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RECESSION-PROOF

Canada's 100 best paid CEOs

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Growing Gap  **.ca**

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Recession-proof: Canada's 100 best paid CEOs

INTRODUCTION

Canadians may still be feeling the pain from a worldwide economic meltdown caused by reckless financial speculation but Canada's business elite has preserved its privileged position.

This report examines the earnings of the 100 best paid public company CEOs in Canada in 2009 — the worst year of the recession for this country — and concludes it was a very good year to be a CEO.

At the rate they earned in 2009, by about 2:30 on January 3 the average of the 100 best-paid public company CEOs in Canada already pocketed what it would take a Canadian working full-time, all year to earn.

The distance between minimum wage workers and Canada's CEOs is even bigger. Canada's best paid 100 CEOs earn a year's worth of minimum wage work by 3:15 p.m. on New Years Day.

The total average compensation for Canada's best paid 100 CEOs was \$6,643,895 in 2009 — a stark contrast from the total average Canadian income of \$42,988 and the total average minimum wage worker's income of \$19,877.

Even in the worst of recession, Canada's best paid 100 CEOs earned, on average, 155 times more than Canadians earning an average income.

Chart 1 shows the earnings of the 100 highest paid CEOs in Canada in 2009 compared with the pay of average Canadians.

And there's more to come. Canada's best paid 100 CEOs are sitting on previously-granted stock options that were already worth \$1.3 billion at the time their companies reported to shareholders in 2009. That's about \$2 in deferred pay for every dollar reported as earnings that year.

For Canadians who aren't in the CEO club, the news gets even worse: When the best paid 100 CEOs finally decide to exercise their stock options, Canadians will subsidize that bonus in lost taxes. Stock options are taxed as if they were capital gains, rather than as ordinary income. As a result, nearly one third of CEOs' 2009 reported income — and the entire amount of their capital gains windfall — is taxed at half the rate paid on wage and salary income.

That tax subsidy is worth an average of \$467,000 on their 2009 income. That subsidy alone is roughly 10 times the pay of the average Canadian worker. And they can look forward to even more support from Canadians in the future, when they cash in that \$1.3 billion stock option stockpile. At their 2009 value, this windfall will be supported by a tax subsidy of \$360 million — an average of \$3.6 million per top-100 CEO.

TIME IS MONEY, FOR CANADA'S CEOS

It is important to note that the stratospheric performance of CEO salaries — and their resilience — is a relatively recent phenomenon.

In 1995, the average pay of Canada's highest paid 50 CEOs was \$2.66 million, 85 times the pay of the average worker. In 2009, the average pay of the highest paid 50 CEOs had skyrocketed to 219 times the pay of the average worker .

It's a similar story for Canada's best paid 100 CEOs, who pocketed 104 times more than the average worker in 1998 but now pocket 155 times more.

Between 1998 and 2008, the best paid 100 CEOs' average compensation outpaced inflation by 53%. In stark contrast, Canadian earning the average income gained 4% to inflation over that period.

This extraordinary explosion in CEO pay is one of the factors underlying the dramatic growth in income inequality in Canada highlighted in a December 2010 report from the Canadian Centre for Policy Alternatives by Senior Economist Armine Yalnizyan.¹

That report found that fully one-third of all income gains in Canada between 1987 and 2007 went to the richest 1% of Canadians — enough of a shift towards greater inequality to reverse a 30-year trend towards greater equality that had begun in the wake of the Great Depression of the 1930s.

Notably, it also found that, unlike other periods in which income inequality grew, the shift towards greater inequality in the past 20 years has been driven by inequality in incomes that are reported as wage and salary income. That's not to say that high

CHART 1 **Canada's Top Paid CEOs and the Rest of Us**

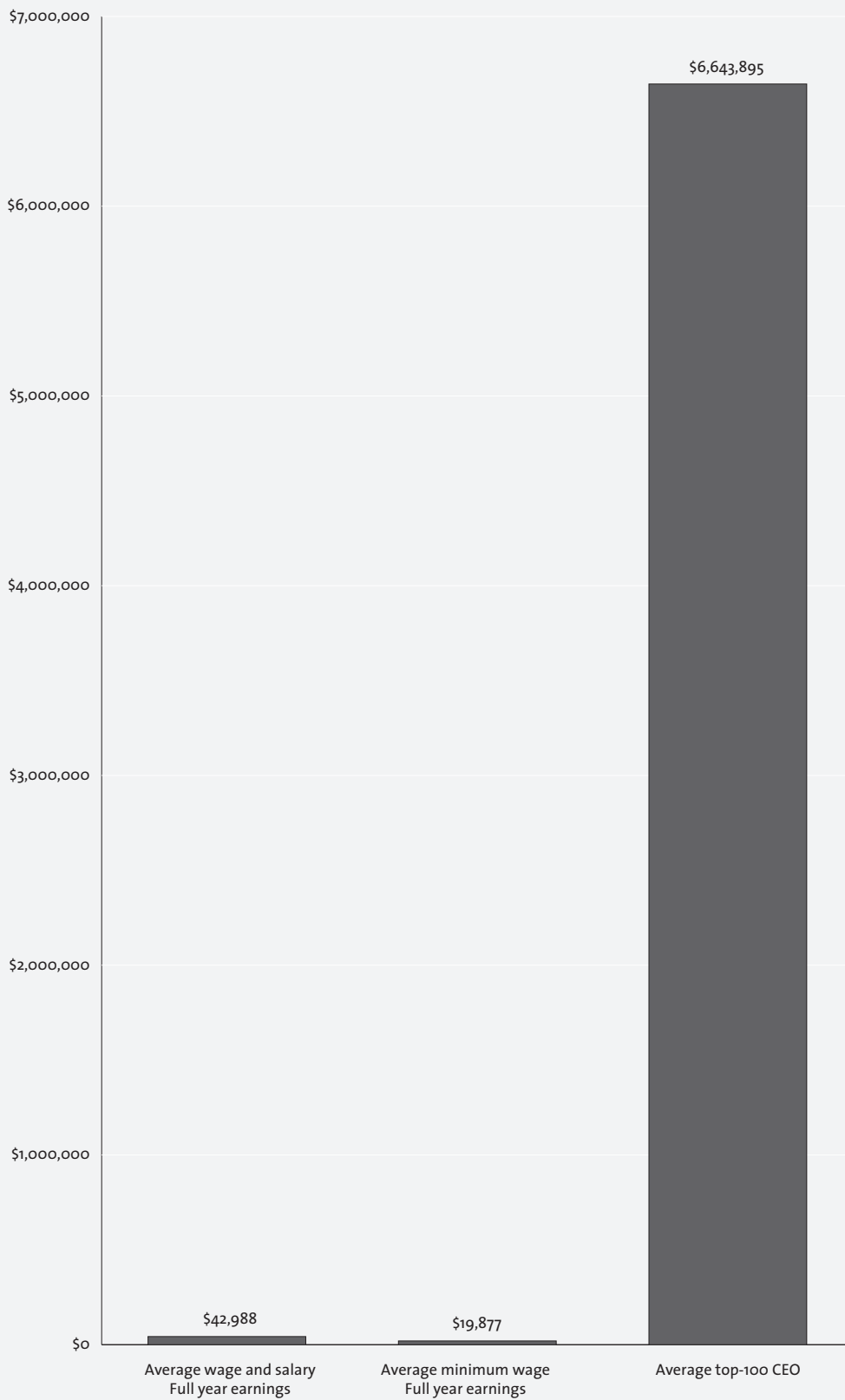
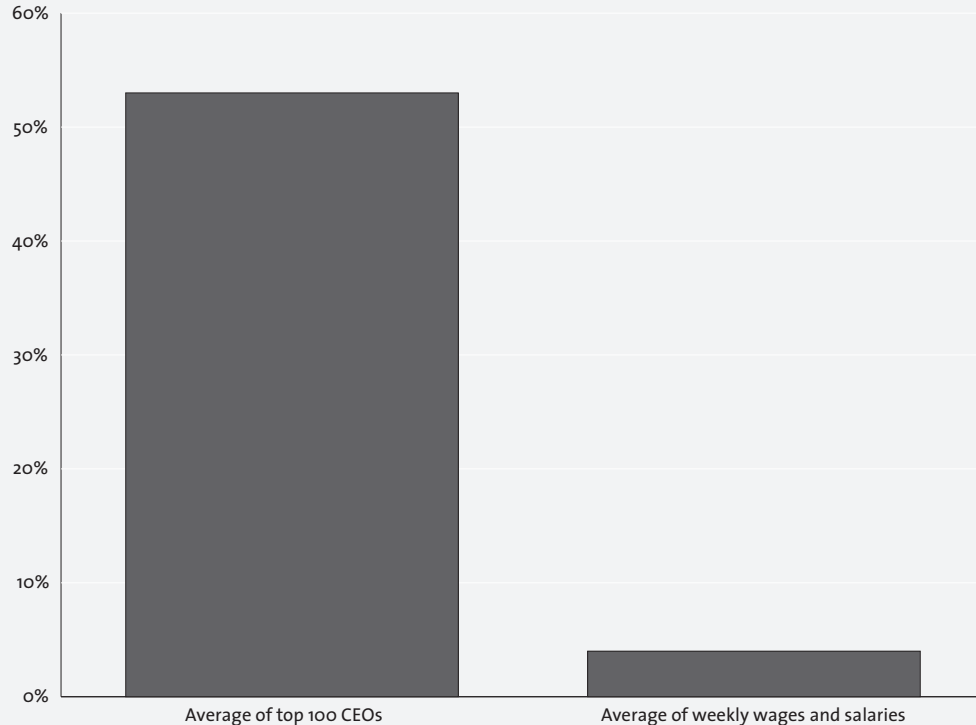


CHART 2 Inflation Protection?
% change in employment earnings after adjusting for inflation, 1998 to 2009



incomes are just wages and salaries like those earned by most Canadians. In fact, when it comes to CEOs, about two-thirds of the reported income is in the form of shares or stock options, both tied to stock market values.

QUESTIONING CEO COMPENSATION IN CANADA

Governments and citizens around the world continue to focus attention on the astronomical salaries pocketed by CEOs. Especially in the U.S., there has been widespread popular and political outrage at the payment of enormous bonuses to CEOs — and many of their high-flying employees — who had overseen the wiping out of billions of dollars in shareholder value.

For years, citizens have been told CEO pay is a reward for good performance, but that claim has sounded more than a little hollow in the wake of the past recession. Two leading Canadian business thinkers in particular have been weighing in heavily on the issue: Roger Martin and Henry Mintzberg.

An analysis by Roger Martin, dean of the University of Toronto Rotman School of Management demonstrates that compensating CEOs based on stock prices through share grants or stock options compensates them for the wrong thing.² Instead of compensating CEOs for aspects of corporate performance over which they could

conceivably exercise some influence like business strategy, or sales, or profit, share-based compensation systems pay CEOs based on something they cannot influence or control — the market price of their companies' shares.

Furthermore, Martin reasons that because stock markets are “expectations markets”, the price of a company's shares is based not on the performance of the company in the past, but on what investors expect the performance of the company to be in the future. Using a football analogy, he likens paying a CEO based on share prices to paying a football quarterback based on whether or not his team beats the betting points spread. Not only does the points spread (the expectations market) have nothing to do with the quarterback's performance on the field, in football it is illegal for a quarterback to participate in that market. Using the same logic, Martin argues that CEOs should receive bonuses based on how their companies perform in their businesses rather than on how the bets placed by investors influence the value of their shares.

Martin concludes:

The true key to long-term sustainability is building customer and employee bases that enable long-term profitability. If we are to emerge from this mess, executives must switch their focus entirely to the real market and completely ignore the expectations market. This entails building skills and experience in building real products, developing real consumers and earning real profits. It also means never giving earnings guidance and not attempting to meet any expectation placed on the firm by any shareholder.

In addition, executive compensation should have no component of stock-based compensation at all. Compensation should be based entirely on real-market measures such as revenues, profits, and return on book equity. Incentives should also be aligned to real market performance.

While these proposals might seem draconian, they are absolutely necessary to save corporations from themselves. Customers and employees will only accept the legitimacy of a business if its executives put customers and employees ahead of shareholders who buy shares from existing shareholders; companies will only become skilled at creating real value if they don't spend their time on the expectations market; and the negative impact of hedge funds will only diminish if executives stop spending their time jerking-around expectations.

Renowned Canadian business thinker Henry Mintzberg, starting from the same premise, went much further in a November 2009 Wall Street Journal article arguing that corporate leaders should not be paid bonuses at all.³

These days, it seems, there is no shortage of recommendations for fixing the way bonuses are paid to executives at big public companies.

Well, I have my own recommendation: Scrap the whole thing. Don't pay any bonuses. Nothing.

This may sound extreme. But when you look at the way the compensation game is played—and the assumptions that are made by those who want to reform it—you can come to no other conclusion. The system simply can't be fixed. Executive bonuses—especially in the form of stock and option grants—represent the most prominent form of legal corruption that has been undermining our large corporations and bringing down the global economy. Get rid of them and we will all be better off for it.

Despite the recession, the public outrage, the criticism of political leaders and the devastating analyses of key business thinkers, the practice of compensating Canadian CEOs has not changed perceptibly since the global economic meltdown.

Imagine the town of Lake Wobegon, Minnesota, where everyone is above average. Executive compensation—the work of a cabal of CEOs serving as corporate directors and compensation consultants—takes that several steps further, creating a world in which everyone is (relatively) extraordinary.

As Mintzberg points out in his Wall Street Journal opinion piece:

The failings of the current system—and the executives who live by it—are painfully obvious. Although these executives like to think of themselves as leaders, when it comes to their pay practices, many of them haven't been demonstrating leadership at all. Instead they've been acting like gamblers—except that the games they play are hopelessly rigged in their favor.

WHEN THE NEWS ISN'T GREAT, OBFUSCATE

Canada's corporations have responded to public outrage about massive options payouts: they have changed the way they report options income.

Corporations used to report the amount of income that executives actually realized when they cashed in their options. We couldn't know what these options were worth when they were granted, because their value depended on future stock market developments. But their value was eventually reported in compensation summaries when they were cashed in.

Beginning in 2008, however, corporations changed the way they reported stock options in their executive compensation disclosures. Instead of reporting the amount their executives realized during the year by cashing in options, they reported a conservative statistical estimate of what the options might have been worth in the market when they were granted. Some corporations—the major banks, for example—continued to report the value realized from options exercised during the year elsewhere in their proxy circulars. But most dropped the realized value disclosure altogether.

TABLE 1 Options Granted to the CEOs of Canada's Five Major Chartered Banks in 2008⁴

Company	Name	Number	Option Strike Price	Value reported in proxy circular	Price as of 30 Nov 2010	Value as of 30 Nov 2010
BMO	Downie	219,749	34.13	1,800,000	60.57	5,810,164
BNS	Waugh	444,084	33.89	3,010,000	53.59	8,748,455
CIBC	McCaughey	92,528	49.75	742,500	79.06	2,711,996
RBC	Nixon	311,016	35.37	2,200,000	55.00	6,105,866
TD	Clark	420,172	42.50	3,750,035	74.81	13,575,757

To see how conservative the reported estimates can be, let's look at what happened to the options granted to the CEOs of Canada's five major chartered banks in 2008, shown in Table 1.

When a corporation grants stock options to an executive, it gives the executive the right to buy a given number of shares of the corporation at a pre-determined price—known as the strike price. The strike price is normally the market price of the stock on the day the option is granted. When the price goes above the strike price, the difference represents the value of the option, because the executive could exercise his or her option at the strike price and sell at the higher price.

In this table, we compare the option grant value reported by the banks in their 2008 proxy circulars with the value reached by those options by November 2010, taking into account the number of options granted, the strike price and the closing price of the stock on November 30.

For example, the Bank of Montreal issued 219,749 options to its CEO in 2008 with a strike price of \$34.13. In its compensation disclosure document for 2008, it reported a value for these options of \$1,800,000. Based on the number of options and the strike price, that value would have been realized at a share price of \$42.32. As of November 30, however, the share price had reached \$60.57, a price that translates to an option value of \$5.8 million—more than three times the amount reported.

For the five bank CEOs, based on November 30, 2010 share prices, the combined value of their 2008 option grants as reported in their 2008 proxy statements was understated by \$25.5 million—an average of \$5.1 million per CEO.

To complete the picture, as of the end of the five banks' 2009 fiscal years, their proxies disclosed that their CEOs were sitting on \$111 million in unexercised in-the-money stock options.

SOLUTIONS: A WAY FORWARD

The common response from CEO pay apologists is that the only people who have a right to care are the shareholders of these companies and, by extension, the directors elected to represent them in the governance of the company. The shareholders

are paying them, the line goes, and if they didn't think the CEO was worth it they wouldn't pay them.

Unfortunately, it is not that simple. In the first place, nearly everyone involved in determining compensation is in the club — not directly conflicted, that would be considered inappropriate, but in the same community of interest. The “independent” consultants have nothing useful to say about what a CEO should be paid; they can only say what other CEOs are paid. Compensation decisions for CEOs — and for that matter other high flyers in the corporate world — are based on what others are paid. In other words, the logic is perfectly circular.

Perhaps more important, even if a board of directors would like to bring its CEO's pay down to earth, it is caught in a bind. To begin with, boards of directors are totally dependent on the CEO they hire. Indeed, the hiring of the CEO is probably the most important decision a board of directors gets to make. So there's a lot of pressure to hire the right CEO for the job. And when it comes to looking for a CEO, boards find themselves in what game theorists call a prisoner's dilemma. Every corporation would be better off if they all paid their CEOs less; but if one and only one pays its CEO less, it will be financially a less attractive place to work than all of the other corporations and because everyone is prepared to assume that executives are motivated only by money, that corporation's choice of CEOs will be much more limited. To put it simply, boards fear that stepping outside the norm will lead them to be unable to hire the best.

So while the argument that boards are groups of adults that don't have to do anything — like pay outrageous salaries and bonuses — unless they want to, it is not reasonable to expect boards to push their senior executives off the salary escalator.

What about shareholders, and “say on pay” provisions? Again, not the answer. Say on pay means shareholders can say they are unhappy with executive compensation; it does not mean they can actually do anything about it. And there simply is no viable mechanism for corporate governance that would enable shareholders to exercise actual control over pay practices except through the corporation's directors.

That leaves government as the only actor left to inject sanity into an irrational compensation system. Government can do this through one of two approaches: regulation and/or the tax system.

There are two major problems with a regulatory approach. First, it is next to impossible to separate legitimate, carefully thought out rewards from other payments. It raises the boogeyman of government interference that would inevitably generate a storm of outrage from the business sector and ultimately threaten the government in question's political viability. Also, any regulatory regime would simply kick off an elaborate game of evasion and entrapment between the regulated and the regulators.

The tax approach makes a lot more sense. If we as a society have concluded that excessive pay is unacceptable, we can tax a portion of that excessive pay package back. Corporations could still pay their senior executives whatever they wish. Executives would still have that all-important measuring stick indicating what they

are “worth”. The public will have made a clear statement of its view on excessive compensation practices. The impact of excessive pay on income inequality will be moderated. And the public will benefit from the public services that can be funded with this newly generated fiscal capacity.

Ed Broadbent, the originator of Canada’s commitment to end child poverty in 1989, has argued higher taxes on excessive compensation could provide the financial resources to fund a targeted plan to reduce, and potentially eliminate, the depth of poverty among Canadian families with children.⁵

But even without taking the step of raising taxes for Canada’s well-compensated CEOs, there is one simple thing Canada could do to curb CEOs’ enthusiasm — and their take-home pay. We could end the public subsidy of excessive CEO pay packages by getting rid of the loophole that allows the proceeds from cashing in stock options to be taxed as if they were capital gains — at half the normal rate — rather than as ordinary income.

APPENDIX 1

How the Calculations Were Done

DATA FOR CEO SALARIES are extracted from the disclosures contained in the proxy circulars prepared by corporations in advance of their annual meetings. Proxy circulars were obtained either from the Canadian corporate information databank, SEDAR, or directly from the websites of the corporations themselves.

New accounting rules for reporting of executive compensation have been in effect since 2008. These new rules included a requirement that corporations disclose comprehensive compensation of its five top officers in a standard summary compensation table. In general, the data behind this report are extracted from the amounts reported as executive compensation in this summary table. This table captures salary, annual bonus payments, grants of shares, stock options, pension accrual and other compensation.

Three specific disclosure requirements are of particular interest: the value of pension accrual during the year; the value of stock options granted during the year; and executive perquisites. These new disclosure requirements were intended to provide a more complete and accurate record of executive compensation. Unfortunately, the actual disclosure of many corporations left much to be desired. Where sufficient additional information had been provided in the circular, adjustments were made to generate the numbers used in this report.

With respect to pensions, many corporations disclosed not the value to the executive of the additional pension entitlement accrued during the year, but the change in the value of the pension as carried on the books of the company, after allowing for changes in actuarial assumptions. As a result, there were several instances in which a circular reveals an increase in an executive's pension entitlement at retirement, but

the actual disclosure shows a negative number for the year. This apparent paradox is generally attributable to a difference between the salary projected for the executive in the corporation's valuation of the pension and the actual salary received by the executive during the year. Where sufficient data were provided in the circular to do so, these disclosures were corrected to show an estimated present value of the accrual during the year using conservative actuarial assumptions.

With respect to compensation in the form of stock options, the new rules required corporations to disclose both the number of stock options granted and the exercise price in the circular and to present an estimated value for the options granted in the summary table. This value was to be estimated using an industry standard, the Black-Scholes method for options valuation.

This new requirement, together with its inconsistent application, created two problems for our analysis. First, in years prior to 2008, our analysis as well as that performed by others had been based on actual cash income received by executives during the year. Options were not included in compensation at the time of grant. Instead, the value realized from the exercise of stock options during the year was included. The change in the basis for reporting means that, in general, data for 2008 and 2009 are not comparable with data for prior years. In general, it is to be expected that the forecast method for options valuation will produce a lower value than the "value as exercised" method. This expected difference arises in part from the fact that once an option has matured, executives are able to choose the timing of exercise in order to maximize their return whereas the forecast methodology is not able to take into account the value of this ability to choose.

With respect to perquisites, many corporations chose to take advantage of a reporting exemption for perquisites totaling the lesser of \$50,000 or 10% of salary. For those corporations which chose to take advantage of the exemption, the compensation of the named officers is understated.

APPENDIX 2

Top CEO listing

Rank	Name	Company	Base Salary	Bonus	Shares	Options	Pension	Other	Total
1	Aaron Regent	Barrick Gold Corp.	1,480,625	2,897,000	7,825,841	11,276,497	656,644	80,433	24,217,040
2	Hunter Harrison	Canadian National Railway Co.	2,014,488	2,681,528	4,004,198	2,625,429	4,295,513	1,722,004	17,343,160
3	Gerald Schwartz	Onex Corp.	791,700	15,898,058	0	0	0	0	16,689,758
4	Edmund Clark	Toronto Dominion Bank	1,500,000	1,700,000	4,800,045	7,100,044	0	88,302	15,188,391
5	Nadir Mohamed	Rogers Communications Inc.	1,112,642	2,211,376	6,325,211	2,431,808	1,476,662	130,000	13,687,699
6	Fred George	Gammon Gold Inc.	946,600	1,688,469	262828	2144000		8019280	13,061,177
7	Edward Sampson	Niko Resources Ltd.	650,000	269,100	0	12,030,243	0	0	12,949,343
8	Gordon Nixon	Royal Bank of Canada	1,400,000	0	5,500,000	3,500,000	1,654,000	41,885	12,095,885
9	Jim Shaw	Shaw Communications Inc.	2,500,000	6,000,000	0	1,047,673	1,745,000	264,446	11,557,119
10	Peter Marrone	Yamana Gold Inc.	1,150,000	5,233,000	2,987,674	869,200	1,230,000	64,714	11,534,588
11	William Doyle	Potash Corp. of Saskatchewan	1,247,064	0	1,934,123	5,632,744	1,992,447	248,627	11,055,005
12	Marvin Romanow	Nexen Inc.	1,100,000	429,000	0	5,351,775	3,949,300	179,978	11,010,053
13	Jeffrey Orr	Power Financial Corp.	3,750,000	1,000,000	125,000	4,008,734	1,654,000	402,500	10,940,234
14	Thomas Glocer	Thomson Reuters Corp.	1,770,100	3,398,592	2,041,043	2,212,681	0	1,366,771	10,789,187
15	Richard Quesnel	Consolidated Thompson Iron Mine Ltd.	583,333	2,100,000		7,568,000			10,251,333
16	Steve Laut	Canadian Natural Resources Ltd.	550,000	3,500,000	0	5,894,000	0	65,651	10,009,651
17	John Macken	Ivanhoe Mines Ltd.	815,388	628,100	0	8,519,320	0	36,877	9,999,685
18	Richard George	Suncor Energy Inc.	1,301,269	1,800,000	2,578,017	1,166,200	2,831,500	305,257	9,982,243
19	Richard Waugh	Bank of Nova Scotia	1,000,000	1,500,000	3,600,000	3,600,000	157,000	73,730	9,930,730
20	Donald Guloien	Manulife Financial Corp.	1,061,410	1,000,000	3,632,776	3,632,776	243,000	88,471	9,658,433
21	Tye Burt	Kinross Gold Corp.	1,250,025	2,525,050	2,700,053	1,800,035	642,787	273,503	9,191,453
22	Pierre Beaudoin	Bombardier Inc.	1,229,201	1,294,000	2,171,783	2,638,739	1,741,387	95,149	9,170,260
23	Sean Boyd	Agnico-Eagle Mines Ltd.	925,000	1,175,000	39,000	6,147,500	794,877	21,264	9,102,641
24	Jurgen Schreiber	Shoppers Drugs Mart Corp.	1,350,000	1,913,625	3,670,313	1,223,438	460,700	180,203	8,798,279
25	Allen Chan	Sino-Forest Corp.	515,556	7,222,008	0	779,965	0	160,675	8,678,204
26	John Manzoni	Talisman Energy Inc.	1,272,000	2,289,600	2,158,347	2,142,672	617,300	197,592	8,677,511
27	Pierre-Karl Peladeau	Quebecor Inc. B	1,200,000	1,617,600		5,665,433	8700	1,266	8,492,999
28	Scott Saxberg	Crescent Point Energy Corp.	371,000	350,000	7,754,571	0	0	7,107	8,482,678
29	Martin Konig	European Goldfields Ltd.	134,636		4,619,949	3,291,700			8,046,285

Rank	Name	Company	Base Salary	Bonus	Shares	Options	Pension	Other	Total
30	Randall Eresman	Encana Corp.	1,350,067	3,000,148	0	3,899,547	-399,276	143,258	7,993,744
31	Charles Jeannes	Goldcorp Inc.	1,249,919	2,017,571	2,781,319	1,647,221	135,491	68,169	7,899,690
32	Harold Kvisle	TransCanada Corp.	1,250,004	2,278,875	3,040,000	960,000	157,000	12,500	7,698,379
33	William Downe	Bank of Montreal	1,165,000	1,585,000	2,350,000	2,350,000	120,881	14,271	7,585,152
34	Michael Wilson	Agrium Inc.	1,275,000	1,044,703	2,267,901	2,269,007	506,064	27,618	7,390,293
35	Michael McCain	Maple Leaf Foods Inc.	977,676	2359890	3981888		68370		7,387,824
36	M. Parent	CAE Inc.	598,846	1000000	754151	4,292,305	591000	51960	7,288,262
37	Peter Jones	HudBay Minerals Inc.	543,774	545,000				6191194	7,279,968
38	Craig Mulhauser	Celestica Inc.	1141977	1033432	3425932	1141977	16299	146405	6,906,023
39	Darren Entwistle	Telus Corp.	1,225,000	315,438	2,465,438	2,150,000	644,000	53,451	6,853,327
40	Gerald McCaughey	Canadian Imperial Bank of Commerce	1,500,000	990,000	3,000,000	750,000	472,000	2,250	6,714,250
41	Stephen Wetmore	Canadian Tire Corp. Ltd.	1,250,000	1,260,094	1,249,956	2,499,181	0	173,024	6,432,255
42	Siegfried Wolf	Magna International Inc.	114,200	0	0	990,114	0	5,269,850	6,374,164
43	Donald Walker	Magna International Inc.	126,191	0	0	990,114	0	5,178,159	6,294,464
44	Richard Clark	Red Back Mining Inc.	505,684	1,415,918	1,155,843	3,211,098	0	0	6,288,543
45	Keith Calder	Western Coal Corp.	178,927	233528		5820000		17127	6,249,582
46	Louis Vachon	National Bank of Canada	806,453	1,400,000	1,275,000	2,125,000	356,000	185,607	6,148,060
47	Patrick Daniel	Enbridge Inc.	1,200,000	2,133,000	1,354,850	1,426,760	-244,000	151,320	6,021,930
48	Rick Van Nieuwenhuysse	Novagold Resources Inc.	644,667	436,700	933709	3,317,704		117451	5,450,231
49	Richard Ross	Inmet Mining Corp.	755,000	906,000	0	0	22,000	3,706,885	5,389,885
50	James Balsillie	Research In Motion Ltd.	1,172,338	1,300,622	2,845,236	0	15,539	11,000	5,344,735
51	Mike Lazaridis	Research In Motion Ltd.	1,172,338	1,300,622	2,845,236	0	10,103	11,000	5,339,299
52	Donald Lindsay	Teck Resources Ltd.	1,144,000	1,898,500	1,307,250	426,288	176,000	40,000	4,992,038
53	John Lau	Husky Energy Inc.	1,512,000	3,029,070	0	0	136,080	225,226	4,902,376
54	David Goodman	DundeeWealth Inc.	650000	1455000	1455000	1250000		59667	4,869,667
55	Mayo Schmidt	Viterra Inc.	950,000	1,100,000	1,306,244	1,306,252	0	123,861	4,786,357
56	Ellis Jacob	Cineplex Galaxy Income Fund	803,419	1,046,069	1,828,067	529,575	348,600	220,242	4,775,972
57	Mario Longhi	Gerdau AmeriSteel Corp.	1,330,430	665,215	1,902,823	0	816,638	10,018	4,725,124
58	George Cope	BCE Inc.	1,250,000	2,156,250	0	0	273,828	957,083	4,637,161
59	Ned Goodman	Dundee Corp.	700000	500000	7650	2843000		457983	4,508,633
60	Stanley Marshall	Fortis Inc.	1,000,000	1,184,000	764,400	551,827	552,574	249,454	4,302,255
61	Bruce Flatt	Brookfield Asset Management Inc.	425,000	0	460,146	3,325,406	0	19,125	4,229,677
62	Gerald Grandey	Cameco Corp.	999,500	963,000	774,800	1,215,600	251,700	0	4,204,600
63	Frederic Green	Canadian Pacific Railway Ltd.	855,162	1,004,063	1,119,946	1,188,860	-70,000	95,827	4,193,858
64	Anthony Marino	Baytex Energy Trust	400,000	350,000	0	470,550	0	2,900,344	4,120,894
65	Kevin M. Sullivan	GMP Capital Inc.	458,333	3,626,965				2,000	4,087,298
66	Pierre Duhaime	SNC-Lavalin Group Inc.	583,662	767,000	1,119,500	751,880	737,000	72,438	4,031,480
67	Ian Delaney	Sherritt Intl. Inc.	750,000	1,675,000	60841	249975		1293616	4,029,432
68	Robert Gallagher	New Gold Inc.	500209	750313		2761954		10504	4,022,980
69	Pierre Blouin	Manitoba Telecom. Services	800,000	840000	1400037	599998	290000	67,500	3,997,535
70	Bruce March	Imperial Oil Ltd.	553,870	183,862	1,706,020	0	649,756	881,422	3,974,930
71	Alain Bedard	TransForce Inc.	875,000	1,000,000		1,788,901	145,200	165,561	3,974,662
72	Donald Stewart	Sun Life Financial Inc.	1,100,000	0	0	2,750,001	-13,667	0	3,836,334
73	Marcel Coutu	Canadian Oil Sands Trust	800,000	750,900	1,000,000	1,000,000	0	208,000	3,758,900
74	Alain Bouchard	Alimentation Couche-Tard Inc.	994,288	1,479,003	0	0	1,260,547	0	3,733,838
75	Louis Audet	Cogeco Cables Inc.	800,000	990,000	135000	150,108	1658000		3,733,108
76	Marc Tellier	Yellow Pages Income Fund	825,000	0	2,726,644	0	139,200	0	3,690,844
77	William Wells	Biovail Corp.	860,085	1,289,484	1,329,531	102,421	0	107,686	3,689,207
78	Randall Oliphant	New Gold Inc. Exec Chair	255,512	876,040		2,549,277			3,680,829

Rank	Name	Company	Base Salary	Bonus	Shares	Options	Pension	Other	Total
79	Andre Desmarais	Power Corp. of Canada	1,000,000	1,000,000	175,000	741,541	146,000	611,000	3,673,541
80	D. Jean Nortier	Uranium One Inc.	699,679	1,404,513		1,473,151			3,577,343
81	Miguel de la Campa	Pacific Rubiales Energy Corp. Chairman	525,500	367,850		2,508,000		154,964	3,556,314
82	Stephen Orr	Ventana Gold Corp.	208333			3249734		93286	3,551,353
83	Jose Francisco Arata	Pacific Rubiales Energy Corp. President	525,500	367,850		2,508,000		148,055	3,549,405
84	Serafino Iacono	Pacific Rubiales Energy Corp. Chairman	525,500	367,850		2,508,000		144,458	3,545,808
85	Ronald Pantin	Pacific Rubiales Energy Corp. CEO	525,500	367,850	0	2,508,000	0	124,514	3,525,864
86	Bruce Aitkin	Methanex Corp.	1,120,000	640000	578650	579641	215600	387815	3,521,706
87	Stephen Snyder	TransAlta Corp.	975,000	358,000	1,658,475	0	398,800	72,770	3,463,045
88	Anthony Lambert	Daylight Energy Ltd.	340000	830000	2238080			51338	3,459,418
89	Eric La Fleche	Metro Inc.	700,000	840,000	420,000	843,750	611,000	3,354	3,418,104
90	Allen Loney	Great-West Lifeco Inc.	925,000	1,156,250	45,000	429,500	742,112	86,000	3,383,862
91	Paul Desmarais, Jr.	Power Corp. of Canada	1,000,000	1,000,000	175,000	741,541	0	452,000	3,368,541
92	Michael Roach	CGI Group Inc.	925,000	850,000	0	1,528,125	0	45,072	3,348,197
93	Rupert Duschene	Groupe Aeroplan Inc.	672,309	1,008,463		1232802	89,846	243,468	3,246,888
94	Daniel R. Titcomb	Jaguar Mining Inc.	472,166	260,675	2,459,851		11567	28,495	3,232,754
95	David Fesyk	Inter Pipeline Fund	570,000	800,000	1,675,000	0	0	176,911	3,221,911
96	Robert Dutton	RONA Inc.	811,635	170,000	1,275,416	602467	331,000		3,190,518
97	Mark Thierer	SXC Health Solution Corp.	485,340	1302996	710310	608674		22840	3,130,160
98	Galen G. Weston	Loblaws Cos. Ltd.	1,000,000	2,000,000	0	0	0	74,198	3,074,198
99	John M. Cassidy	Corus Entertainment Inc.	836,761		1313008	437,561	149000	235,933	2,972,263
100	Michael Waites	Finning International Inc.	800,000	432,000	614,458	715,836	355,000	49,913	2,967,207

Notes

1 Armine Yalnizyan, “The Rise of Canada’s Richest 1%”, Canadian Centre for Policy Alternatives, Ottawa, December 1, 2010.

2 Roger Martin, “Undermining Staying Power: The Role of Unhelpful Management Theories”, Rotman Magazine, Spring 2009

3 Henry Mintzberg, “No More Executive Bonuses!”, Wall Street Journal, November 30, 2009.

4 Table 1 presents the summary details — number of options granted; strike price; and estimated value on the day of grant — of the options granted to their CEOs by the five largest Canadian chartered banks in December 2008. November 30, 2010 prices are TSX closing prices. The value as of November 30, 2010 is the difference between the November 30, 2010 price and the strike price, multiplied by the number of options granted.

5 Ed Broadbent, “How to end child poverty: Tax the rich: Why have others nearly wiped out child poverty, but Canada has not?”, Globe and Mail, November 23, 2009