

**HUGESSEN**  
CONSULTING

# Trends and Insights from the 2026 Proxy Season – TSX60

*June 2026*

# Speakers



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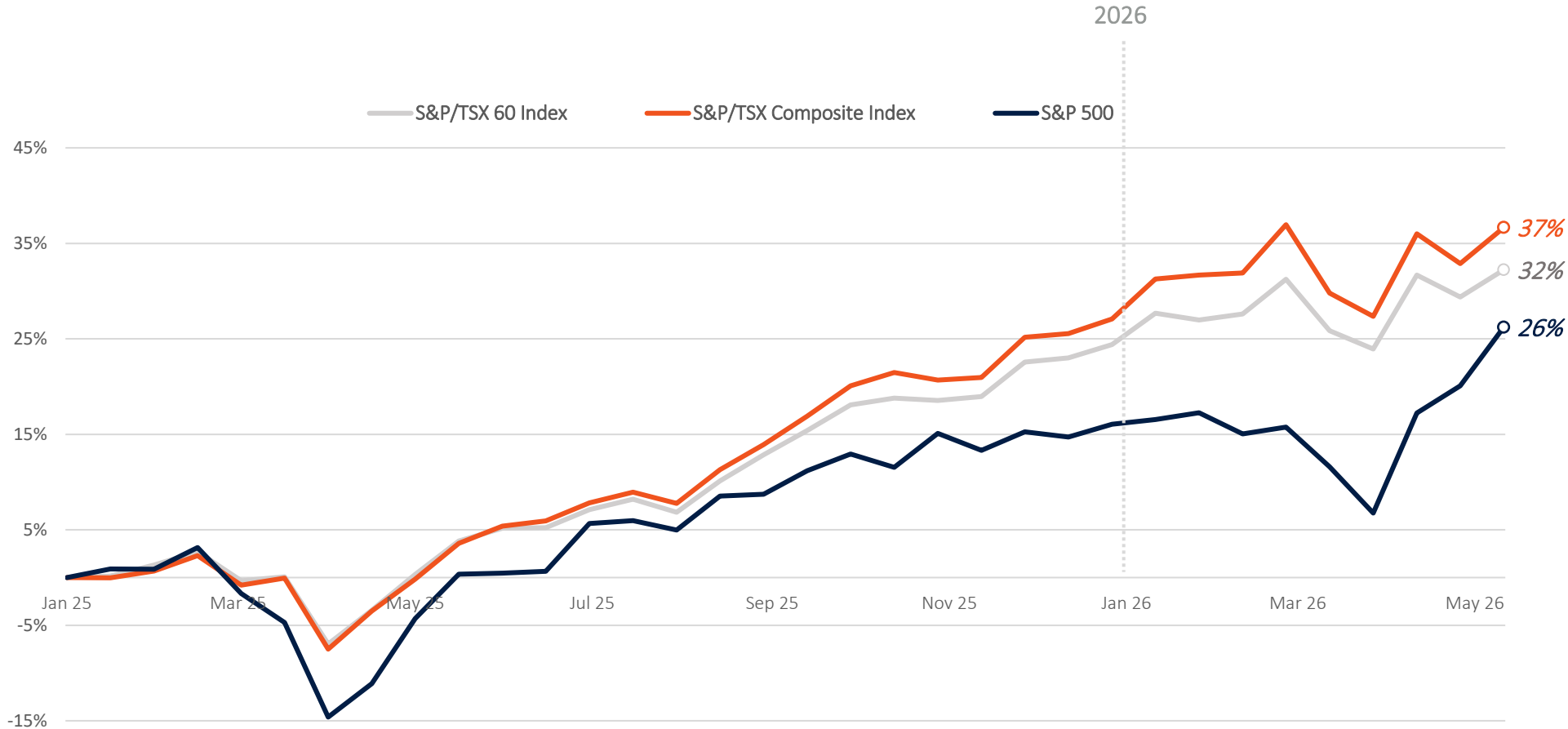
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Principal,  
Semler Brossy,  
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# Performance Context – 2025 & 2026 YTD



**TSX60**  
Top 3 Performers (CY2025)

**KINROSS**

192%

**BARRICK**

174%

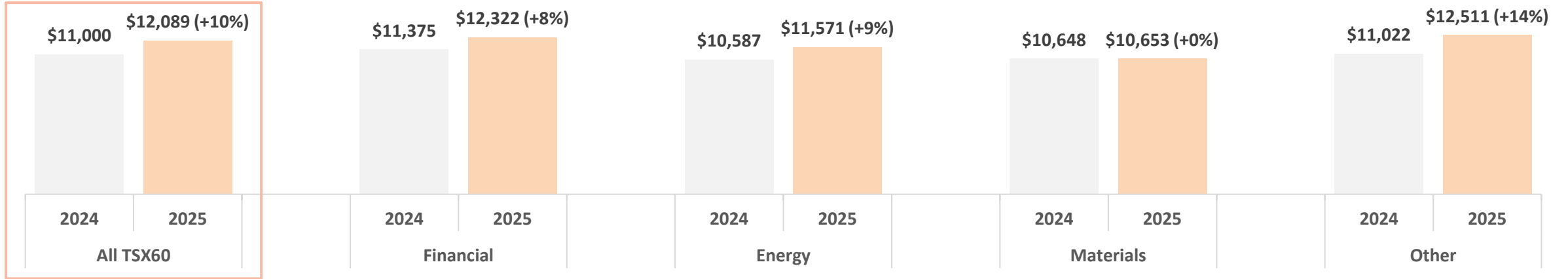


**AGNICO EAGLE**

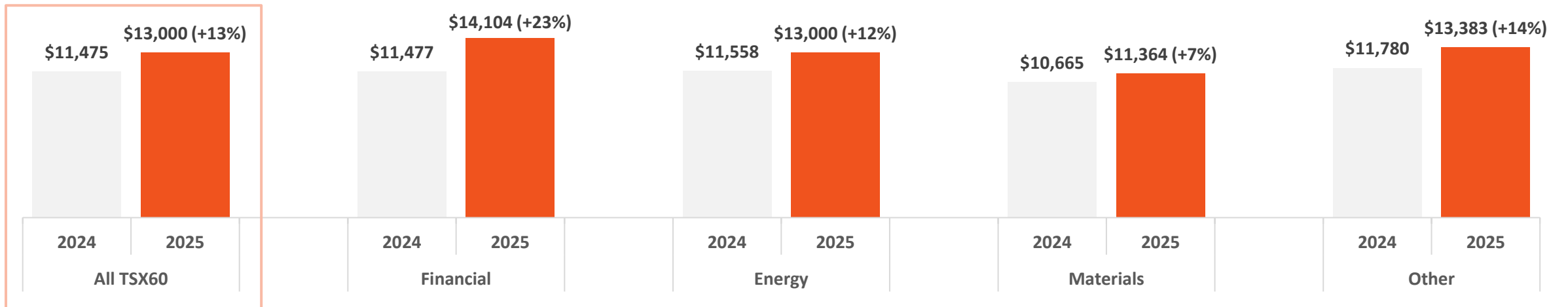
110%

# TSX60 CEO Total Direct Compensation – Median Target & Actual TDC

Year-Over-Year Change in Median CEO Target TDC

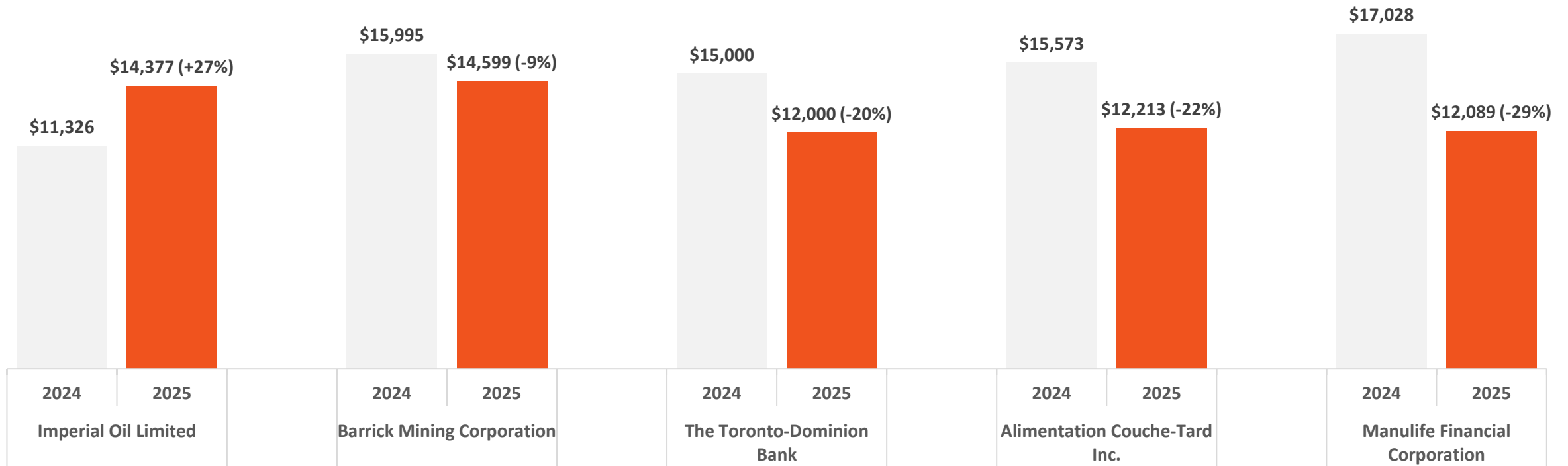


Year-Over-Year Change in Median CEO Actual TDC



# CEO Transitions and Pay Levels

Year-Over-Year Change in CEO Target TDC (Former CEO vs. New Incumbent)<sup>[1]</sup>



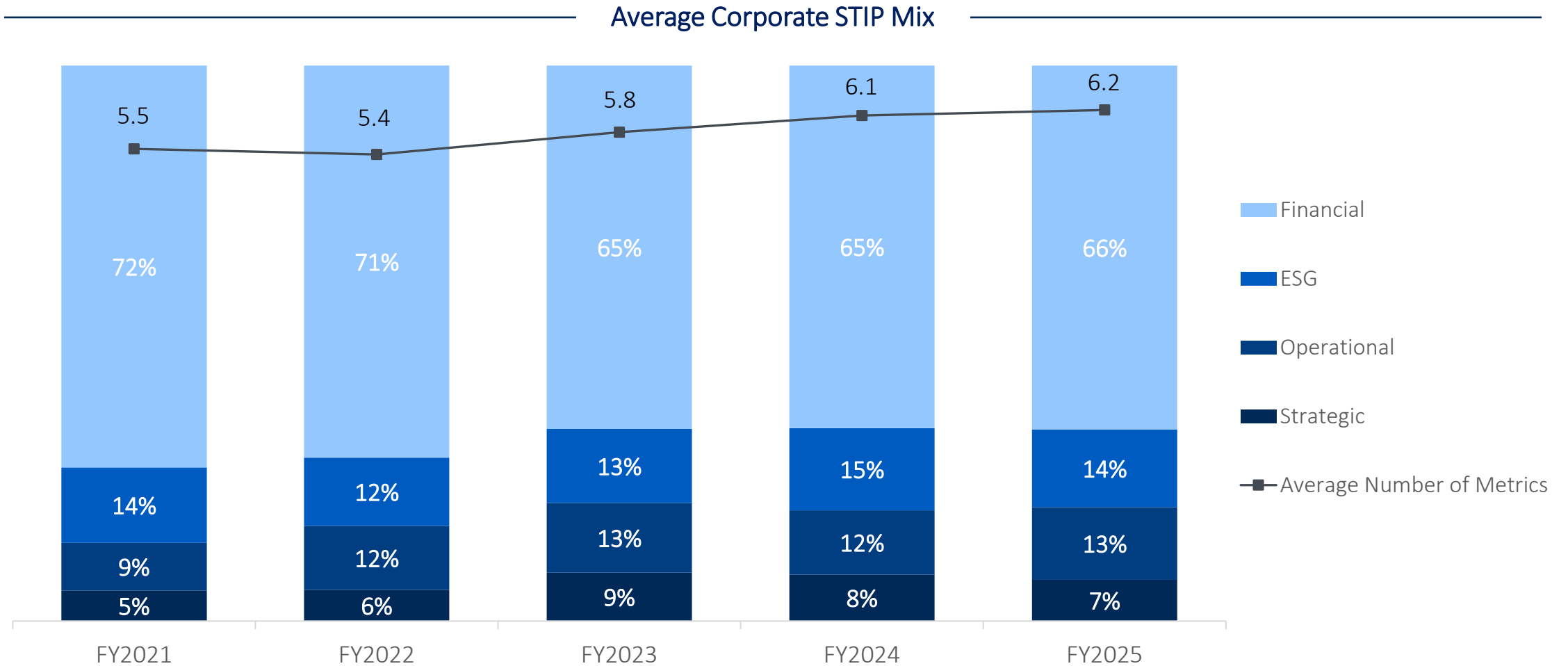
Companies with Announced CEO Changes for 2026



[1] Constellation Software had a CEO transition in 2025. Given the nature of the former CEO's pay (\$0) and the disclosed compensation of the new incumbent set at \$0 for FY2026, Constellation has been excluded from the visual

# Short Term Incentive Plan (“STIP”) Design – Corporate Mix

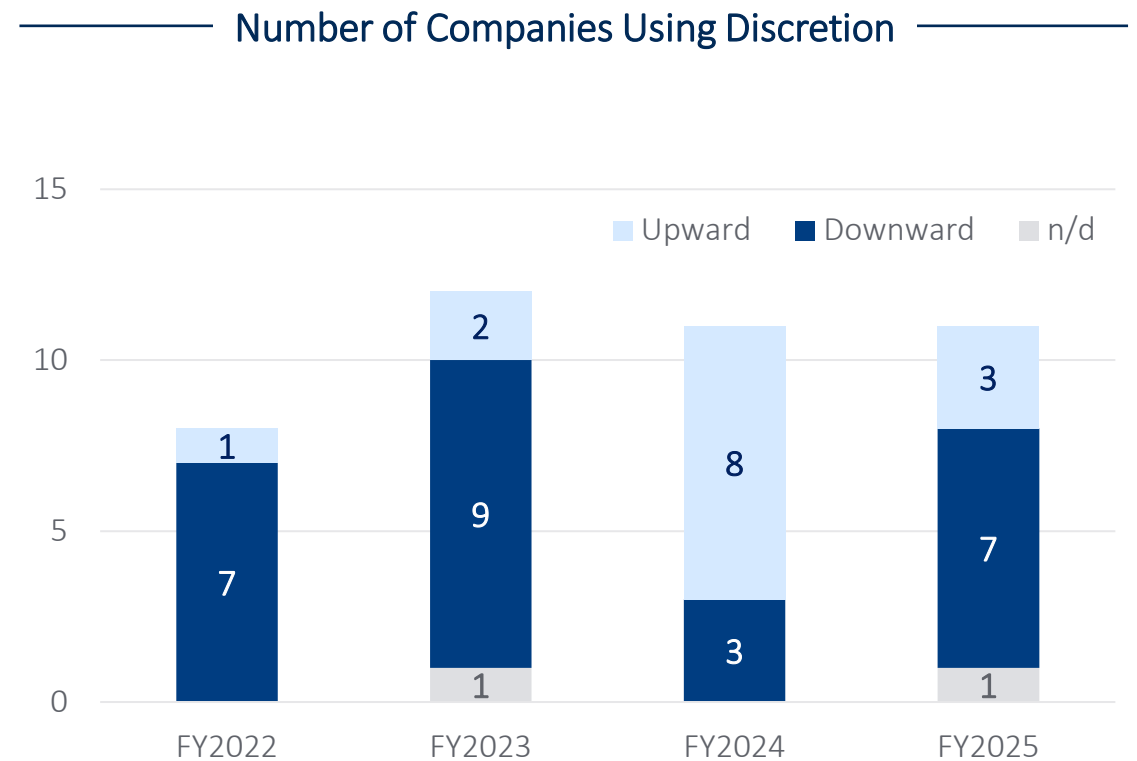
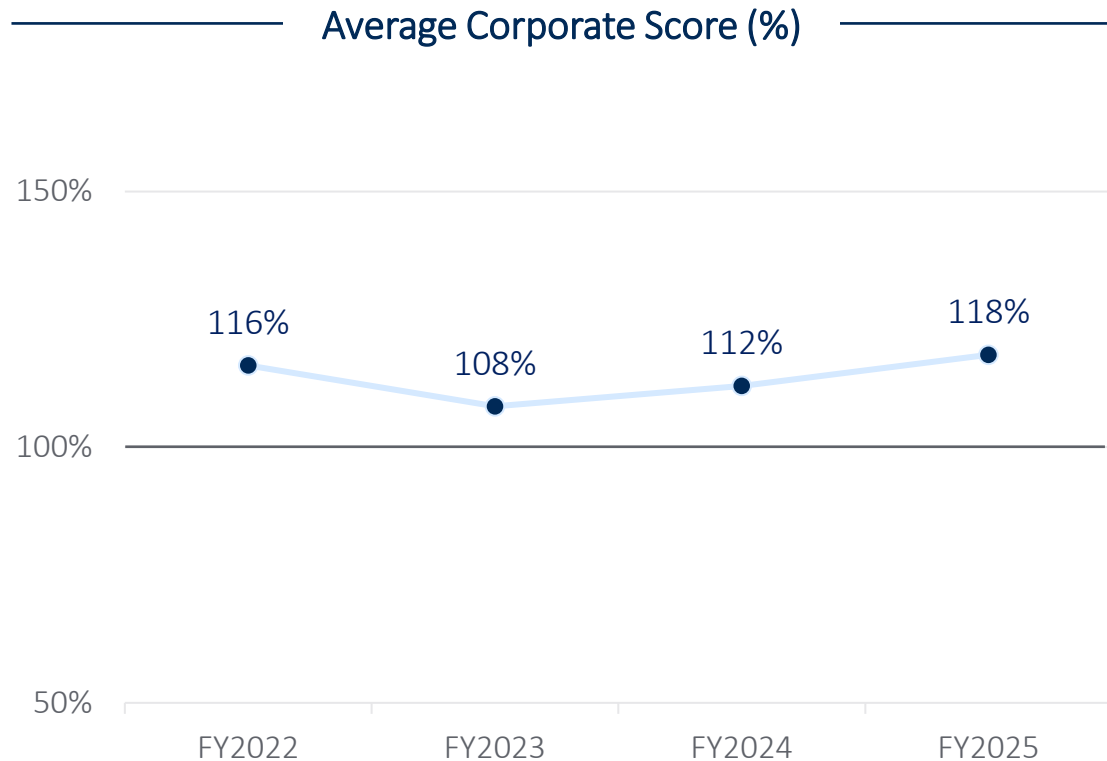
In FY2025, STIP metric makeup remained relatively consistent, with the average number of metrics continuing to increase.



Note: Average STIP mix represents only corporate component (i.e., excluding Individual weightings), for all TSX60 companies

# STIP Design – Corporate Scoring & Discretion

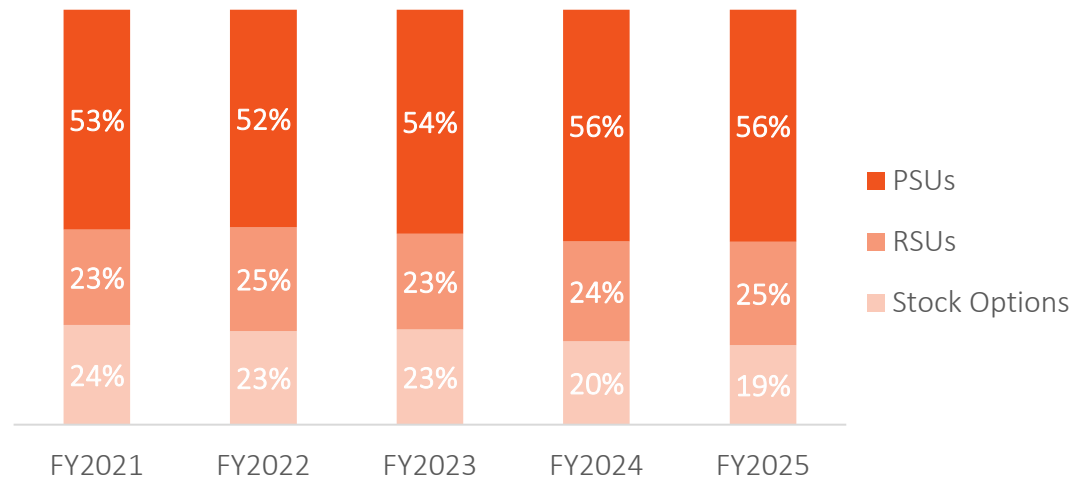
Average corporate scores have increased YoY but remain within the range of historical levels. The application of discretion held consistent, with an increase in the number of companies applying downward adjustments.



# Long Term Incentive Plan (“LTIP”) Design – Instrument Mix

In FY2025, PSU and RSU prevalence remained relatively consistent while stock option use amongst the TSX60 continued its gradual decline.

Average Target LTIP Mix

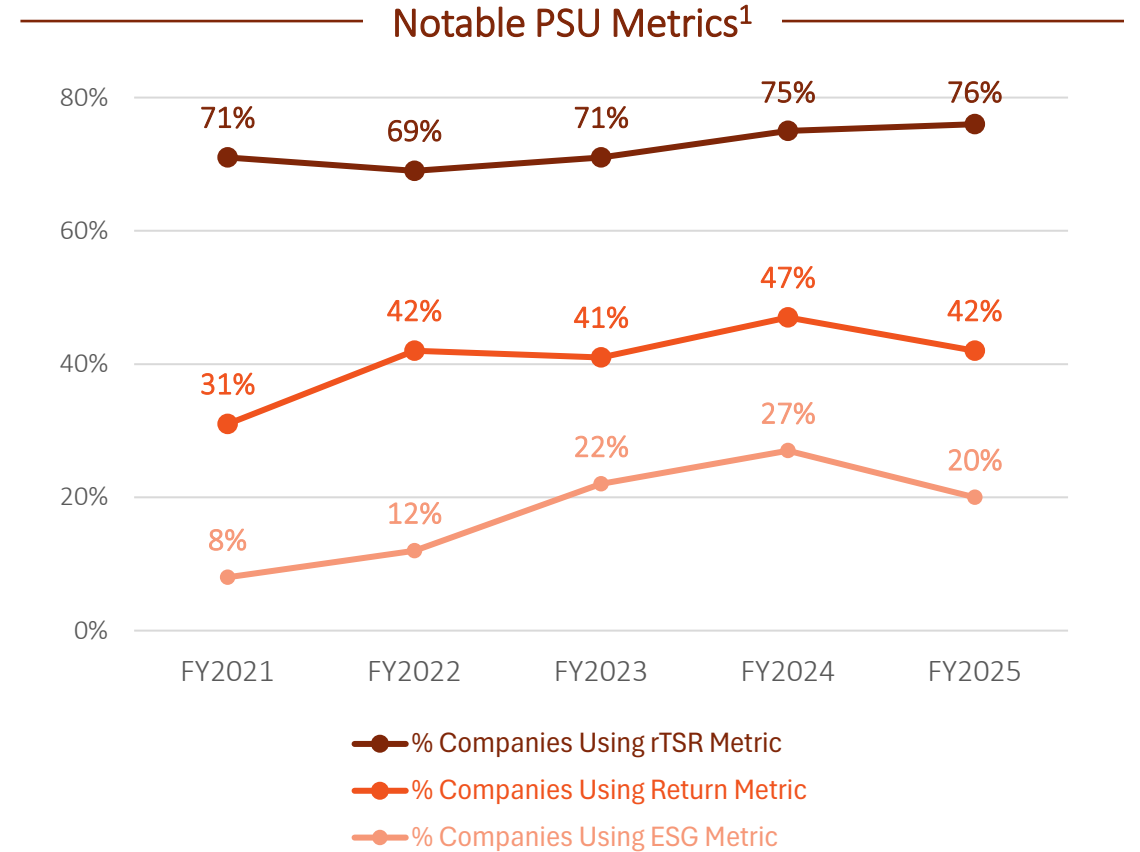
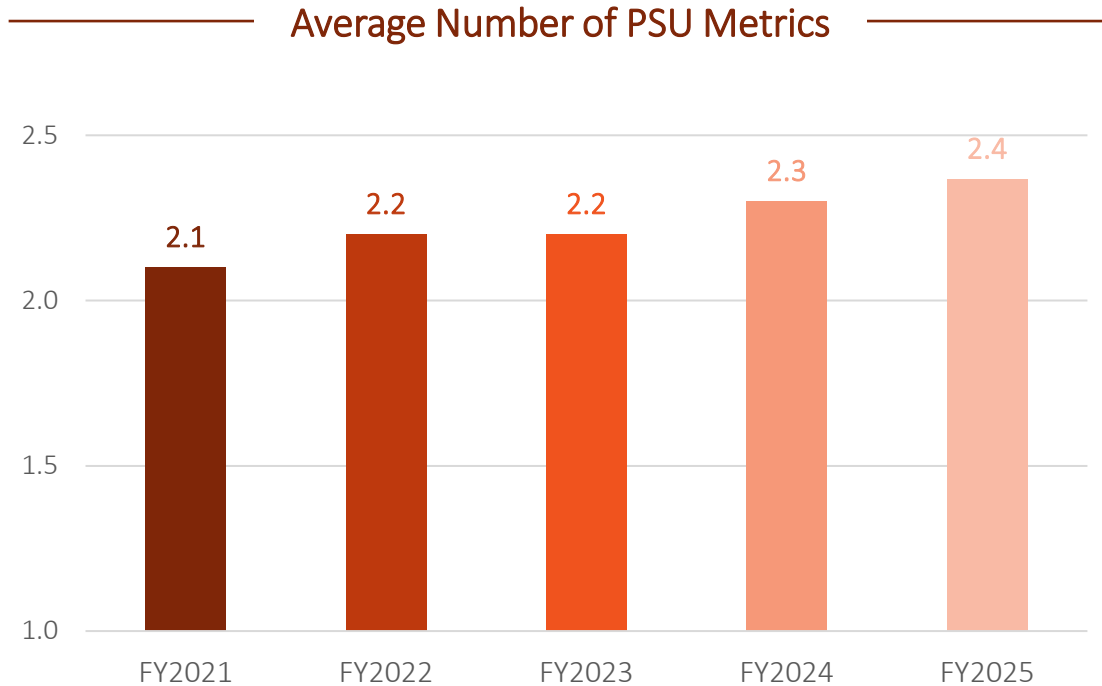


Use of Stock Options

	FY2021	FY2022	FY2023	FY2024	FY2025
# of Companies with Options	37	35	37	35	33
Average Weight (of those with Options)	38%	37%	36%	35%	34%

# LTIP Design – PSUs

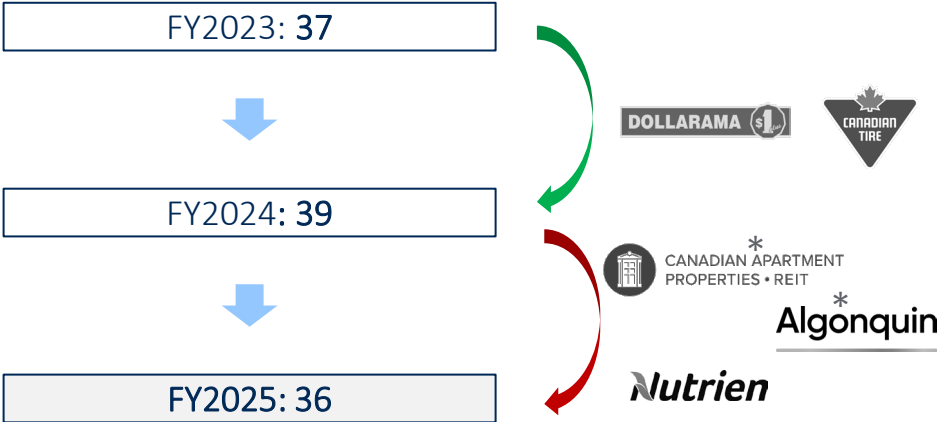
Relative TSR remains the most prevalent PSU metric, with return and ESG measures increasing since FY2021, followed by a pullback in FY2025.



[1] Statistics were calculated based on constituents who employ PSUs (i.e., excludes those who do not use PSUs; n = 50) and reflects only “back-end” PSU metrics

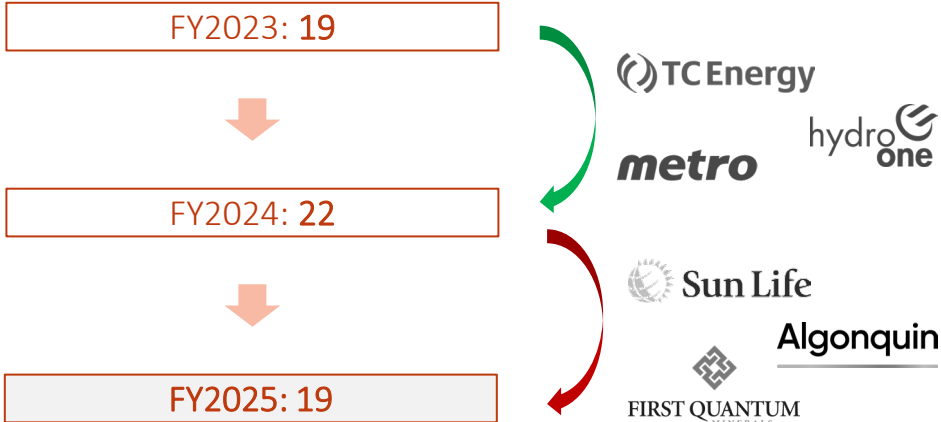
# ESG in Incentives

## # of Companies Using ESG Metrics in STIP



\*Algonquin Power and Canadian Apartment REIT were removed from the TSX60 in 2025 and are thus not reflected in this year's review

## # of Companies Using ESG Metrics in LTIP<sup>1</sup>



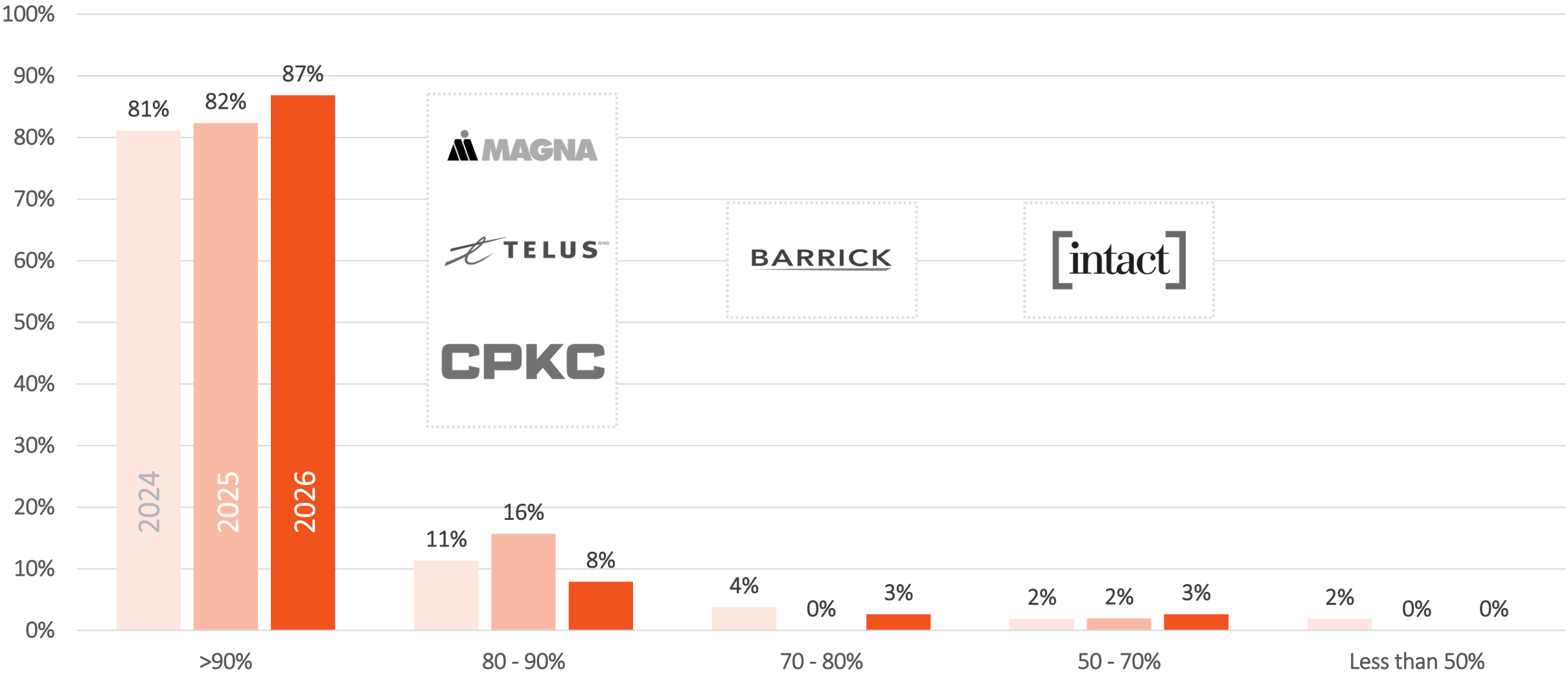
\*Algonquin Power was removed from the TSX60 in 2025 and are thus not reflected in this year's review

## Examples of Companies that Modified ESG Metrics in FY2025 or FY2026

STIP			LTIP	
<b>Fertilizers &amp; Agricultural Chemical Company</b>	<b>Metals &amp; Mining Company</b>	<b>Financial Institution</b>	<b>Telecommunications Company</b>	<b>Utilities Company</b>
Removed safety metrics (15% weighting in FY2024)	Removed People & Diversity from the qualitative assessment criteria	Removal of explicit references to an "inclusive workplace" and "net-zero" objectives	Reduced ESG-specific disclosure within a broader 'Culture & Brand' basket, total weighting unchanged at 10%	Climate-related performance measure (10%) will be removed

[1] Includes front- and back-end ESG LTIP metrics

# TSX60 Say on Pay Results



Note: the Say-on-Pay statistics reflect the voting results for n = 38 TSX60 issuers as of June 1<sup>st</sup>, 2026; 2024 and 2025 stats reflect 53 and 51 TSX 60 companies, respectively

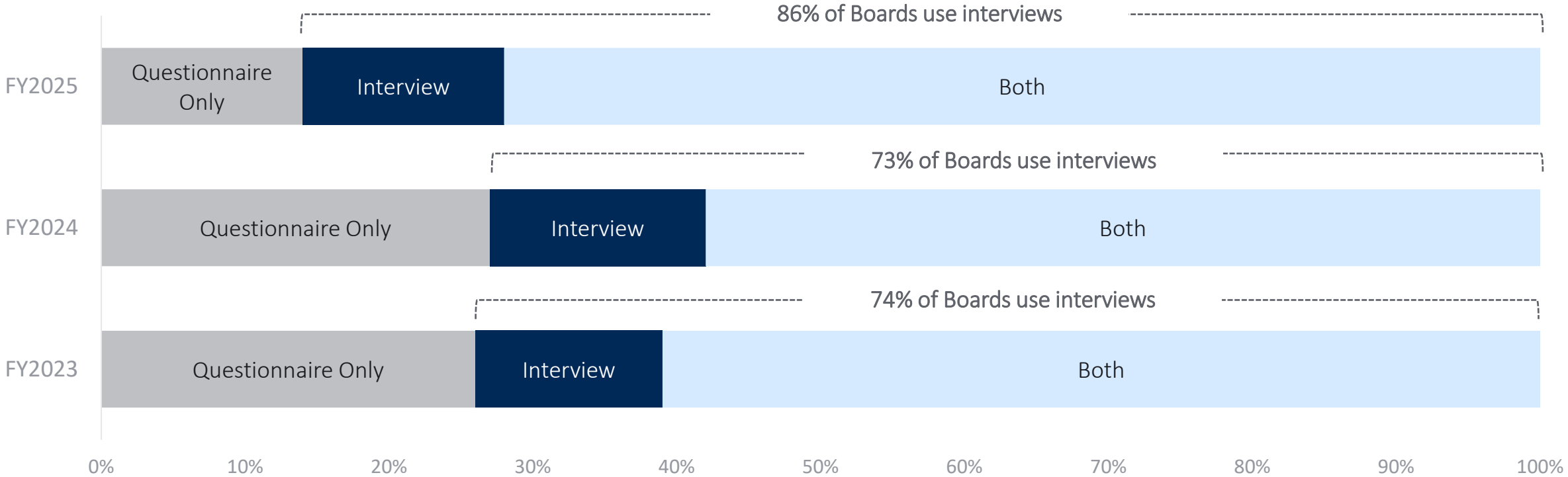
# Evolving Perspectives – Institutional Investors and Proxy Advisor

Stakeholders are watching more than ever.



# Board Effectiveness: Discovery Methods

This marks the first year with a notable increase in the cumulative use of interviews, and a decrease in the use of questionnaires only.



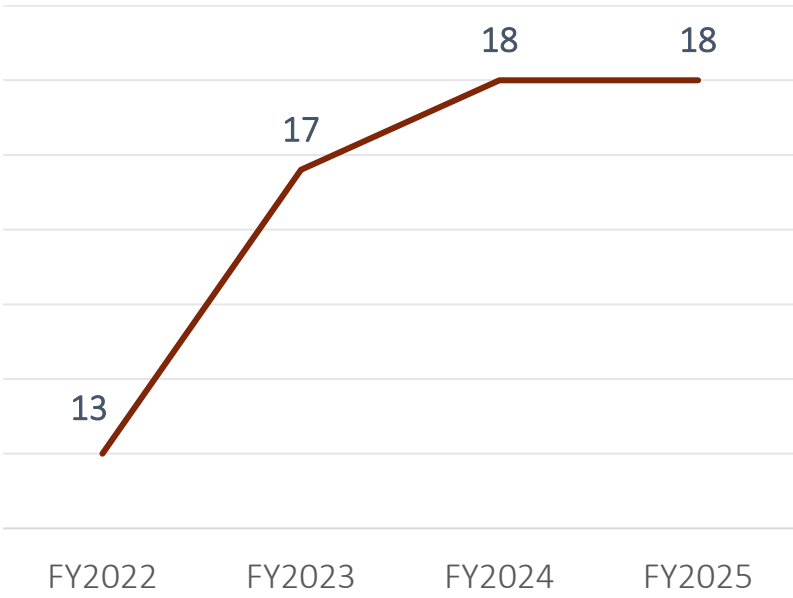
Note: FY2025 data reflects 2026 proxies for 57/60 companies; data for Brookfield Corporation, Saputo, and Shopify is based on 2025 proxies.  
Note: All data based only on companies who disclosed discovery methods (n=57 in FY2025; n=55 in FY2024; n=54 in FY2023).

# Board Effectiveness: Management Perspectives

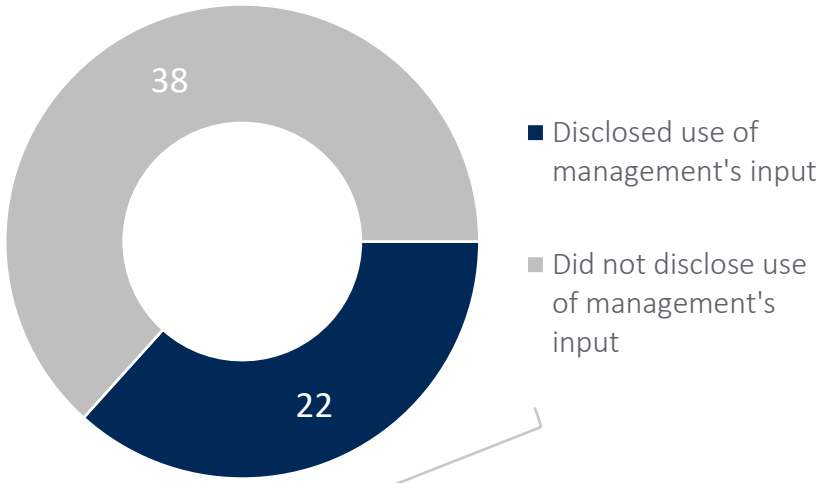
While still a minority practice and relatively flat year-over-year, select Boards are incorporating management perspectives into Board effectiveness reviews to gain more comprehensive insights into performance.

## Management Input in Board Effectiveness Review

Annual Disclosure of Management Input



3-Year Prevalence of Management Input



Approximately **1/3** of the TSX60 has incorporated management's input into Board assessments over the past three years.

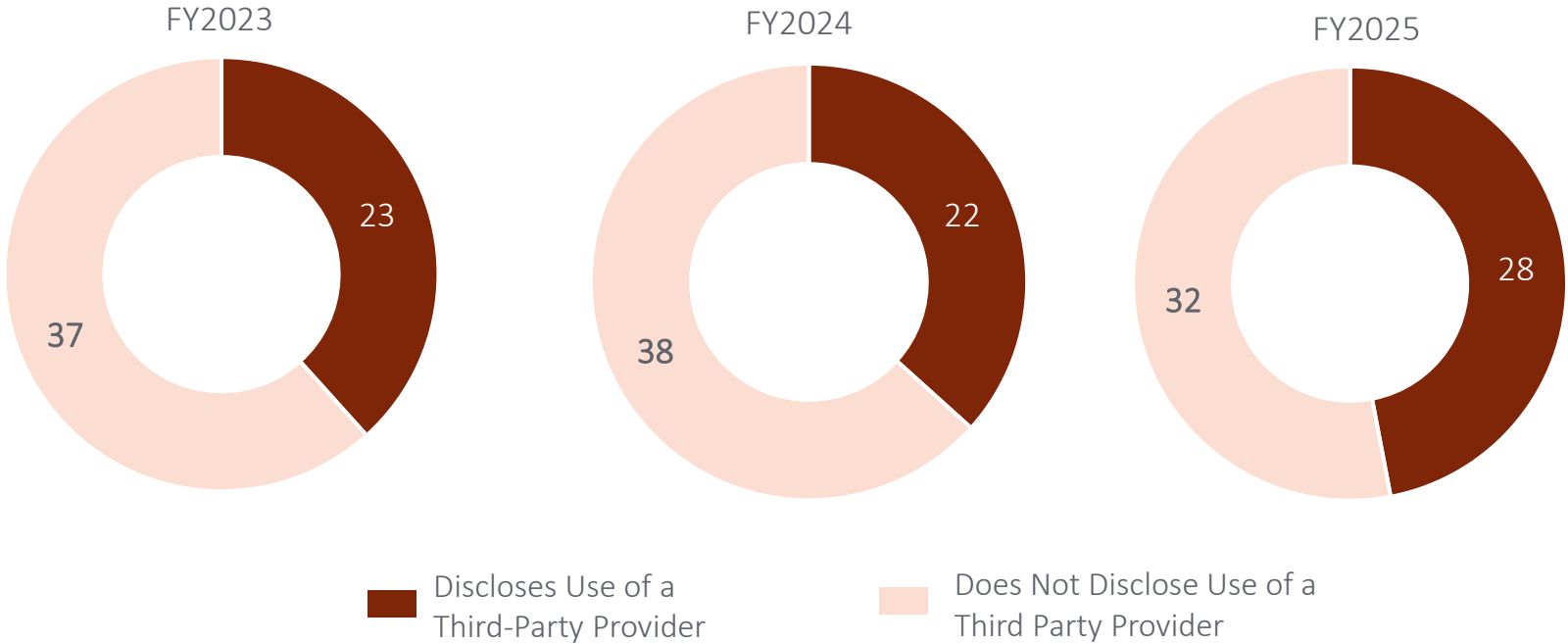
Note: FY2025 data reflects 2026 proxies for 57/60 companies; data for Brookfield Corporation, Saputo, and Shopify is based on 2025 proxies.

# Board Effectiveness: Use of a Third-Party Assessor

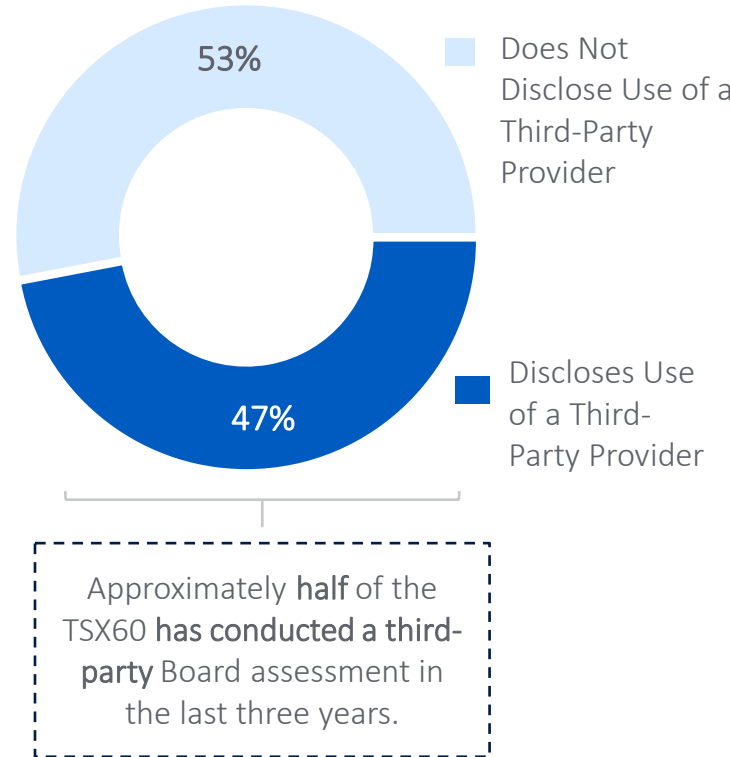
While all TSX60 constituents disclosed the use of a full Board performance assessment in FY2025, only 28 companies disclose the use of a third-party assessor in these assessments.

## Use of a Third-Party Assessor

Annual Disclosure of Third-Party Engagement



3-Year Prevalence of Third-Party Engagement



Note: FY2025 data reflects 2026 proxies for 57/60 companies; data for Brookfield Corporation, Saputo, and Shopify is based on 2025 proxies.

# Board Retirement & Tenure Policies

**Age Based Retirement: 42% (25/60)** of TSX60 Boards have mandatory retirement based on **age**

Age of 72	Age of 75	Other Age
9/25	13/25	3/25

**40% in 2024**

**Tenure Based Retirement: 42% (25/60)** of TSX60 Boards have a **term limit** policy in place

12 Years	15 Years	Other Years
13/25	8/25	4/25

**45% in 2024**



**Both Age & Tenure-Based Policy: 22% (13/60)**

**22% in 2024**

**Neither Age Nor Tenure-Based Policy: 38% (23/60)**

**37% in 2024**

**CN** CN increased its age limit from 72 to 75

**TC Energy** TC Energy Corporation increased its age limit from 73 to 75

**Canadian Natural** Canadian Natural Resources Limited approved an exception to its age limit policy

Note: FY2025 data reflects 2026 proxies for 57/60 companies; data for Brookfield Corporation, Saputo, and Shopify is based on 2025 proxies.



# QUESTIONS

*Please contact your Hugessen representative or email us at [email@hugessen.com](mailto:email@hugessen.com)*