



Trends and Insights from the 2023 Proxy Season – TSX60 Executive Compensation

June 2023

Thank you for joining us, the presentation will begin shortly

Speakers



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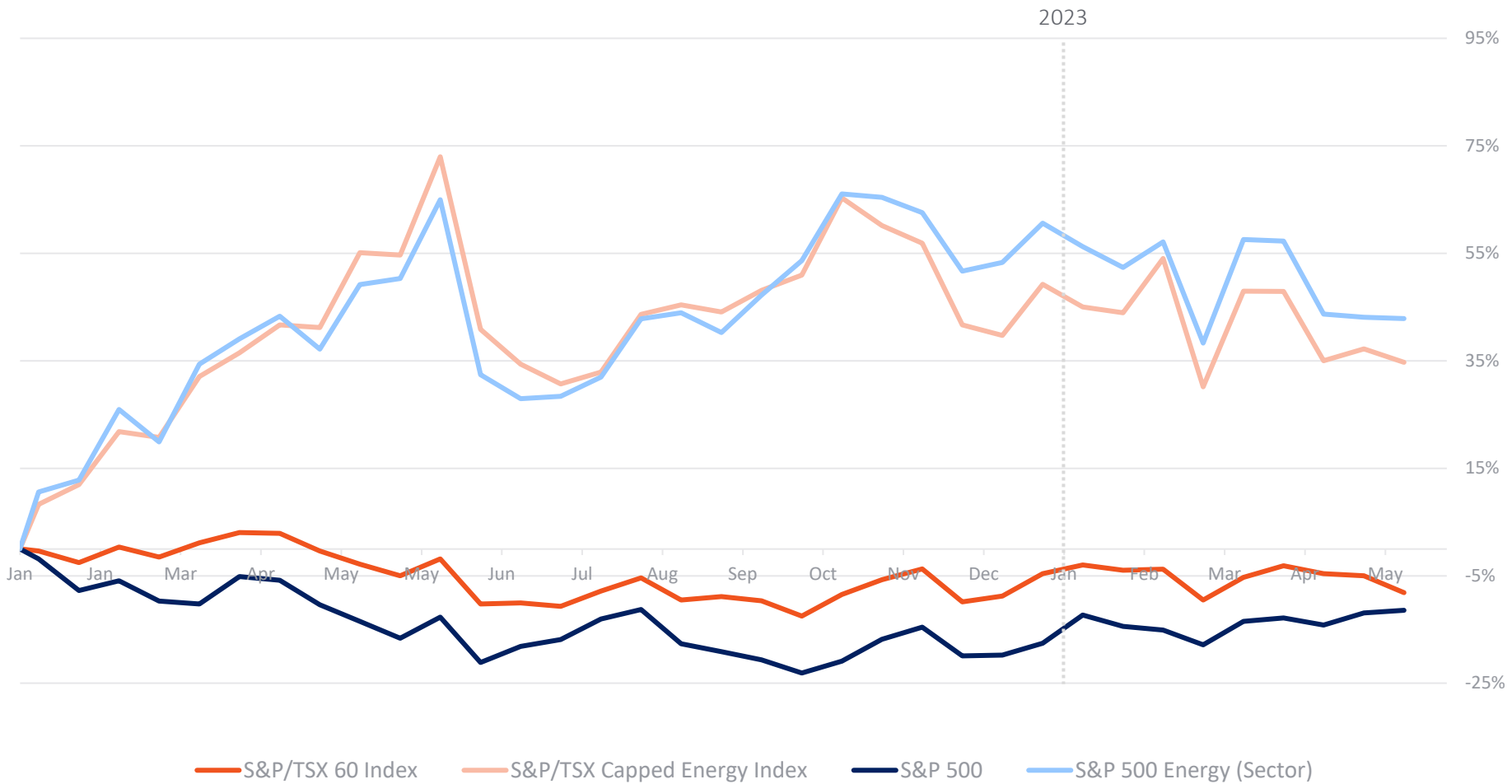
Associate,
Hugessen Consulting,
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Consultant,
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Performance Context – 2022 & 2023 YTD



TSX60
Top 3 Performers (CY2022)



S&P 500
Top 3 Performers (CY2022)



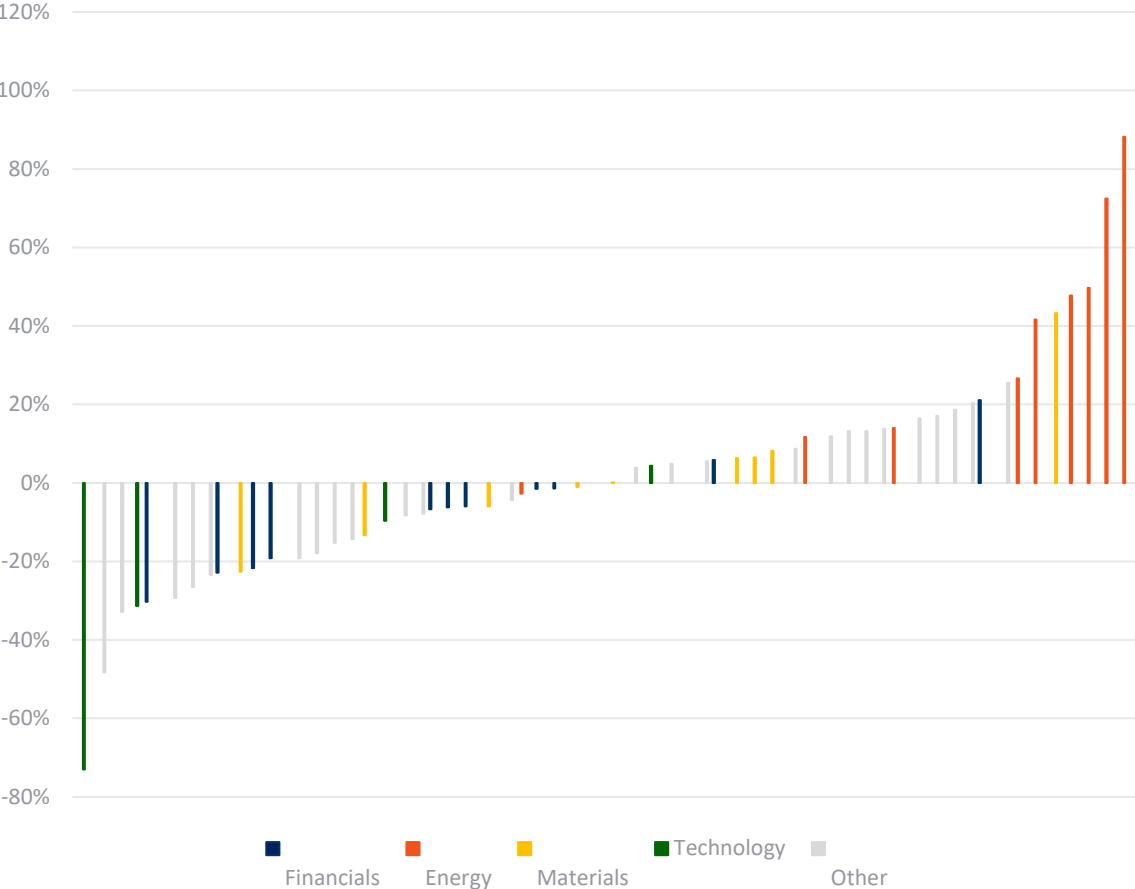
Occidental



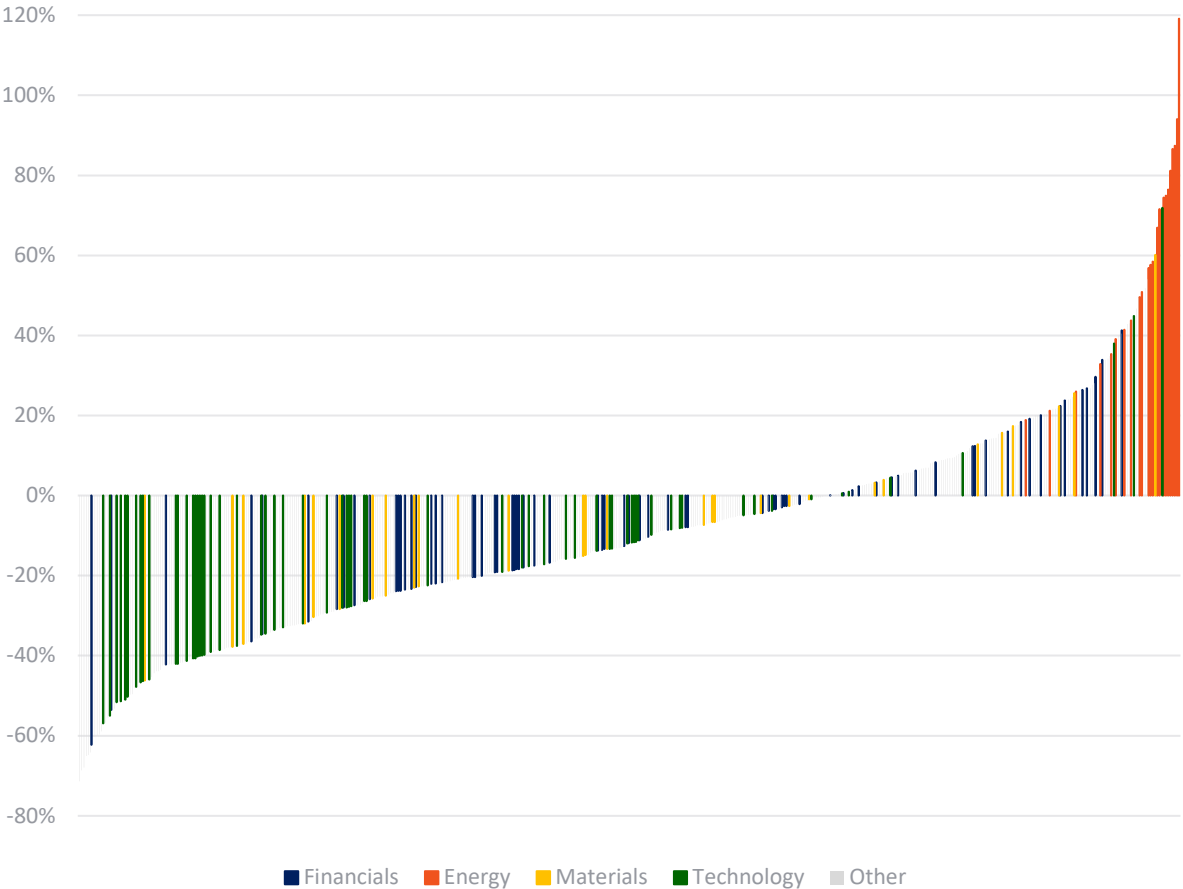
ExxonMobil

Performance Context – 2021 v. 2022

2022 – Total Shareholder Return by Sector (TSX60) 

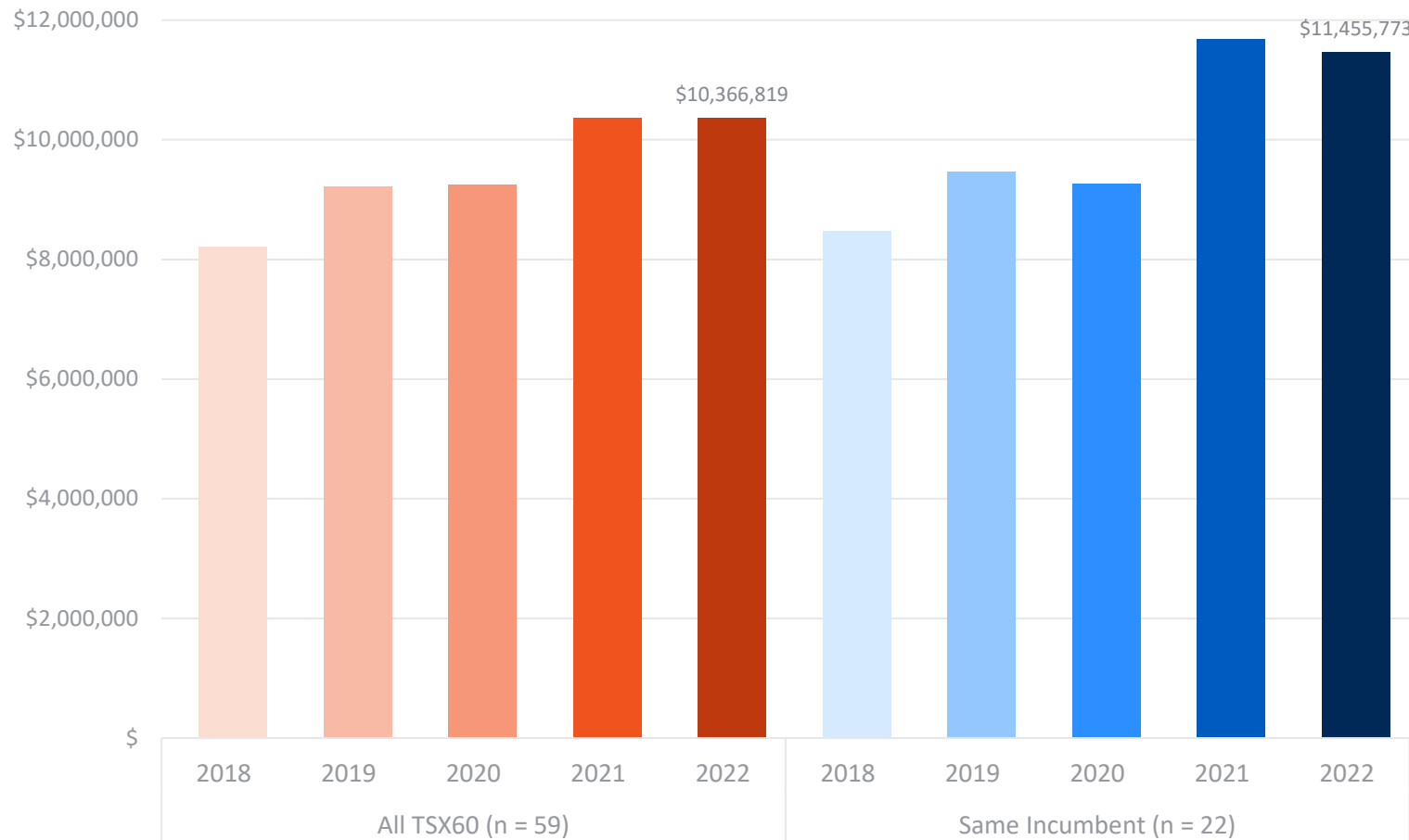


2022 – Total Shareholder Return by Sector (S&P500) 

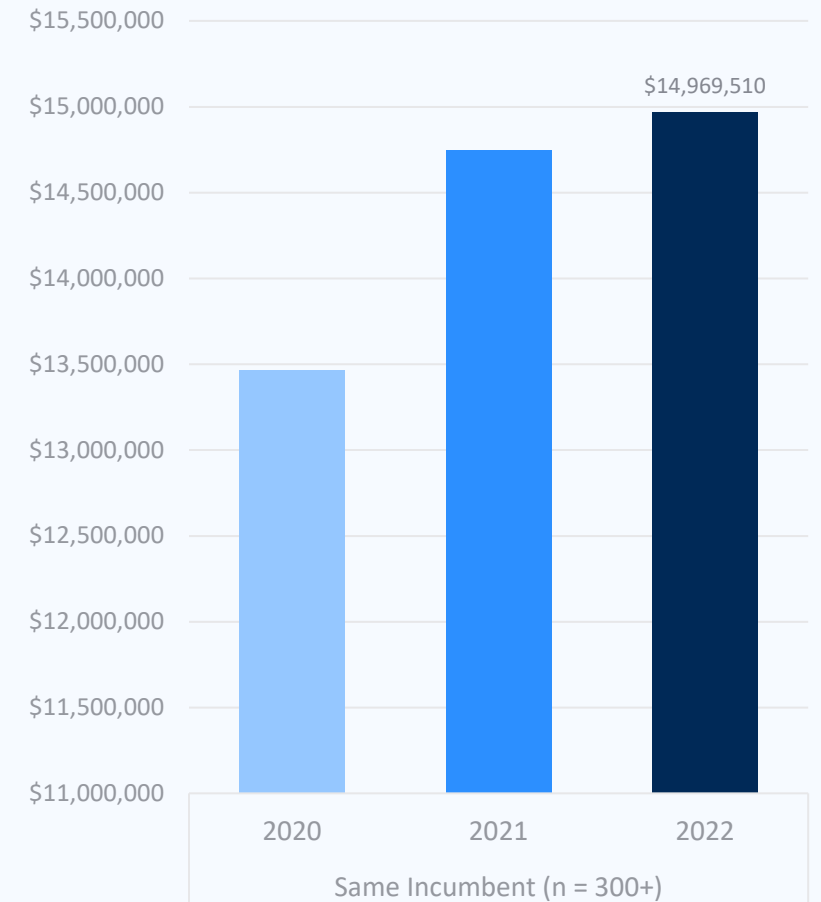


CEO Compensation – Median Actual TDC

TSX60 – Historical CEO Median Actual TDC

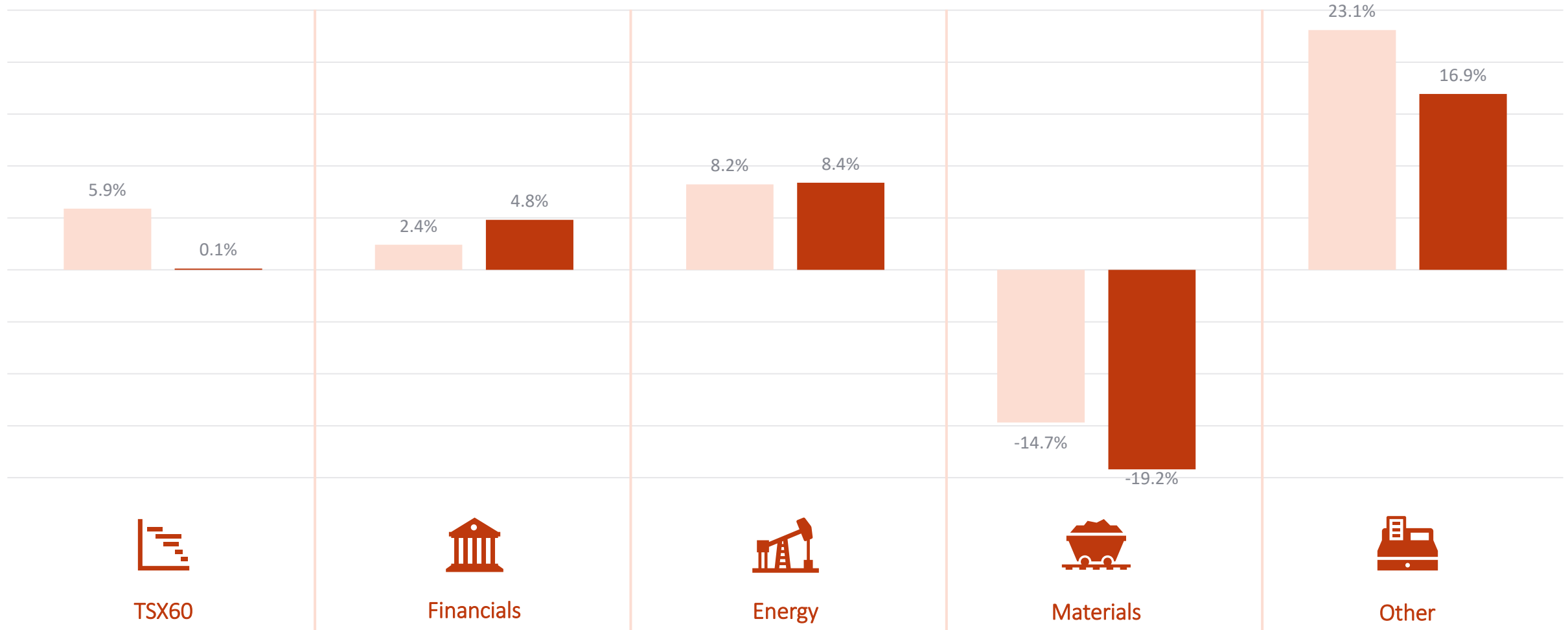


S&P 500 – Historical CEO Average Actual TDC



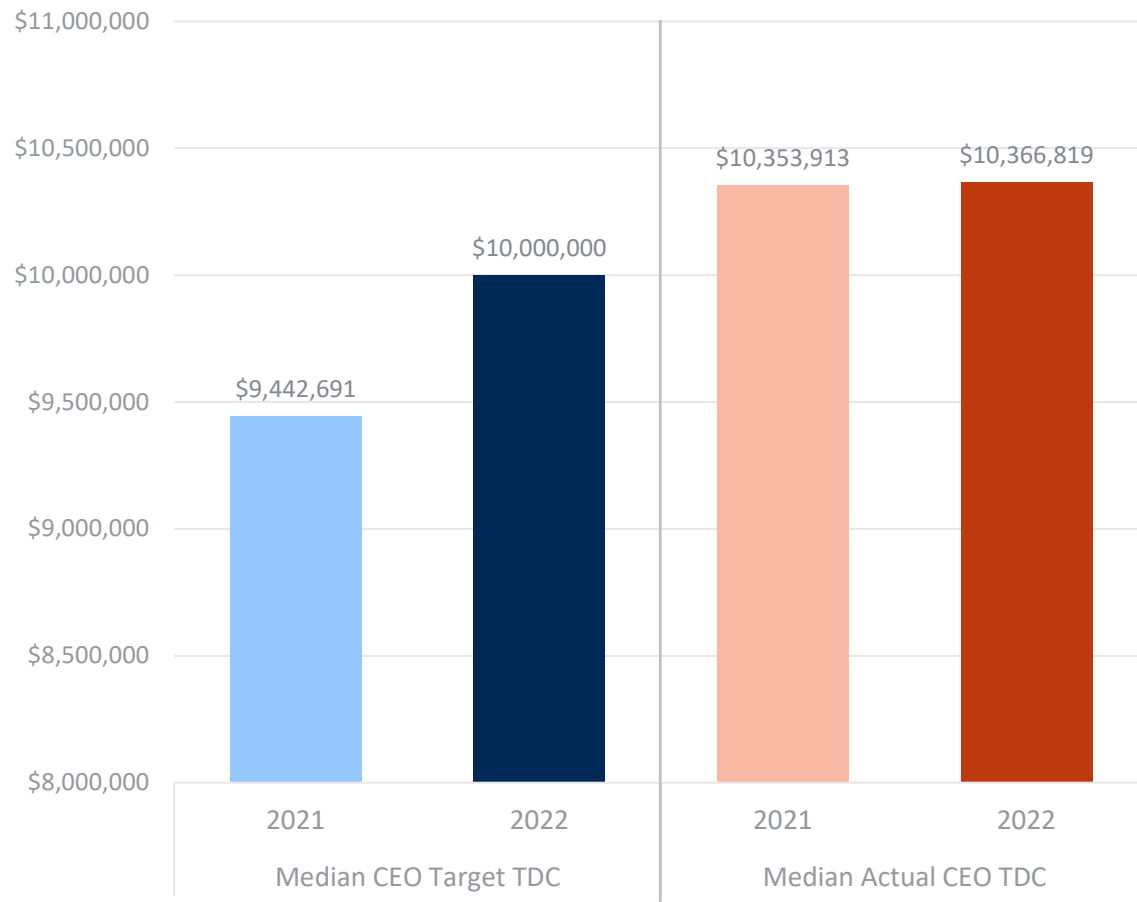
CEO Compensation – Median Actual TDC by Sector (TSX60)

■ YOY Change - Median CEO Target TDC ■ YOY Change - Median CEO Actual TDC



CEO Compensation – Actual vs. Target Pay (TSX60)

TSX60 – YoY Change in Median Target & Actual CEO TDC



CEO Special / One-Time Awards



Recent Market Examples

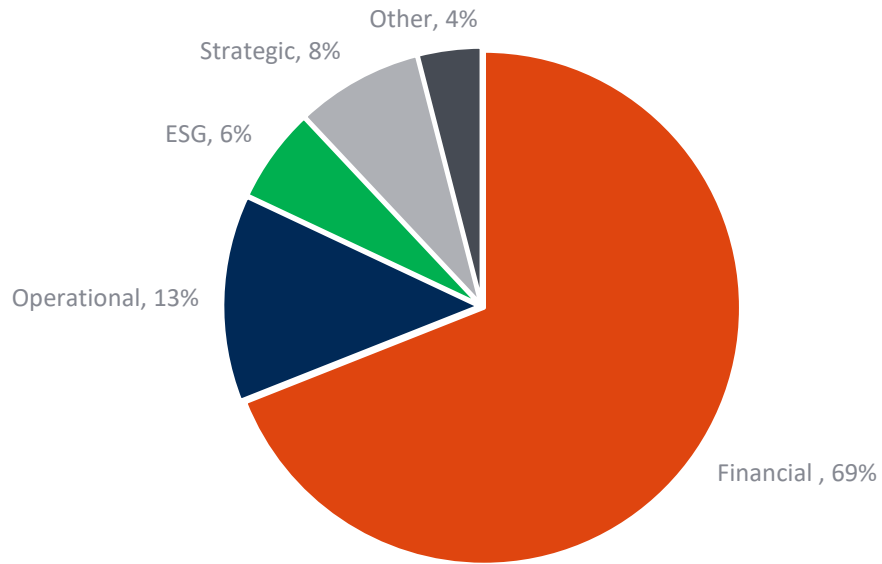


Recent Market Examples

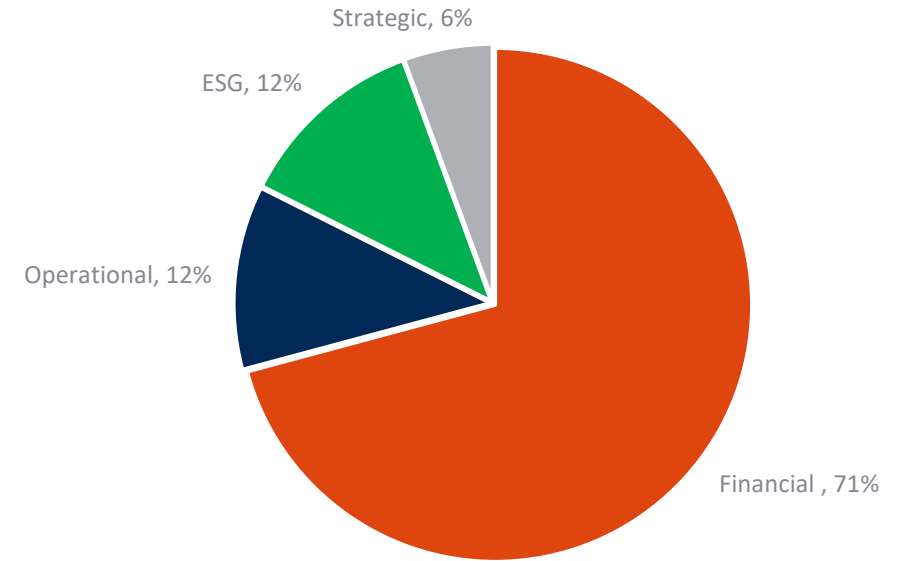


TSX60 – Short Term Incentive Design

Average 2019 Corporate STIP Mix



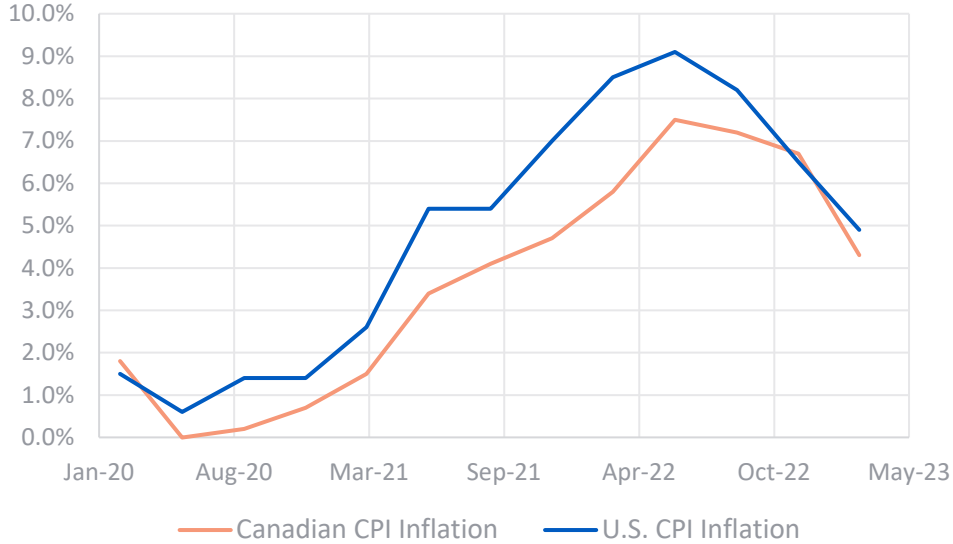
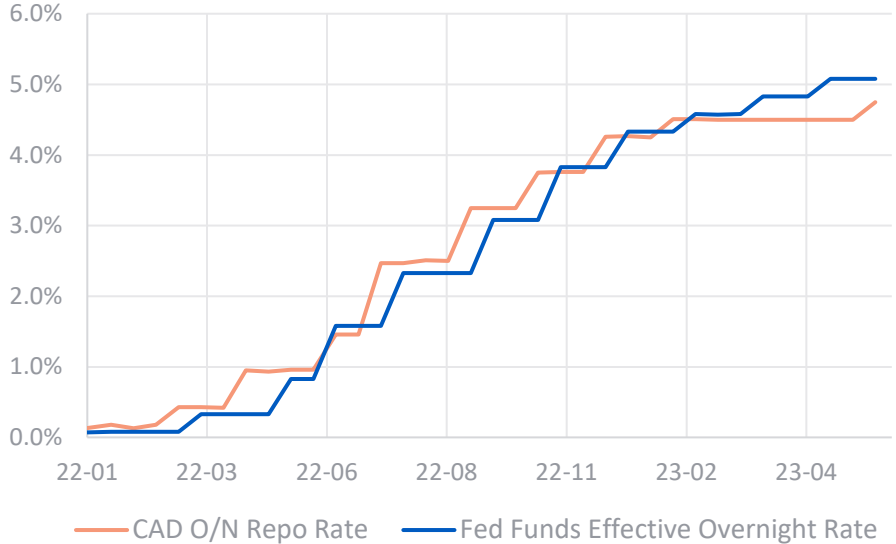
Average 2022 Corporate STIP Mix



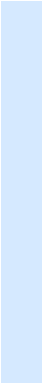
STIP Design	2019	2020	2021	2022
Average Number of Metrics Used	5.3	5.6	5.5	5.4
Average Corporate Score (%)	100%	96%	133%	116%
Number of Companies Having Applied Discretion	10	33	14	10

Emerging Topic – Macroeconomic Uncertainty & Target-Setting

Inflationary Environment & Recession Concerns



Other Matters



Geopolitical Conflict



Supply Chain Issues

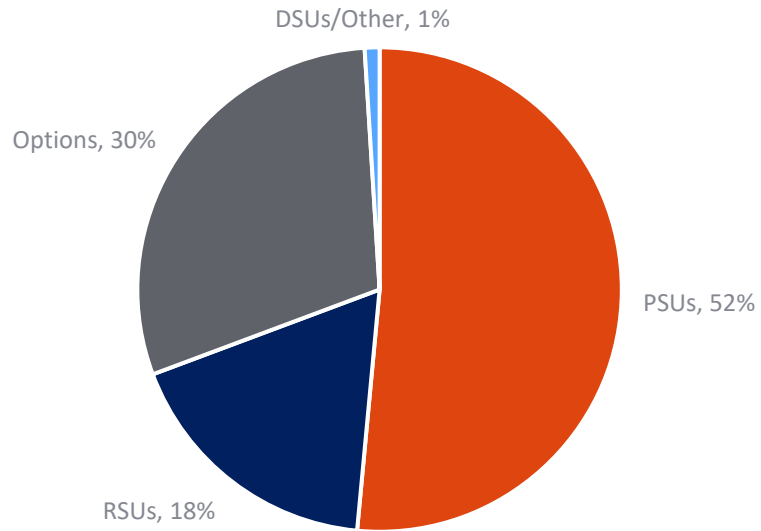


Climatic Events

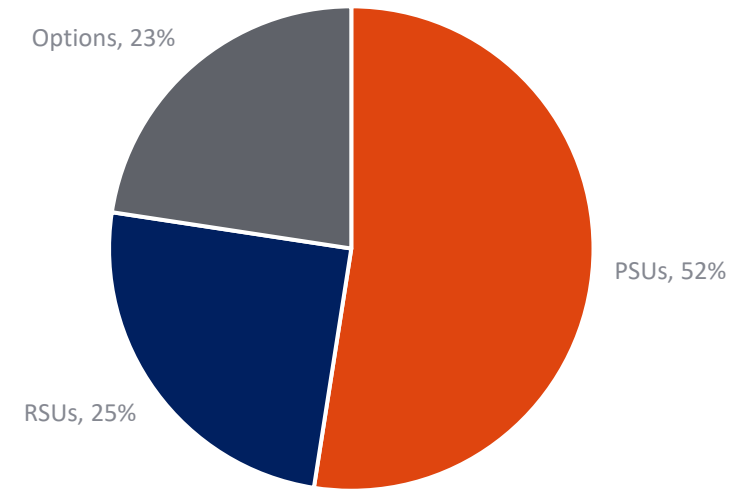


TSX60 – Long Term Incentive Design

Average 2019 LTIP Instrument Mix



Average 2022 LTIP Instrument Mix



LTIP Design – PSU Metrics

Average number of metrics used in PSUs

Relative TSR metric used ^[1]

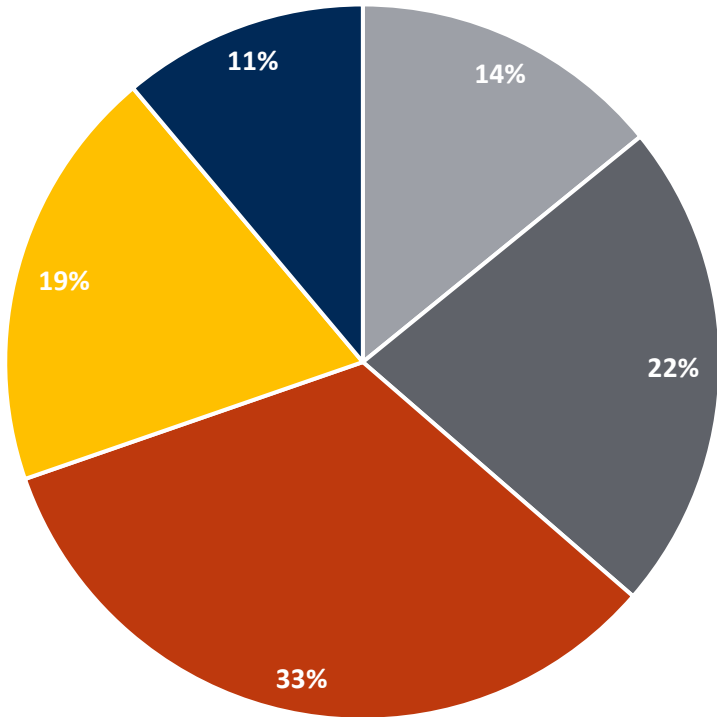
Return metric used (e.g. ROE) ^[1]

	2019	2020	2021	2022
Average number of metrics used in PSUs	2.4	2.3	2.1	2.2
Relative TSR metric used ^[1]	63%	73%	71%	69%
Return metric used (e.g. ROE) ^[1]	32%	39%	31%	42%

^[1] Note: statistics were calculated as a percentage of constituents with PSUs (i.e., excludes those who do not use PSUs)

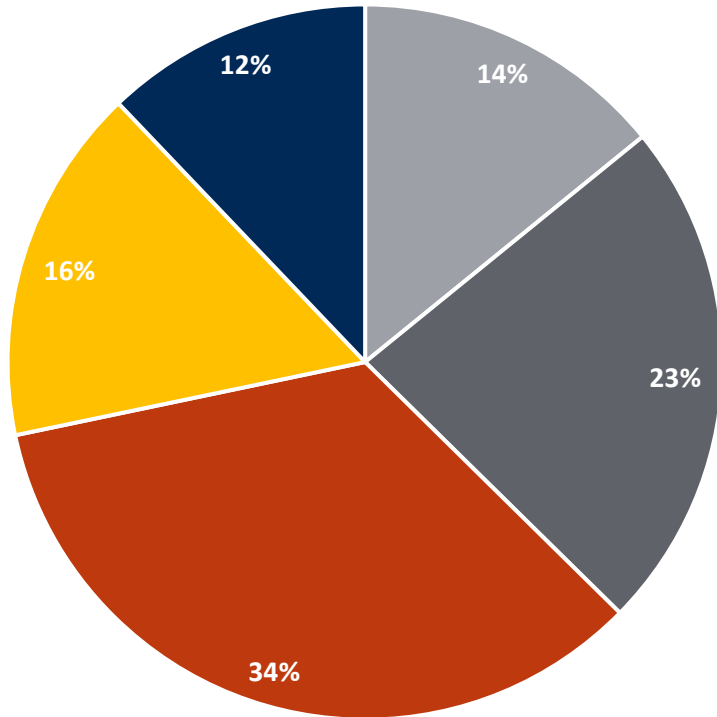
TSX60 – Change in Actual CEO Total Direct Compensation Mix

Average 2019 CEO TDC Mix



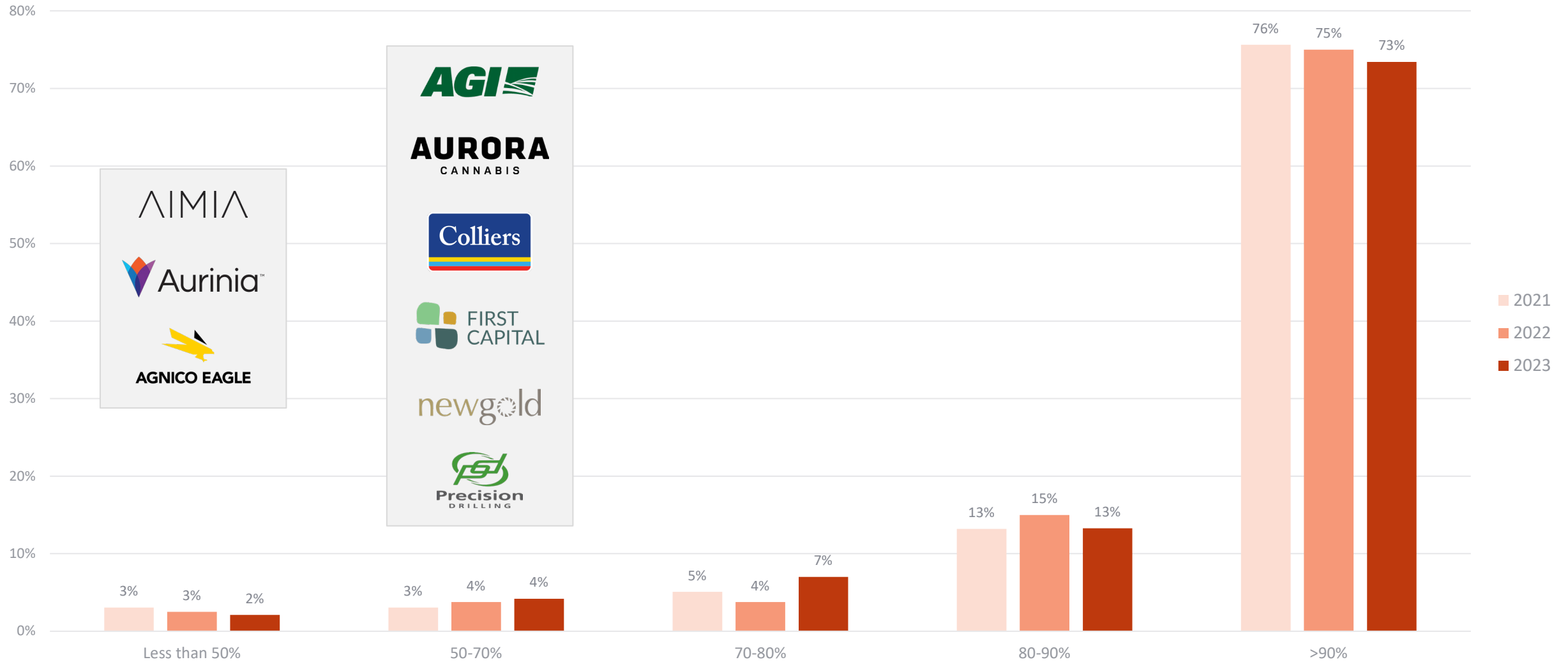
■ Base Salary ■ STIP ■ PSUs ■ Stock Options ■ RSUs

Average 2022 CEO TDC Mix



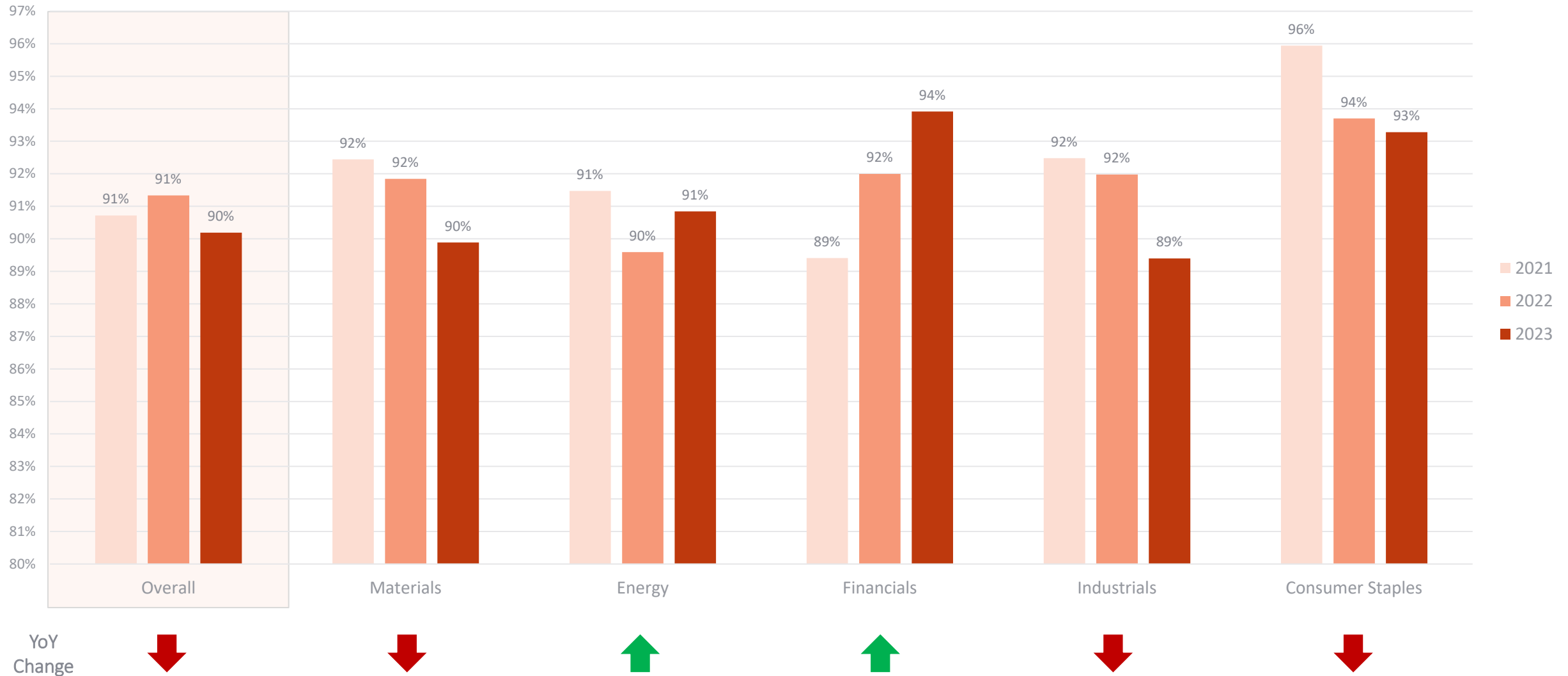
■ Base Salary ■ STIP ■ PSUs ■ Stock Options ■ RSUs

Canadian Say on Pay Results



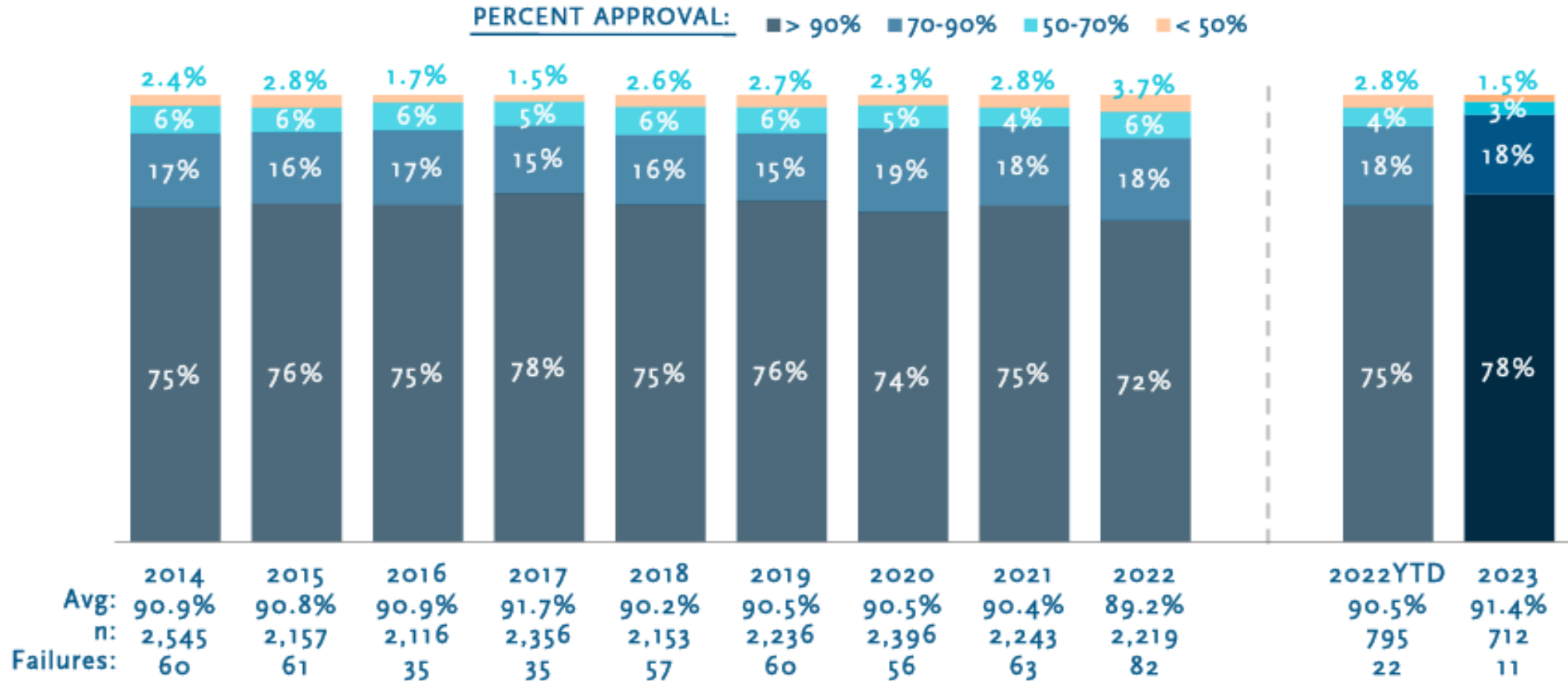
Note – The Say-on-Pay statistics reflect the voting results for n = 143 Canadian issuers as of June 1st, 2023

Canadian Average Say on Pay Results by Sector

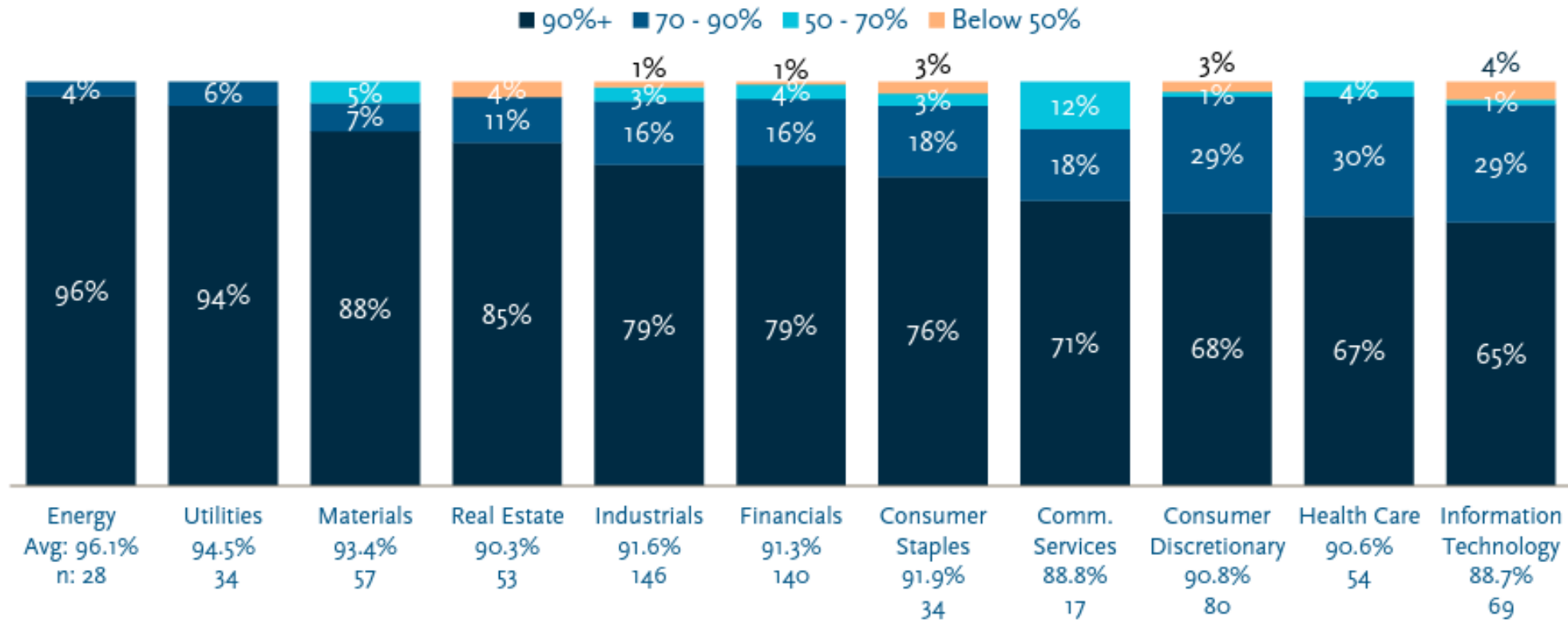


Note – The Say-on-Pay statistics reflect the voting results for n = 143 Canadian issuers as of June 1st, 2023

Overview – U.S. Say on Pay Results (Russell 3000)



Sector Breakdown – U.S. Say on Pay Results (Russell 3000)





Q&A

If your question was not addressed during our Q&A session, please contact email@hugessen.com