

Corporate Governance Committee report

Committee members

- John Manley (Chair) ✓
- Lisa de Wilde ✓
- Kathy Kinloch¹ ✓
- Sabi Marwah ✓
- Claude Mongeau¹ ✓
- 100% independent ✓

4 meetings in 2018

At each meeting, the Committee holds an in-camera session without management present.

2018 Committee highlights

Commitment to best practices in corporate governance

- Conducted an annual assessment of the independence and financial literacy of directors and made recommendations to the Board, which made the final determinations
- Received quarterly updates on changing laws, rules and regulations in both Canada and the United States, corporate governance initiatives taken by Canadian and U.S. securities regulators and other stakeholders, and emerging best practices and their implications for the Company
- Reviewed reports on corporate social responsibility and the sustainability report
- Evaluated the adequacy of our say-on-pay policy and shareholder engagement practices
- Continued the ongoing education program for all directors.

Board and committee succession planning

- Recommended the implementation of our committee succession planning with the transition of David Mowat to Chair of the Audit Committee (in light of Bill MacKinnon’s retirement at this meeting)
- Recommended changes to committee membership to give the following directors the opportunity to serve on different committees and to be exposed to different facets of the Company – Marc Parent joined the Pension Committee and the Human Resources and Compensation Committee, Kathy Kinloch joined the Corporate Governance Committee and the Human Resources and Compensation Committee, and Claude Mongeau joined the Corporate Governance Committee in addition to remaining on the Audit Committee
- Oversaw the recruitment and appointment of two new directors, Christine Magee in August 2018 and Denise Pickett in November 2018, both of whom have the gender diversity and retail/customer experience attributes identified by the Committee in its director search based on the results of an annual review of the Board’s skills matrix and gap analysis
- Conducted an annual review of the succession planning process for the Chair and committee chairs.


Diversity

- Attained our Board diversity target of 30 per cent diverse members and 30 per cent of each gender by the end of 2018. Currently 50 per cent of our independent director nominees are diverse (six nominees) and 42 per cent are women (five nominees)
- Extended our commitment to gender diversity by signing the Catalyst Accord 2022, which pledges to increase the average percentage of women on boards and in executive positions in Canada to 30 per cent or greater by 2022
- Conducted an annual review of the Board diversity policy and approved maintaining a diversity and gender target at 30 per cent of our independent directors.

Annual Board evaluation – Committee and Chair assessments

- Reviewed and approved the 2018 Committee evaluation process and surveys for evaluating Committee and Committee Chair performance (conducted every other year), as well as a peer evaluation (conducted annually), and reviewed the results of the surveys
- Conducted a Chair and CEO as Board director survey (conducted every other year)
- Developed and will monitor implementation of an action plan to prioritize items identified during the evaluation process.

Signed, the members of the Corporate Governance Committee


John Manley (Chair)


Lisa de Wilde


Kathy Kinloch


Sabi Marwah


Claude Mongeau

¹ Kathy Kinloch and Claude Mongeau became members of the Corporate Governance Committee on May 10, 2018.