and Air Canada, the Board of Directors used its discretion to amend several aspects of the Corporation's compensation practices in 2020 which impacted each of the Named Executive Officers. Base salaries were voluntarily reduced, at varying levels as set out below. No annual incentive bonus was paid, except for a discretionary COVID-19 Pandemic Mitigation Bonus paid to those individuals who contributed significantly to the Corporation's survival and its Mitigation and Recovery Plan."	97
Altus Group Ltd.	Altering the weighting, percentages, scores, or categories within performance evaluations	"Robert Courteau's KPIs established early in 2020 assumed a normal business environment and his ability to accomplish them. In considering Mr. Courteau's compensation outcomes in 2020, we exercised our discretion to account for the adverse effects of the COVID-19 pandemic. We took into account that in 2020, under Mr. Courteau's leadership, the company made substantial progress executing on its strategic plan and delivered strong financial results and operational performance." // "In determining Mr. Courteau's compensation outcomes in 2020, the Board exercised its judgement and considered his accomplishments as CEO in 2020 in the context of his successful navigation of the adverse effects of the COVID-19 pandemic including, his overachievement in execution of the KPIs associated with the strategic plan and talent strategy, the strong shareholder return experienced by investors and his robust contribution to the CEO succession plan, and awarded him an annual bonus payout of 200% of base salary. The Board has also considered that notwithstanding the challenges of the COVID-19 pandemic, Mr. Courteau had been able to deliver strong financial results and operations performance, as outlined in the Letter to Shareholders..."	54 // 67–68

Company Name	Type of adjustment	Language from proxy circular	2020 proxy circular page reference(s)
Aurinia Pharmaceuticals Inc.	Excluding poor financial results or otherwise excluding the impacts of the pandemic	"The performance conditions for the Pas granted to the officers of the Company did not have performance metrics pertaining to the 2020 financial year..."	66
Badger Daylighting Ltd.	Direct bonus	"The impact of the COVID-19 crisis on the business was significant, with this impact broadly recognized as an external event not controllable by management … Because the 2020 financial targets were established pre-pandemic and were not adjusted, the Board determined that it was justified and in the best long-term interest of Badger to award discretionary short-term bonuses to executive officers to recognize the success in preserving shareholder value."	60
Ballard Power Systems Inc.	Altering the weighting, percentages, scores, or categories within performance evaluations	"Ballard's 2020 Corporate Scorecard and Performance Share Units (PSU) Scorecard were approved by the Board in December 2019 and did not contemplate the unprecedented impact of COVID-19. In April 2020, the Board held an emergency meeting to review management's COVID-19 Response Plan, including potential impact to the 2020 Annual Operating Plan. Given COVID-19 uncertainty for the remainder of 2020, the Board decided not to make changes to the operating plan at that time, but rather to consider the exercise of the Board discretion at the end of the year once outcomes were known and giving regard to all relevant circumstances ... In February 2021, the Board determined that it was appropriate to apply discretion and adjust the financial goals in both the 2020 Corporate Scorecard and the 2020 PSU Scorecard."	50–51
Bausch Health Companies Inc.	Shifting to different financial or time-based evaluations	"While the Committee moved to a quarterly approach for 2020 to allow for the instability and unpredictability of the COVID rebound..."	57
Boyd Group Services Inc.	Altering the weighting, percentages, scores, or categories within performance evaluations	"As a result of these actions, the Compensation Committee, in consultation with its independent advisors, concluded that it would be appropriate to use discretion in awarding short-term compensation this year and approved to award participating NEOs at the level 2/3rds between threshold and target..."	28
CAE Inc.	Shifting to different financial or time-based evaluations	"As a result of the COVID-19 pandemic, CAE has implemented a number of measures to protect the Company's financial position and preserve liquidity: …—Deferred payment of the FY2020 STIP and vested RSUs and PSUs to November 2020—Added critical strategic COVID-19 response objectives to the FY2021 STIP. ... The FY2021 STIP will include qualitative measures (weighted at 30%) aimed at ensuring CAE is adequately addressing the COVID-19 crisis. ... The long-range financial targets associated with PSUs will not be set at the time of the grant but rather in May 2021..."	63
Canadian National Railway Co.	Excluding poor financial results or otherwise excluding the impacts of the pandemic	"As a result of the unique circumstances of the COVID-19 pandemic in 2020, CN, similar to other large corporations, had to consider whether the use of discretion in the application of the AIBP was necessary and appropriate. The Board, after carefully reviewing the impact of the extraordinary global pandemic, for the bonus determination under the AIBP, excluded all government support related to the pandemic received by CN, as well as CN expenses directly associated with the Company's pandemic response. Similarly, the financial impacts of the illegal rail blockades, which were outside of the control of the Company, were removed for the bonus determination under the AIBP."	44
Canadian Pacific Railway Ltd.	Altering the weighting, percentages, scores, or categories within performance evaluations	"While our overall company performance and shareholder return was favourable, the COVID-19 pandemic impacted our volumes due to lower consumer demand, resulting in the adjusted revenue not being achieved. Absent these impacts, the adjusted revenue goal would have been met in full. To provide and equitable outcome for all award participants, the Board approved the application of positive discretion for the PSOs to vest at 75 percent (without discretion it would have been at 50 percent) and the PSUs will payout at 125 percent (without discretion would payout at 100 percent)..."	65

Company Name	Type of adjustment	Language from proxy circular	2020 proxy circular page reference(s)
Canfor Corp.	Direct bonus	"For 2020, the Board, as recommended by the Compensation Committee, determined to award discretionary bonuses to all senior executives of the Company for having delivered exceptional performance in areas of significant responsibility, and for having a direct positive impact on the Company's performance during and exceptionally challenging and volatile year. For 2020, the discretionary bonus represented 100% of the individual's annual salary."	17
Canopy Growth Corp.	Excluding poor financial results or otherwise excluding the impacts of the pandemic	"In Q4 of Fiscal 2020, and as part of the comprehensive review of compensation policies, the Board adopted a new program with respect to short-term incentives for the Company's executive leadership team, including the NEOs, for Fiscal 2021. The new program measures performance against key financial and strategic objectives while maintaining an ongoing view and potential revisions based on the impacts of COVID-19, the impacts of which are reviewed quarterly..."	37
CCL Industries	Shifting to different financial or time-based evaluations	"In 2019, the board of directors approved an LTIP which was initially intended to apply for the years 2019 through 2021. The specified performance measures and targets in the LTIP were set in 2019, prior to the outbreak of the COVID-19 pandemic. The pandemic gave rise to uncertainties, challenges and impacts that were unexpected and beyond management control. ... the board considered it appropriate, fair and equitable to update the specified performance measures and extend the LTIP by two years to apply for the years 2019 and 2023..."	27
CGI Group Inc.	Altering the weighting, percentages, scores, or categories within performance evaluations	"For fiscal 2020, the performance vesting of the PSUs based on the formula above, as it pertains to the overall Company 43.7%. However, the Board of Directors established performance vesting as it pertains to the overall Company at 45% as the profitability performance factor was negatively impacted by unplanned restructuring costs related to the impact of the COVID-19 pandemic."	28
Chartwell Retirement Residences	Altering the weighting, percentages, scores, or categories within performance evaluations	"In the modified employee survey, 44% of employees in the Chartwell residences and 58% of employees in Chartwell's corporate offices responded as strongly agreeing to the statement "I am satisfied with Chartwell as a place to work" in 2020 ... Based on these results and the consideration of direct feedback from residents, their families and Chartwell employees, the Compensation Committee awarded 100% achievement of the Customer Satisfaction and Reputation and Employee Engagement Goals" "The Compensation Committee resolved to apply its discretion with respect to measuring achievement of the Corporate Goals, taking into account the following principles (the "2020 Principles"): 1. The need to recognize the exceptional efforts of Chartwell staff and executives in mitigating the effects of the pandemic on Chartwell's business operations and residents. 2. The need to incent Chartwell staff and executives to remain with Chartwell..."	35–36
CI Financial Corp.	Direct bonus	"The GHRC Committee assesses the Chief Executive Officer's ability to lead the organization and to optimize opportunities to take advantage of favourable market conditions or to mitigate the impact of unfavourable conditions, most notably the COVID-19 pandemic. In recognition of Mr. MacAlpine's responsibilities, leadership of and contribution to success in 2020, the GHRC Committee recommended to the Board the payment of a cash bonus of $1,000,000 and the award of 238,129 RSUs pursuant to the RSU Plan."	36
Dollarama Inc.	Excluding poor financial results or otherwise excluding the impacts of the pandemic	"...the Human Resources and Compensation Committee decided, on an exceptional basis given the unknown effects of COVID-19 on the Corporation's performance and on the economy in general, to postpone the setting of any targets for the three performance metrics on which the Corporation's short-term incentive plan is based. As the pandemic remained ongoing throughout the fiscal year, the Human Resources and Compensation Committee, ultimately decided to maintain the flexibility to use normalized metrics, discretion or a combination of both to assess performance of NEOs and management after year end. ... Based on those discussions and on the fact that once incremental direct COVID related costs are excluded, results indicators point to bonus metrics being delivered at or slightly above what would have been targeted for the fiscal year as per the Corporation's preliminary budget, the committee recommended to the Board of Directors that annual bonuses be paid at target, and the Board of Directors endorsed the recommendation."	33–34

Company Name	Type of adjustment	Language from proxy circular	2020 proxy circular page reference(s)
Dundee Precious Metals	Altering the weighting, percentages, scores, or categories within performance evaluations	"In July, 2020, on the recommendation of the HCC Committee, the Board approved minor amendments to the 2020 BSC to ... (ii) reduce the target for implementing digital initiatives from 80% to 70%; and (iii) update the work plan for the Business Planning System ("BPS") project to reprioritize certain matters."	76–77
Enerplus Corp.	Altering the weighting, percentages, scores, or categories within performance evaluations	"In response to the collapse in oil prices due to the coronavirus pandemic, Enerplus reduced capital spending and curtailed uneconomic production, leading to a materially different operational plan from its original 2020 budget. It is the Company's usual practice to update the scorecard at year-end to reflect such changes to the capital program. Given the extraordinary circumstances, management proposed an adjusted scorecard to the Board in early September, aligned with reinstated guidance to the market regarding capital spending and production activity."	58
First Quantum Minerals Ltd.	Altering the weighting, percentages, scores, or categories within performance evaluations	"In June 2020, after reviewing relative and absolute TSR performance, the Board approved a visiting multiple of 75%. Applying the defined framework, vesting would have been 0% as both relative and absolute TSR results were below threshold levels. The Board believed this discretionary vesting was reasonable and appropriate in recognition of the extraordinary effect of COVID-19 on the Company's share price at the time of vesting..."	39
FirstService Corp.	Direct bonus	"In recognition of the efforts and performance of certain FirstService management, employees and Board members during the COVID-19 pandemic and in light of the foregoing 2020 base salary reductions, effective December 2, 2020, an aggregate of 34,000 options were granted under the Option Plan to the Named Executive Officers."	21
George Weston Ltd.	Altering the weighting, percentages, scores, or categories within performance evaluations	"In early 2021, the Governance Committee reviewed Weston Foods' 2020 financial results, taking into consideration the extraordinary negative of COVID-19 on Weston Foods' sales and earnings performance, due to sharply reduced demand in food service products and several retail categories, as well as incremental costs for temporary pay premiums and safety measures. Based on Weston Foods' performance, the payout under its STIP for 2020 for the sales and earnings components would have been nil (0%). However, in recognition of substantial employee efforts in connection with Weston Foods' annual priorities under unprecedented circumstances, the Committee determined that a payout of 70.5%, was appropriate in the circumstances."	57
Gildan Activewear Inc.	Direct bonus	"In recognition of the President and Chief Executive Officer's key role in leading the Company through the COVID-19 crisis .. In November 2020, the Compensation and Human Resources Committee, with the support of the WTW, recommended, and the Board of Directors approved, a special one-time performance-based equity award for Glenn J. Charmandy valued at $7.8 million."	43
Granite REIT	Direct bonus	"In recognition of Granite's achievements, the Board approved a discretionary, one-time corporate STIP adjustment for each NEO to reflect Granite's achievements in 2020 notwithstanding the impacts of COVID-19."	28
Hudbay Minerals Inc.	Altering the weighting, percentages, scores, or categories within performance evaluations	"While the Committee always has discretion to adjust incentive compensation awards to ensure fairness, we recognize this discretion must be used infrequently and only with good reason. Of the 13 performance categories in our 2020 corporate scorecards, we applied discretion to adjust the scores in only two of the categories. In both of these instances, we used discretion to take into account the impact of the government-mandated two-month shutdown of Constancia, which was entirely beyond our management's control."	39
Kinross Gold Corp.	Altering the weighting, percentages, scores, or categories within performance evaluations	"While the company met its targets for production, costs and capital for the ninth consecutive year, the committee assessed the Delivering against guidance metric of the SLT measures in the context of COVID-19, and applied judgement in its evaluation in order to recognize the extraordinary circumstances under which these original targets were achieved ... In order to recognize this remarkable achievement and the extraordinary effort and strong leadership to accomplish it, the committee applied judgement in its assessment through an upward adjustment of the score, increase it to 140%."	77

Company Name	Type of adjustment	Language from proxy circular	2020 proxy circular page reference(s)
Laurentian Bank Of Canada	Altering the weighting, percentages, scores, or categories within performance evaluations	"The Bank's Adjusted Net Income was below the pre-determined performance threshold set in fiscal 2019 for fiscal 2020, which would have normally resulted in a Financial Performance Factor of 0% and short-term incentive payouts of $0 for all NEOs, irrespective of their Individual Performance Factors. In light of the pandemic's impact on operations and the extraordinary contributions of our employees during this challenging year ... in order to recognize their significant efforts, the Board, upon recommendation of the HRCG Committee, exercised its discretion to adjust performance targets on a sliding-scale ... as a result, the Board approved discretionary 2020 short-term incentive payouts at 30% of target for NEOs."	23
Lundin Gold Inc.	Altering the weighting, percentages, scores, or categories within performance evaluations	"While the 2020 performance measures were established prior to the start of the year, they were adjusted during the year as a result of the impact of the COVID-19 pandemic on operations."	57
Magna International Inc.	Altering the weighting, percentages, scores, or categories within performance evaluations	"Early in 2021, the CGCNC reviewed the impact of COVID-19 on Magna's compensation programs … Based on its review, the CGCNC applied discretion to add-back to the bonus base for STIs certain amounts related to restructuring and impairment changes recorded in 2020 substantially as a results of COVID-19, while also deducting from the bonus base certain amounts to ensure there was no compensation benefit related to the net amount of COVID-related government grants."	4
Maple Leaf Foods Inc.	Altering the weighting, percentages, scores, or categories within performance evaluations	"In 2020, the HRCC approved changes to the performance metrics under its short and long-term incentive programs … based on the performance in each segment relative to the targets, and applying adjustments to address the impact of COVID-19, the HRCC approved 2020 STIP performance at 116.6% of the target level..."	56
Martinrea Intl Inc.	Excluding poor financial results or otherwise excluding the impacts of the pandemic	"Given the unusual and external factors of the COVID-19 pandemic that halted the entire automotive industry for many weeks (and were largely out of the control of the Company, despite heroic efforts to keep running in the midst of government lockdowns and industry shutdowns), the Company requested, and the Board and Compensation Committee agreed, to exclude the second quarter from the bonus calculations for 2020, and adjusted its compensation formula on a one-time basis to reward the efforts of its employees during the COVID-19 pandemic..."	39
New Flyer Industries Inc.	Direct bonus	"NEO discretionary payment of $585K to recognize efforts during COVID crisis."	24
NorthWest Healthcare Properties REIT	Altering the weighting, percentages, scores, or categories within performance evaluations	"In 2020 the Personal Rating had a range from 0% to 120% to account for additional challenges relating to the COVID-19 pandemic..." (Personal rating ranged from 0–100% in 2019)	25
Open Text Corp.	Direct bonus	"In recognition of their contributions, following the end of Fiscal 2020, the Compensation Committee decided to grant a special performance bonus to those employees whose pay had been cut as a result of the COVID-19 compensation adjustments described above. Employees, including our Named Executive Officers, will receive an amount equal to the reductions in their Fiscal 2020 salary and annual incentive payout made pursuant to such compensation adjustments."	34
Osisko Gold Royalties	Altering the weighting, percentages, scores, or categories within performance evaluations	"The HR Committee also assessed the performance of the Senior Vice President, Technical Services and the President ODV for the 2020 Cariboo Key Objectives and, further to such review and taking into account the required travelling and working in the field during the COVID-19 pandemic, the HR Committee provided a recommendation to the Board to include a 10% premium for COVID-19 related risks, therefore establishing the overall achievements at 100%."	38

Company Name	Type of adjustment	Language from proxy circular	2020 proxy circular page reference(s)
Pan American Silver Corp.	Direct bonus	"In recognition of his leadership role in managing the operations response to the COVID-19 pandemic in 2020, Mr. Busby was awarded an extra-ordinary bonus of $92,000 in addition to his 2020 AIP award…"	41
Parkland Fuel Corp.	Direct bonus	"Based on these results, the HR&CG Committee made a discretionary cash payment equal to 50% of target 2020 AIP to executive team members, including the NEOs"—To recognize the exceptional contributions of the executive team, the Board of Directors approved a discretionary grant of Performance Share Units (PSUs) to members of the executive team equal in value to roughly 15% of their target annual LTIP award, to be granted in conjunction with the 2021 LTIP awards."	36
Power Corp of Canada*	Altering the weighting, percentages, scores, or categories within performance evaluations	"Objectives for each NEO was set at the beginning of 2020, and judgment was applied by the Committee to determine the value of their contributions, while also recognizing that priorities change over the course of a year, with responding to COVID-19 being a case in point. In 2020, the Committee believed it was appropriate that Messrs. Tretiak and Genereux receive a higher level of aggregate incentive compensation … such compensation therefore included further amounts in the form of additional incentive payments, beyond such NEOs annual incentive payments."	38
Quebecor Inc.	Shifting to different financial or time-based evaluations	"The HRCG and the Board considered above all the fact that the financial objective based on cash flows from operations was achieved in the case of QMI and some of its business units, and that this financial objective, had it not been the COVID-19 pandemic, would have triggered payment of the short-term incentive plan for 2020. Consequently even though the adjusted EBITA targets for QMI and some of its business units were not met in 2020, the HRCG and the Board approved discretionary short-term incentive bonus payments for the Named Executive Officers."	44
Riocan Reit	Altering the weighting, percentages, scores, or categories within performance evaluations	"During 2020, the HRCC met several times with management to discuss the significant impact of the pandemic on our business and management's response … the HRCC made the following recommendations with respect to our incentive plans to recognize strong performance before COVID-19, ensure sustained executive engagement, drive critical performance in support of our revised strategic business objectives and foster long-term Unityholder value creation:—Amended the 2020 Executive Management Bonus Plan (EMBP) as follows:—The low end threshold target for the FFO per Unit metric was lowered …—Reallocated the weighting on the SPNOI Growth metric …—Adjusted the Individual Impact Scorecard goals of our NEOs to replace goals that were inappropriate due to pandemic restrictions with goals reflecting urgent pandemic-related priorities."	45
Sienna Senior Living Inc.	Excluding poor financial results or otherwise excluding the impacts of the pandemic	"The CGNC exercised its discretion in the determination of STIP awards in 2020 for the NEOs based on the following factors. 1. The need to consider the impact that the global pandemic has had on the Company's stakeholders, including the Company's team members and residents. 2. The impact of loss in revenue, and additional expenses incurred, relating to the global pandemic that were unanticipated by necessity given the circumstances. With the exclusion of the impact of pandemic expenses, defined as extraordinary operating expenses incurred in relation to the prevention and containment of COVID-19 the results for the Sienna Goals were 58% for Target NOI and 78% for Target OFFO/share."	25
Silver Standard Resources Inc.	Excluding poor financial results or otherwise excluding the impacts of the pandemic	"The Compensation & Leadership Committee did not adjust the STI structures, performance measures, or goals and ranges for the impact of the COVID-19 pandemic. However, the assessment of 2020 performance under each STI plan considered the impact COVID-19 closures and delays had on production and costs. Where appropriate, a pro-rata approach to assessing overall performance was applied to account for COVID-19 impacts." // "The Compensation and Leadership Development Committee did not change the approved STI goals or otherwise change the design of the 2020 STI plan for the impacts of the COVID-19 pandemic. However, for some indicators the Committee did exercise judgement in the final evaluation of performance against the original approved goals to take the COVID impacts into account."	35 // 48
Smart Real Estate Investment Trust	Altering the weighting, percentages, scores, or categories within performance evaluations	"In light of the evolving COVID-19 pandemic and its direct, unplanned adverse impact on SmartCentre's operations in 2020, the trust-level and personal-level performance metrics were, in fact, developed and re-evaluated throughout the year…"	37

Company Name	Type of adjustment	Language from proxy circular	2020 proxy circular page reference(s)
Summit Industrial Income REIT	Direct bonus	"Each of Mr. Drake and Ms. Hill received an amount of $60,000, and Ms. Gibbs received an amount of $20,000 … as an incremental performance bonus that was recommended by the Compensation and Nominating Committee and approved by the Board as a one-time award in light of various achievements during the COVID-19 pandemic in 2020..."	23
Suncor Energy Inc.	Excluding poor financial results or otherwise excluding the impacts of the pandemic	"FFO was adjusted to exclude the Canada Emergency Wage Subsidy (CEWS), the transportation provision related to Keystone XL, and certain unanticipated costs related to responding to the COVID-19 pandemic..."	38
Teck Resources Ltd.	Altering the weighting, percentages, scores, or categories within performance evaluations	"For 2020, realized commodity prices were marginally lower than those assumed in our business plan, results in our targets being adjusted downwards slightly to account for those commodity prices. In addition, to take account of reduced production due to pandemic-related workforce constraints at our steelmaking coal operations from beginning in March 2020, the budget targets for that business unit were reset mid-year."	43
Telus Corp.	Altering the weighting, percentages, scores, or categories within performance evaluations	"...during the second quarter, we reviewed our 2020 priorities with a lens towards prioritization and what matters most. Given the extraordinary circumstances, in May 2020 we revamped our approach by establishing our COVID-revised scorecard for measuring performance from Q2 through the end of Q4. .. In addition to revising our scorecard in Q2 to reflect the unanticipated impact of the COVID-19 pandemic, the Compensation Committee decided it was appropriate to exclude negative and positive impacts of some events that could not have been anticipated when setting the targets or that resulted from in-year strategic decisions of senior management to achieve long-term benefits. Thus, as indicated above, certain results were normalized."	91–93
WPT Industrial Real Estate Investment Trust	Altering the weighting, percentages, scores, or categories within performance evaluations	"Due to the impact of the COVID-19 pandemic on the REIT's operations and 2020 priorities, the CGNC approved a broader set of corporate performance criteria to assess 2020 performance to ensure appropriate alignment with REIT's strategy and objectives for the year..."	26

* Power Corporation of Canada says that it did not award its executives any "Covid-19 bonuses", and that the two executives in question received a higher level of aggregate incentive compensation due to numerous factors listed on pages 38 and 39 of the company's 2021 proxy circular. Power Corporation also states that: Covid-19 considerations were taken into account by the Human Resources Committee of the Board, but only to the extent of looking at possible changes in the Corporation's priorities during 2020.

Notes

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