

# Fail Safe

## CEO Compensation in Canada

David Macdonald





**CCPA**

CANADIAN CENTRE  
for POLICY ALTERNATIVES  
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## CEO Pay: By the Numbers

### January 2, 10:09 a.m.

Time at which the average top-100 CEO has made as much money as the average Canadian worker will make all year (based on 2018 corporate compensation data).

### \$11.8 million

Average pay of the top 100 highest-paid CEOs in 2018, beating 2016's record of \$10.4 million.

### \$52,061

Average individual income in Canada in 2018, up from \$50,744 the year before.

### 227:1

Ratio of average CEO pay to average worker compensation in 2018, representing the worst inequality in pay that we have recorded over 13 years of producing this report.

### 79%

Portion of CEO pay in 2018 that came from bonuses related to their company's stock price.

### 13%

Proportion of profitable companies in our study who paid more to their top five executives, including the CEO, than they paid in income tax in 2018.

### 4

Number of women in the top 100 highest-paid CEOs, up one from 2017.

### 61%

Pay hike for a top-100 CEO between 2008 and 2018. The average-income worker saw their salary go up by 24% over this same period.

### \$6.1 million/year

"Minimum wage" of a top-100 CEO in 2018. In 2008 and 2009, a CEO needed half that (\$3 million a year) to make the list.

### 9

Number of money-losing TSX/S&P Composite companies whose c-suite payroll was at least 40% of their total loss.

# Results

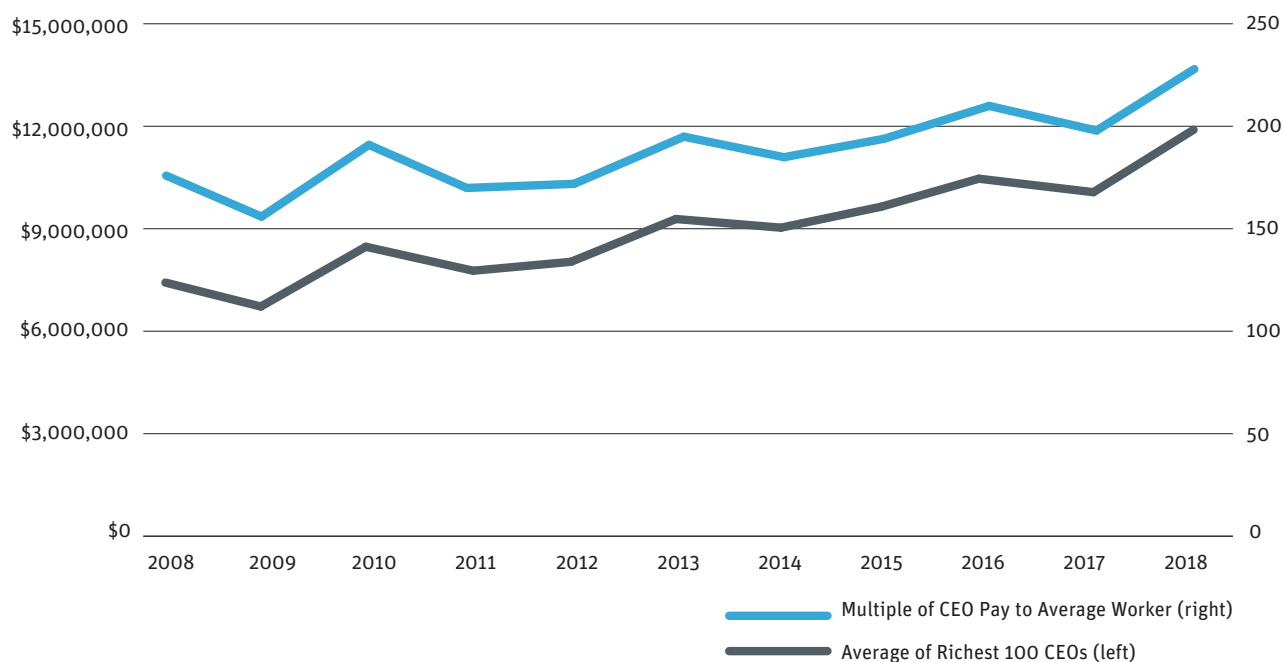
THE CANADIAN CENTRE FOR POLICY ALTERNATIVES has been tracking executive pay at Canada's largest companies for 13 years now as part of our ongoing research into income and wealth inequality in Canada.<sup>1</sup>

Every year, we comb through the filings of the 250 publicly traded companies on the S&P/TSX Composite Index — data that becomes available each summer in company proxy circulars from the previous year provided to the System for Electronic Document Analysis and Retrieval (SEDAR)<sup>2</sup> — to determine the average compensation of the top 100 highest-paid CEOs. We then compare their pay to the average working income in Canada.

The difference between top CEO incomes and the average Canadian income is a good indicator of income inequality. As shown in *Figure 1*, that pay gap has been growing since we started this research. In 2018, the last year for which we have SEDAR data, Canada's average top-100 chief executive made a record \$11.8 million, or 227 times the annual average individual income in Canada. The previous record was set in 2016, when the average CEO income hit \$10.4 million.

Put another way, by 10:09 a.m. on January 2, the average highest-paid CEO in Canada will have taken home the average worker's whole salary for the year. That's half an hour earlier than the previous (2016) record time of 10:57 a.m. In 2011 or 2012, it would have taken the average CEO until after lunch (about 1 p.m.) on the first working day of the year to earn a full year's average individual income. Now they've done it by the time many people are pouring their second cup of coffee.

**FIGURE 1** Average Top-100 CEO Pay in Dollars and as a Multiple of the Average Annual Worker Income



**Source** Canadian Centre for Policy Alternatives, company proxy circulars, Statistics Canada Table 14-10-0204-01 and author's calculations.

The pay gap is a result of top CEO incomes rising faster than average incomes across Canada. The average compensation of the richest CEOs was \$1.8 million higher in 2018 than in 2017 – an 18% jump. The average worker, on the other hand, saw their pay go up by \$1,302 in 2018 – from \$50,744 to \$52,061 – representing a 2.6% pay hike.<sup>3</sup> Subtract inflation of 2.3% that year, and the real average income increased by a paltry \$150.<sup>4</sup>

Since 2008, more or less in line with inflation, average worker pay has risen 24% while top-100 CEO pay has grown more by 61%. Canada's relatively low unemployment rate of 5.9% does not appear to be putting any upward pressure on average incomes.<sup>5</sup> Economic growth over this period, however, is going to pad corporate profits, with some of those spoils paying for rising executive salaries.

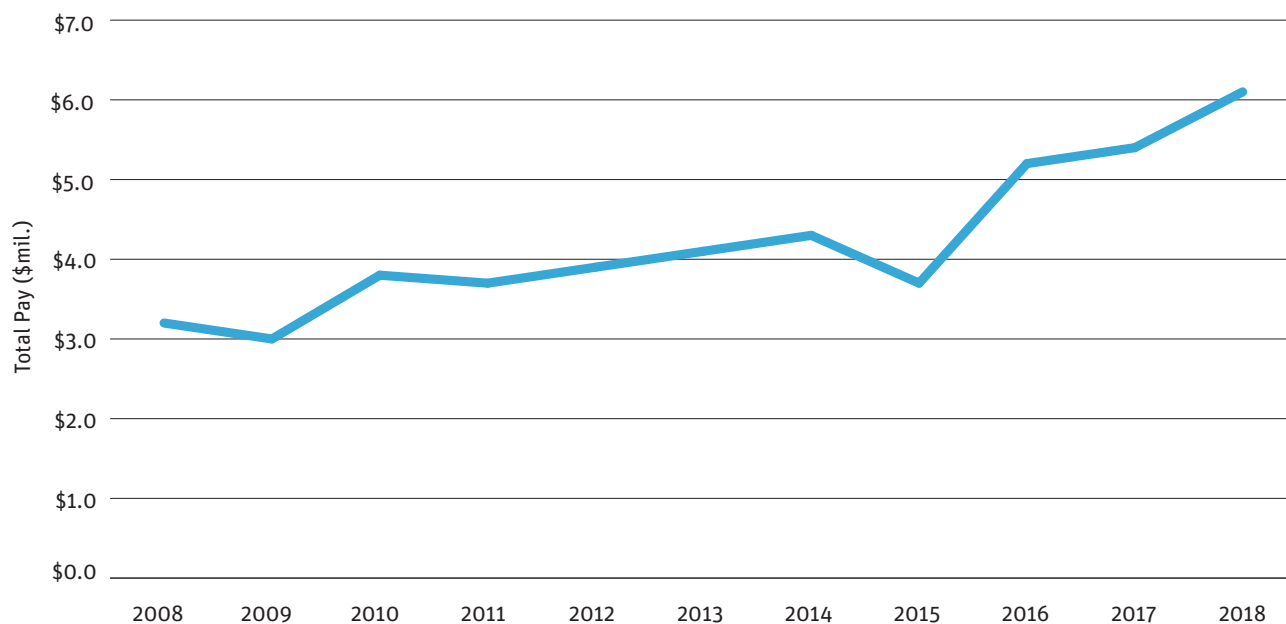
The significant increases in executive compensation recorded in this annual report are not just due to a few highflying CEOs skewing the average income at the top end. In fact, our research has uncovered regular increases in the “minimum wage” CEOs need to make to get on the top-100 list to begin with (see *Figure 2*).

In 2008 and 2009, a CEO would have had to make just over \$3 million to be included in this report. This year, that amount is double: the minimum

## A CEO Gender Lens

A gender lens reveals the richest CEOs list is, as always, a “boy’s club”. Only four women are among Canada’s richest 100 CEOs, up from three last year. This may seem like progress, but it really isn’t as women performed as well as men named John or men named Jay, there are four of each on the list. Women did outperform men named Paul though, of which there were only three on the list this year.

**FIGURE 2** Minimum Wage of a Top-100 CEO (2008–2018)



**Source** Canadian Centre for Policy Alternatives, company proxy circulars and author’s calculations.

top-100 CEO income is now over \$6 million. For the record, there were four women in this year’s top-100 list compared to three last year.

One of the arguments for outrageous CEO pay is that companies compete for their CEOs and if they aren’t paid enough, the CEOs will move to a higher paying company. This year, we examined how CEOs got to the CEO chair and how long they had been with the company. In fact, 75% of richest CEOs were promoted to that chair after holding a lower position at the company. It is fairly unusual for CEOs to be hired directly into the CEO position, even at average pay levels of \$11.8 million. Instead they rise up through the

company ranks. In 2018, the CEOs who rose up through the ranks were at their companies an average of 18 years.

It shouldn't be terribly surprising that company leaders are those who've worked there and best understand it. The evidence directly contradicts the idea that CEOs are routinely head-hunted away and the only firewall to losing one's CEO is endlessly higher pay.



# Composition and Taxation of CEO Pay

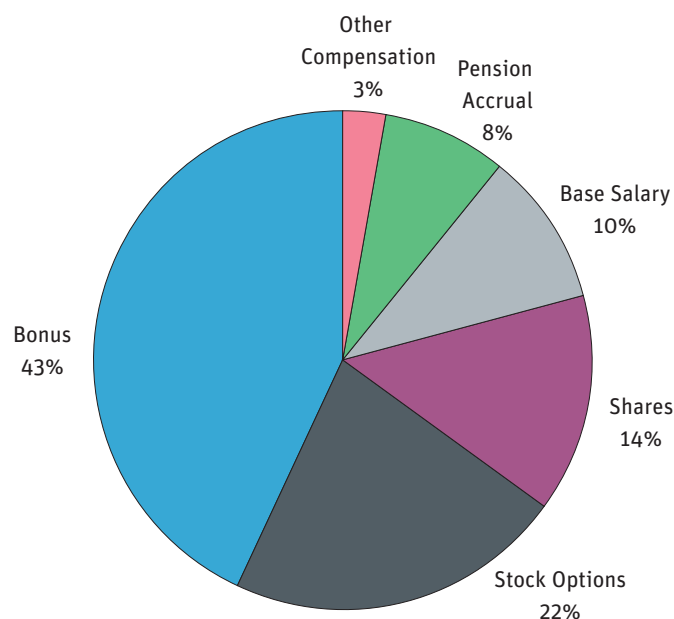
OUTSIDE OF YEAR-END bonuses or sales commissions, most people receive almost all of their annual pay in wages or salaries. For top CEOs, base salaries make up a relatively small share of overall compensation, with the rest paid out in the form of company stock (or options to buy more of it in the future) and other cash bonuses related to stock prices.

As shown in *Figure 3*, only 10% of top-100 CEO pay came from a salary in 2018, down from 14% in 2008. Another 8% of their pay was in the form of super-charged pensions worth on average \$1.3 million a year in retirement.<sup>6</sup>

If we subtract out base salary, pension and other compensation, we can see that an average of 79% of CEO pay comes from bonuses that are almost always tied to the company's stock price. As stocks rise, the value of all these bonuses goes up. When the stock price falls, so does the CEO's income, but not by much. Complicated formulas virtually guarantee that CEOs get almost all their variable pay irrespective of their company's stock performance. These and other factors make stock-based compensation difficult to rationalize.

First, CEOs cannot control the price of company stock. A bull run might pull a stock up even if the company is not doing great. Or, the stock could be dragged down, along with those of competitors in the same sector, by events unrelated to performance. U.S. sanctions against Iran might drive up the price of oil, for example, which would increase the stock prices of Can-

**FIGURE 3** Breakdown Top-100 CEO Compensation, 2018



**Source** Canadian Centre for Policy Alternatives, company proxy circulars, and author's calculations.

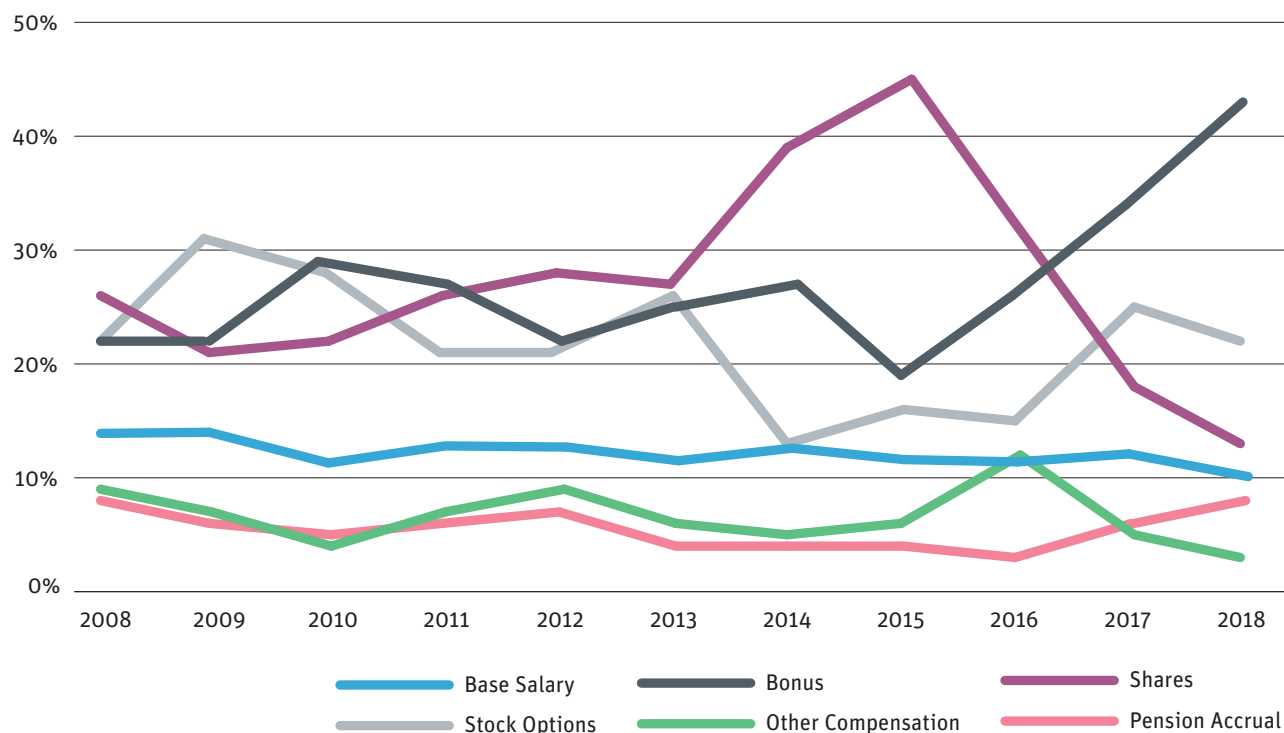
adian oil sands companies even as production falters. CEOs didn't cause these events to happen, yet almost four quarters of their income somehow depends on them and other short-term impacts on stock prices.

The place of stock options in overall CEO pay is also important to note. Currently, CEOs pay tax on only 50% of the value of stock option-based compensation. The vast majority of working Canadians, on the other hand, pay tax on every dollar they make in wages or salaries. It's no wonder the so-called stock option deduction has grown increasingly controversial, with the Liberal government promising to make reforms in the near future.

The use of stock options as a portion of CEO pay dropped between 2013 and 2014, as shown in *Figure 4*. Levels stayed relatively low for the next two years, possibly in response to the Liberal's 2015 election platform promise — net yet kept — to close the stock option tax loophole if elected to government. The 2019 federal budget committed to cap the stock option deduction rather than cancel it outright.<sup>7</sup>

When stock options declined as a share of overall CEO pay in 2014, the share of straight shares went up. But by 2018, being paid in shares had also fallen out of favour, to be replaced by cash bonuses, which represented 43% of total CEO compensation.

**FIGURE 4** Composition of CEO Pay by Type Since 2008



Source: CCPA CEO reports, company proxy circulars and author's calculations.

Regardless of the mix, the government could address excessive CEO compensation through tax reform. On top of ending preferential taxation of stock options, the federal government could:

- eliminate the dividend gross-up and tax credit, which credits shareholders (including company CEOs) on their personal tax return for taxes paid on company profits;
- eliminate the partial inclusion of capital gains, which taxes profits from the sale of stock or property at 50% the normal income tax rate; and
- significantly increase income taxes on extremely high salaries.

All of these tax reforms were recommended in the 2019 Alternative Federal Budget and many have been taken up as priorities for this government and by federal opposition parties.

# C-suite Payrolls and Company Performance

EXCESSIVE CORPORATE PAY isn't limited to the CEO chair but extends through other top positions at major companies. For the first time, this report collected compensation data for so-called named executive officers — Chief Financial Officers, Chief Operations Officers, etc. — and compared it to company performance and income taxes paid.<sup>8</sup> The results were enlightening.

We found that in some cases, executive (C-suite) payrolls have become so large that they are a major factor in company losses. Among profitable companies, C-suite compensation can exceed the value of a company's income tax payments.

Unlike personal income taxes, corporate income taxes can be negative if a company has lost money that fiscal year. In that situation, a company can retroactively apply its losses to previous, profitable years going back a maximum of 20 years, in which case the federal government reimburses the company for its net losses in the current tax year.

Since it would be unfair to judge a company's performance on one year's worth of profits or losses, the values in *Table 1* are a five-year average. We also use the cash value of income taxes paid to better reflect the amount companies actually paid, on average, between 2014 and 2018.<sup>9</sup>

We found that of the 134 companies on the TSX/S&P Composite Index with market capitalization above \$2 billion,<sup>10</sup> 26 lost money over the 2014–18

**TABLE 1** C-suite Payroll (2018) vs. Average Pre-tax Losses (2014–2018) \$mil CDN

Company	C-suite Payroll (2018)	Avg Income Taxes Paid (Received) (2018–2014)	Avg Pre-tax Loss (2018–2014)	C-suite Payroll as Proportion of Loss	C-suite Payroll Decile (10=top)
SSR Mining Inc	\$9	\$11	-\$7	125%	2
Altagas Ltd	\$22	\$29	-\$28	80%	8
Shopify Inc. Class A	\$36	\$0	-\$46	79%	10
Pretium Resources Inc	\$10	-\$1	-\$14	71%	3
Cott Corp	\$16	\$5	-\$23	71%	6
Canopy Growth Corp	\$10	\$0	-\$16	62%	3
Endeavour Mining Corp	\$20	\$17	-\$43	47%	7
Blackberry Ltd	\$146	-\$122	-\$352	42%	10
Husky Energy Inc	\$19	\$176	-\$57	34%	7
Iamgold Corp	\$11	\$36	-\$43	25%	4
Enerplus Corp	\$11	-\$5	-\$59	19%	4
Gibson Energy Inc	\$13	\$24	-\$76	18%	5
B2Gold Corp	\$19	\$31	-\$116	17%	7
Cameco Corp	\$15	\$105	-\$104	15%	6
Cenovus Energy Inc	\$21	\$224	-\$156	13%	7
Barrick Gold Corp	\$29	\$589	-\$262	11%	9
Pan American Silver Corp	\$10	\$47	-\$98	10%	3
Empire Co Ltd Class A	\$18	\$91	-\$191	9%	7
Kinross Gold Corp	\$14	\$191	-\$384	4%	5
Encana Corp	\$24	-\$106	-\$769	3%	8
Crescent Point Energy Corp	\$34	\$0.1	-\$1,105	3%	9
Bombardier Inc Class B	\$30	\$130	-\$1,709	2%	9
Bausch Health Companies Inc	\$31	\$168	-\$1,981	2%	9
Yamana Gold Inc	\$13	\$73	-\$1,024	1%	5
Onex Corp	\$3	\$253	-\$886	0%	1
Goldcorp Inc	\$0	\$165	-\$2,892	0%	1

**Source** Company proxy circulars, annual reports and author's calculations. Income taxes paid are cash income taxes paid.

period. For a third of these 26 companies, C-suite payroll in 2018 cost at least 40% of the average pre-tax losses over the previous five years.

Shopify, for example, pays its executives an eye-watering \$36 million a year, yet its average loss over the past five years was \$46 million. Blackberry's C-suite is the most expensive on the TSX/S&P Composite Index, even while its average losses over the past five years amount to \$352 million a year. We

**TABLE 2** C-suite Payroll (2018) vs. Average Income Taxes Paid (2014–2018) \$mil CDN

Company	C-suite Payroll (2018)	Avg Income Taxes Paid (Received) (2018–2014)	Avg Pre-tax Profit (Loss) (2018–2014)	C-suite Payroll Decile (10=top)
Element Fleet Management Corp	\$44	\$26	\$15	10
Air Canada	\$25	\$6	\$594	8
Hydro One Ltd	\$21	\$20	\$836	7
Canadian Natural Resources Ltd	\$18	-\$125	\$1,966	7
Gildan Activewear Inc	\$18	\$12	\$458	6
Algonquin Power & Utilities Corp	\$14	\$8	\$128	5
Maple Leaf Foods Inc	\$12	\$7	\$74	4
Wheaton Precious Metals Corp	\$11	\$1	\$164	4
PrairieSky Royalty Ltd	\$9	\$9	\$99	3
Seven Generations Energy Ltd	\$9	\$1	\$293	3
Capital Power Corp	\$9	\$5	\$181	2
Ivanhoe Mines Ltd	\$7	\$0	\$180	2
OceanaGold Corp	\$7	\$2	\$160	1
Descartes Systems Group Inc	\$6	\$4	\$33	1

**Source** Company proxy circulars, annual reports and author's calculations. Income taxes paid are cash income taxes paid.

make no judgment as to why these and the other firms in *Table 1* are not profitable, but the numbers do significantly undercut the idea that C-suite compensation is based on performance.

Of the remaining 108 S&P/TSX Composite Index companies that made money on average over the past five years, 14 paid their executives more than they paid in income taxes on average over the same period. Put another way, 13% of profitable companies on the index paid more to their C-suite than they paid in corporate income taxes. In some cases, companies managed to get governments to pay them back their past income taxes despite being profitable. Air Canada, Maple Leaf Foods and Hydro One are among those firms that paid more to their C-suite executives than what they paid in corporate income taxes averaged over the past five years.

# Conclusion

THE VAST GAP between excessive CEO compensation and average incomes in Canada is growing larger and more difficult to rationalize with each passing year. Canadian companies are earning money and seeing profits, even in this period of relatively slow growth, but that money is not reaching workers. Instead, wealth continues to concentrate at the very top while average incomes are barely keeping up with inflation.

The Canadian Centre for Policy Alternatives has long called for tax reform as one, relatively simple means of correcting gross imbalances in income in Canada. Government promises to close the stock option deduction, which appear to have affected the composition of CEO pay, have not yet been met. In any case, companies can merely shift what they would have paid their CEOs in stock options to pure stock or cash bonuses instead, which can come with additional tax perks that keep overall compensation in the stratosphere.

During the last election, the NDP and Green Party advocated restricting another expensive tax loophole — the partial inclusion of capital gains — to help reduce the massive gap between top and average incomes. The 2019 Alternative Federal Budget estimated that closing the entire list of tax loopholes benefiting exclusively Canada's wealthiest people would raise \$18 billion a year — money that could be put toward a national pharmacare program, free post-secondary tuition or national child care.<sup>11</sup>

Restricting the tax incentives for executive pay is also possible on the corporate side. Canada should follow the United States in not allowing com-

panies to write off compensation totalling more than \$1 million for any particularly employee on their corporate taxes. All payments over \$1 million in whatever form should be taxable at the applicable corporate income tax rate. The million-dollar mark is roughly the average base salary for the richest CEOs, which sat at \$1.2 million in 2018. Even at this high threshold, most C-suite executives would be excluded.

The longer-term solution to extreme CEO compensation will lie in a more thorough reform of the tax system that doesn't just target single items like tax loopholes, but which updates the entire system with the intention of fighting inequality. Executive pay is reaching an extreme point where it can be a risk even to company profitability. And total C-suite pay can exceed total corporate income taxes paid by some companies — a situation made possible by declining corporate tax rates and increasing executive pay.

While limiting CEO pay is important, so is addressing wage gains for the average worker. Unemployment has been below 7% since September 2014, a relatively low amount for Canada that should be putting more upward pressure on salaries and wages than we've seen. Wage gains since June 2019 are promisingly high, but they are small consolation for workers who continue to see the spoils of their labour go to pad already bloated CEO and C-suite incomes.<sup>12</sup>



# Appendix

**TABLE 3** Canada's Richest 100 CEOs (2018 \$CDN)

Name	Company	Position	Salary	Share-based Awards	Option-based Awards	Non-equity Incentive Plan Compensation	Pension Value	All Other Compensation	Total Compensation 2018
<b>John Chen *</b>	Blackberry Ltd	Executive Chair and Chief Executive Officer	1,295,700	137,732,910	–	2,936,315	–	17,816	141,982,741
<b>Helena Foulkes</b>	Hudson's Bay Co	Chief Executive Officer	1,555,014	19,590,923	1,672,059	5,735,911	119,570	749,008	29,422,486
<b>Donald J. Walker *</b>	Magna International Inc	Chief Executive Officer	421,103	9,251,298	6,167,532	10,011,874	–	156,780	26,008,586
<b>Jochen Tilk *</b>	Nutrien Ltd	Executive Chair	891,766	2,796,388	2,796,388	2,521,260	203,828	16,782,793	25,992,421
<b>Daniel Schwartz *</b>	Restaurant Brands Intl Inc	CEO	1,036,560	21,171,055	–	2,016,510	–	112,848	24,336,974
<b>Joseph C. Papa *</b>	Bausch Health Companies Inc	Chief Executive Officer	1,943,550	9,516,822	2,591,031	4,926,899	–	121,677	19,099,978
<b>James C. Smith *</b>	Thomson-Reuters Corp	President and Chief Executive Officer	2,073,120	5,701,099	5,701,084	5,363,576	(119,204)	48,681	18,768,356
<b>Scott Saxberg</b>	Crescent Point Energy Corp	Former President and Chief Executive Officer	387,563	1,851,042	1,053,000	–	–	15,314,874	18,606,479
<b>Ronald J. Mittelstaedt *</b>	Waste Connections Inc	Chief Executive Officer and Chairman	1,226,559	14,602,245	–	1,852,851	–	59,436	17,741,091
<b>Chuck Magro *</b>	Nutrien Ltd	President & CEO	1,600,000	4,968,850	4,968,867	4,412,800	700,883	49,984	16,701,385
<b>John L. Thornton *</b>	Barrick Gold Corp	Executive Chairman	3,239,250	–	–	12,613,640	485,888	323,917	16,662,694
<b>Doug Suttles *</b>	Encana Corp	President & Chief Executive Officer	1,425,270	8,061,547	2,687,181	2,966,343	–	384,599	15,524,940
<b>Linda Hasenfratz</b>	Linamar Corp	Chief Executive Officer	642,921	2,261,484	–	11,080,086	3,500	1,449,073	15,437,064

Name	Company	Position	Salary	Share-based Awards	Option-based Awards	Non-equity Incentive Plan Compensation	Pension Value	All Other Compensation	Total Compensation 2018
<b>Bharat Masrani</b>	Toronto Dominion Bank	Group President and Chief Executive Officer, TD Bank Group	1,334,988	5,571,720	4,644,337	2,079,000	1,596,800	89,220	15,316,065
<b>Steven W. Williams</b>	Suncor Energy Inc	Chief Executive Officer	1,465,577	5,065,942	4,933,692	3,061,000	100,800	162,396	14,789,407
<b>David McKay</b>	Royal Bank Of Canada	President and chief executive officer	1,500,000	7,095,040	1,773,760	3,175,300	901,000	44,877	14,489,977
<b>Serge Godin</b>	CGI Group Inc Class A	Founder and Executive Chairman of the Board	1,375,000	10,596,113	–	1,848,643	–	55,397	13,875,153
<b>Alain Bellemare *</b>	Bombardier Inc Class B	President and Chief Executive Officer	1,447,038	3,600,621	3,600,621	3,665,406	26,562	1,434,210	13,774,457
<b>Bradley Nullmeyer</b>	Element Fleet Management Corp	Former Chief Executive Officer	91,146	–	–	–	–	13,223,691	13,314,837
<b>Robert A. Mionis *</b>	Celestica Inc	President and Chief Executive Officer	1,230,915	9,329,040	–	1,169,369	171,827	1,362,026	13,263,177
<b>Brian J. Porter</b>	Bank Of Nova Scotia	President and Chief Executive Officer	1,200,000	6,000,000	1,500,000	2,500,000	2,048,000	2,990	13,250,990
<b>Roy Gori</b>	Manulife Financial Corp	President and CEO	1,423,033	4,592,515	1,968,221	4,097,602	644,300	260,673	12,986,344
<b>Frank Hasenfratz</b>	Linamar Corp	Chairman of the Board	446,064	–	–	11,031,959	–	1,424,463	12,902,486
<b>R. Jeffrey Orr</b>	Power Financial Corp	President and Chief Executive Officer	4,661,000	2,761,870	2,546,250	–	2,150,000	480,952	12,600,072
<b>Darren Entwistle</b>	Telus Corp	President and Chief Executive Officer	1,375,000	9,644,535	–	669,798	742,000	131,883	12,563,216
<b>Russell Girling</b>	TC Energy Corp	President & CEO	1,362,508	3,800,000	3,800,000	2,406,264	1,120,000	13,625	12,502,397
<b>Keith E. Creel</b>	Canadian Pacific Railway Ltd	President and Chief Executive Officer	1,453,595	4,369,757	2,519,163	3,148,551	452,209	543,332	12,486,607
<b>Al Monaco *</b>	Enbridge Inc	President & Chief Executive Officer	1,403,571	4,212,154	2,634,995	3,295,305	737,253	64,995	12,348,272
<b>Sean Boyd *</b>	Agnico-Eagle Mines Ltd	Vice-Chairman and Chief Executive Officer	1,750,717	5,815,384	–	4,181,714	549,125	25,524	12,322,463
<b>N. Murray Edwards</b>	Ensign Energy Services Inc/Canadian Natural Resources Ltd	Chairman/Executive Chair	1	503,800	2,799,950	8,369,275	–	425,432	12,098,458
<b>George A. Cope</b>	BCE Inc	President and CEO, BCE and Bell Canada	1,400,000	5,156,250	1,718,750	2,814,000	756,840	168,602	12,014,442
<b>Stephen G. Wetmore</b>	Canadian Tire Corp Class A	President and CEO	1,500,000	8,999,545	–	1,063,762	–	361,181	11,924,488
<b>Calin Rovinescu</b>	Air Canada	President and Chief Executive Officer	1,400,000	2,800,000	2,800,000	3,524,850	1,027,000	–	11,551,850
<b>Joe Natale</b>	Rogers Communications Class B	President and Chief Executive Officer	1,270,865	3,750,158	3,750,013	1,963,487	684,217	130,853	11,549,593
<b>Tobias Lutke *</b>	Shopify Inc. Class A	CEO	759,798	5,182,924	5,183,430	–	–	–	11,126,153
<b>Jim Jarrell</b>	Linamar Corp	President & Chief Operating Officer	499,600	–	2,171,000	7,404,037	3,500	1,003,992	11,082,129
<b>Donald R. Lindsay</b>	Teck Resources Ltd	President and CEO	1,607,500	2,967,500	2,973,500	2,466,300	695,000	–	10,709,800
<b>Mark S. Little</b>	Suncor Energy Inc	President and Chief Operating Officer	915,000	2,579,400	2,512,063	1,450,000	2,996,300	68,700	10,521,463
<b>Glenn J. Chamandy *</b>	Gildan Activewear Inc	President and CEO	1,554,840	6,219,347	–	2,332,260	72,987	144,582	10,324,016

Name	Company	Position	Salary	Share-based Awards	Option-based Awards	Non-equity Incentive Plan Compensation	Pension Value	All Other Compensation	Total Compensation 2018
Darryl White	Bank Of Montreal	Chief Executive Officer	1,000,000	4,506,250	1,158,750	1,980,000	1,476,234	3,000	10,124,234
Victor Dodig	Canadian Imperial Bank of Commerce	CEO	1,000,000	5,115,661	1,278,915	2,131,524	520,000	2,250	10,048,350
Luc Jobin	Canadian National Railway Co	Former President and Chief Executive Officer	348,219	4,263,432	2,700,480	–	340,546	2,098,534	9,751,211
Daniel Jauernig	Element Fleet Management Corp	Former Acting Chief Executive Officer	421,166	1,083,000	361,093	–	–	7,851,078	9,716,337
Dean A. Connor	Sun Life Financial Inc	President & Chief Executive Officer	1,100,000	4,500,028	1,500,001	2,200,000	400,833	11,997	9,712,859
Irwin D. Simon	Aphria Inc.	Interim CEO	397,201	901,500	7,953,595	325,000	–	–	9,577,296
Brian McManus	Stella-Jones Inc	President and CEO	750,000	7,592,000	–	1,200,000	–	13,250	9,555,250
Mark J. Barrenechea *	Open Text Corp	Vice Chair, Chief Executive Officer and Chief Technology Officer	1,230,915	4,585,434	1,823,770	1,569,417	–	48,150	9,257,686
Barry V. Perry	Fortis Inc	President and Chief Executive Officer	1,300,000	3,900,000	1,300,000	1,713,000	460,750	406,730	9,080,480
Jerry Fowden *	Cott Corp	Executive Chairman and former Chief Executive Officer	1,210,937	6,202,614	490,746	1,101,951	–	37,076	9,043,325
Jay S. Hennick *	Colliers International/FirstService Corp	Chairman and Chief Executive Officer/Founder and Chairman	2,307,123	–	–	6,640,107	–	–	8,946,631
Louis Vachon	National Bank Canada	President and Chief Executive Officer	1,125,015	3,375,000	1,687,503	1,890,000	788,000	4,768	8,870,286
John Floren	Methanex Corp	President & CEO	1,148,750	2,177,130	2,159,404	2,770,000	277,997	319,122	8,852,403
José Boisjoli	BRP Inc	President and CEO	1,067,093	–	4,495,284	2,384,953	839,000	1,167	8,787,497
Brian Hannasch	Alimentation Couche-Tard Inc	President and Chief Executive Officer	1,748,260	3,205,878	1,386,906	1,704,553	723,294	–	8,768,991
Mark Davis	Chemtrade Logistics Income Fund	CEO	839,167	6,250,000	–	1,185,000	350,000	64,215	8,688,382
George D. Schindler	CGI Group Inc Class A	President and Chief Executive Officer	1,210,938	2,797,802	2,508,117	1,947,121	3,209	100,950	8,568,137
Rafael Ashkenazi *	Stars Group Inc	Director and Chief Executive Officer of The Stars Group and Chief Executive Officer of Stars Interactive Group	1,287,518	3,224,666	–	3,856,978	–	187,642	8,556,802
Charles Brindamour	Intact Financial Corp	Chief Executive Officer	1,229,423	5,227,500	–	1,584,009	475,910	–	8,516,842
Jean-Jacques Ruest	Canadian National Railway Co	President and Chief Executive Officer	873,383	2,508,845	2,052,555	1,577,598	1,449,000	24,034	8,485,415
Alain Bédard	TFI International Inc	President and CEO	1,703,846	922,078	922,078	3,962,107	553,200	105,162	8,168,470
Sébastien de Montessus *	Endeavour Mining Corp	CEO and President	1,230,915	3,681,101	–	1,846,373	–	1,389,475	8,147,863
Henry Buckley	Uni-Select Inc	Former President and Chief Executive Officer	679,949	519,660	519,660	–	82,206	6,338,809	8,140,284
J. Paul Rollinson *	Kinross Gold Corp	President and CEO	1,329,647	3,084,783	771,195	1,902,726	598,341	291,071	7,977,765
Galen G. Weston	George Weston Ltd	Chairman and CEO of the Corporation	1,180,000	3,146,744	1,573,339	1,963,063	–	65,409	7,928,555
Robert J. Peabody	Husky Energy Inc	President & Chief Executive Officer	1,528,750	3,431,528	846,703	1,738,000	168,163	171,132	7,884,275
Richard Kruger	Imperial Oil Ltd	Chairman, president and chief executive officer	1,164,834	3,800,610	–	1,359,844 (1,254,381)	–	2,799,146	7,870,053

Name	Company	Position	Salary	Share-based Awards	Option-based Awards	Non-equity Incentive Plan Compensation	Pension Value	All Other Compensation	Total Compensation 2018
<b>André Desmarais</b>	Power Corp of Canada / Power Financial Corp	Deputy Chairman, President and Co-Chief Executive Officer	1,225,000	277,513	4,451,260	1,500,000	(336,000)	642,638	7,760,412
<b>Bradley Shaw</b>	Shaw Communications Inc Class B	Chief Executive Officer	2,000,000	974,050	133,200	3,896,200	(180,500)	751,223	7,574,173
<b>Clive Johnson</b>	B2Gold Corp	President and CEO	1,200,000	2,700,000	–	3,600,000	–	5,450	7,505,450
<b>François Olivier</b>	Transcontinental Inc Class A	President and Chief Executive Officer	1,035,869	3,118,211	–	2,441,940	182,044	502,074	7,280,137
<b>Jeffrey R. Carney</b>	IGM Financial Inc	President and Chief Executive Officer, IGM Financial and IG Wealth Management	1,254,667	1,132,500	1,575,765	2,843,485	320,100	134,845	7,261,362
<b>Jay Mehr</b>	Shaw Communications Inc Class B	President	1,320,000	575,575	111,000	2,302,300	2,854,500	80,554	7,243,929
<b>Paul Desmarais Jr.</b>	Power Corp of Canada / Power Financial Corp	Chairman and Co-Chief Executive Officer	1,225,000	278,125	4,451,260	1,500,000	(732,000)	507,249	7,229,635
<b>Tim S. McKay</b>	Canadian Natural Resources Ltd	President	583,334	–	2,236,875	4,319,179	–	78,820	7,218,208
<b>Paul Conibear *</b>	Lundin Mining Corp	Former CEO	723,860	–	–	–	–	6,442,569	7,166,429
<b>Jorge Ganoza Durant *</b>	Fortuna Silver Mines Inc	CEO	777,420	4,060,724	590,839	567,517	–	1,165,927	7,162,426
<b>Michael Dilger</b>	Pembina Pipeline Corp	President and CEO	1,029,167	2,205,000	1,470,000	1,944,600	413,133	69,303	7,131,203
<b>Paul Mahon</b>	Great-West Lifeco Inc	President and Chief Executive Officer of Lifeco, Great-West Life, London Life, CLFC and Canada Life	1,223,400	3,064,881	911,934	1,770,000	(69,286)	215,486	7,116,415
<b>JR Shaw</b>	Shaw Communications Inc Class B	Executive Chair	1,200,000	–	–	7,311,150	(1,758,000)	293,390	7,046,540
<b>Larry Richman</b>	Canadian Imperial Bank of Commerce	Group Head, US Region, President and CEO, CIBC Bank USA	1,326,640	3,071,715	767,929	1,645,562	209,000	10,594	7,031,440
<b>Marc Parent</b>	CAE Inc	President and Chief Executive Officer	961,200	2,370,416	1,126,080	1,695,370	596,000	175,114	6,924,180
<b>Jason W. Cohenour *</b>	Sierra Wireless Inc	Former President and Chief Executive Officer	361,469	1,543,666	–	170,762	–	4,840,752	6,916,649
<b>Tim Gitzel</b>	Cameco Corp	President and Chief Executive Officer	1,025,000	2,183,062	1,455,454	1,784,000	318,300	–	6,765,816
<b>Edward Sonshine</b>	Riocan Reit	CEO	1,300,000	2,600,000	–	1,806,961	–	1,000,000	6,706,961
<b>Michael H. McCain</b>	Maple Leaf Foods Inc	President and CEO	1,137,412	2,370,165	2,369,774	489,081	310,778	–	6,677,209
<b>Kevin A. Neveu</b>	Precision Drilling Corp	President and CEO	1,037,280	2,750,701	1,244,719	1,439,019	–	199,330	6,671,049
<b>Peter Marrone *</b>	Yamana Gold Inc	Executive Chairman	2,010,040	777,420	–	2,826,009	725,407	317,475	6,656,352
<b>Eric R. La Flèche</b>	Metro Inc	President and Chief Executive Officer	932,212	1,491,638	899,758	1,025,733	2,226,000	5,387	6,580,728
<b>Alexander J. Pourbaix</b>	Cenovus Energy Inc	President & Chief Executive Officer	1,000,000	2,249,993	2,250,000	880,000	82,667	95,825	6,558,485
<b>Alexandre L'Heureux</b>	WSP Global Inc	President and CEO	1,100,000	2,419,935	604,995	2,126,300	–	291,000	6,542,230
<b>Ravi Saligram *</b>	Ritchie Bros Auctioneers Inc	Chief Executive Officer	1,295,700	1,778,245	1,758,674	1,474,999	–	224,639	6,532,257

Name	Company	Position	Salary	Share-based Awards	Option-based Awards	Non-equity Incentive Plan Compensation	Pension Value	All Other Compensation	Total Compensation 2018
<b>J. Bruce Flatt *</b>	Brookfield Asset Management Inc	Managing Partner and CEO	971,775	–	5,354,869	–	–	48,589	6,375,233
<b>John G. Reid</b>	Russel Metals Inc	President and CEO	959,934	2,479,754	340,533	2,140,021	12,702	416,550	6,349,494
<b>Barry McInerney</b>	IGM Financial Inc	President and Chief Executive Officer, Mackenzie Investments	1,045,667	891,750	594,261	2,275,120	235,800	1,259,228	6,301,826
<b>Anthony Marino</b>	Vermilion Energy Inc	President and Chief Executive Officer	668,221	4,999,880	–	500,000	–	77,534	6,245,635
<b>Rod N. Baker</b>	Great Canadian Gaming Corp	President and Chief Executive Officer	776,923	954,558	3,678,782	776,923	13,250	1,855	6,202,291
<b>Dawn L. Farrell</b>	Transalta Corp	President and Chief Executive Officer	1,000,000	1,760,000	440,000	1,570,000	1,320,900	84,714	6,175,614
<b>Scott Balfour</b>	Emera Inc	President and Chief Executive Officer	986,673	2,100,156	699,846	1,668,000	634,000	35,993	6,124,668
<b>Sarah R. Davis</b>	Loblaw Companies Ltd	President	900,000	2,799,938	900,004	1,403,719	42,500	58,884	6,105,045
<b>Ammar Al-Joundi *</b>	Agnico-Eagle Mines Ltd	President	900,369	3,822,517	–	1,025,421	288,869	26,524	6,063,700

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

# Notes

**1** The first of CCPA's CEO compensation reports was published in 2006. However, certain comparisons are only possible going back to 2008 because of changes that year in how stock options are valued (from their exercise to their award price) for the purposes of determining CEO pay. This shift to using the Black-Scholes option pricing model provided additional transparency of *when* options were being awarded, but with the trade-off that the final value of those options at exercise is not included. The exercise price will generally be higher than the award price given that CEOs can choose when to exercise their options.

**2** U.S. dollar reporting is converted to Canadian dollars using Bank of Canada average annual rates. For 2018 and 2017, conversion was done using the Bank of Canada's annual exchange rates (U.S. Dollar to Canadian dollar); prior to 2017 we used Statistics Canada Table 10-10-0009-01.

**3** Statistics Canada, Table 14-10-0204-01, Average weekly earnings by industry, annual

**4** Statistics Canada, Table 18-10-0005-01, Consumer Price Index, annual average, not seasonally adjusted.

**5** See Statistics Canada, Table 14-10-0106-01 Employment and unemployment rate, annual; Historical Labour Force Statistics, Catalogue 71-201, 1990 Annual.

**6** Company 2018 proxy circulars and author's calculations.

**7** Government of Canada, Budget 2019: Investing in the Middle Class, pp. 202–205.

**8** Metrics were collected from annual company financial filings as provided by SEDAR. The dataset for these metrics was compiled for S&P/TSX companies with a market capitalization of \$2 billion or more in 2018. A portion of S&P/TSX companies did not attain the \$2 billion valuation and so would be eligible to be included in the 100 richest CEOs but wouldn't be contained in the key metrics dataset.

**9** Cash income taxes paid in annual corporate filings will include almost any form of tax reduction used through tax sheltering, income shifting, tax preferences or rule changes. It also captures deferred tax: income that is not currently included in taxable income but may be at some later date. For use of this approach in academic analysis, see: Scott Dyreng et al., "Changes in Corporate Effective Tax Rates Over the Past Twenty-Five Years," *Journal of Financial Economics*,

August 25, 2016. For its use in the media, see: New York Times, see New York Times, “Across U.S. Companies, Tax Rates Vary Greatly,” May 25, 2013. (<https://archive.nytimes.com/www.nytimes.com/interactive/2013/05/25/sunday-review/corporate-taxes.html>). A Canadian example can be found in Marco Chown Oved, Toby AA Heaps and Michael Yow, The high cost of low corporate taxes, Toronto Star, Dec 14, 2017 (<https://projects.thestar.com/canadas-corporations-pay-less-tax-than-you-think/>).

**10** This includes all named executive officers of all companies on the S&P/TSX Composite Index. Cash income taxes paid includes all companies from the S&P/TSX Composite Index with market capitalizations over \$2 billion on December 2018. As such, there may be additional, smaller companies from the S&P/TSX Composite Index where executive payroll exceeds cash income taxes paid that won't be included based on this criterion.

**11** Canadian Centre for Policy Alternatives, Alternative Federal Budget 2019: No time to lose, September 2019.

**12** Real year-over-year wage gains for all workers have been 1.7% or higher between June and October 2019. See: Statistics Canada, Table: 14-10-0320-01: Average usual hours and wages by selected characteristics, monthly, unadjusted for seasonality, last 5 months; and Statistics Canada, Table 18-10-0004-01, Consumer Price Index, monthly, not seasonally adjusted.



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