

ROSENZWEIG & COMPANY

GLOBAL TALENT MANAGEMENT

THE 10TH ANNUAL ROSENZWEIG REPORT ON WOMEN AT THE TOP LEVELS OF CORPORATE CANADA

March 2015

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2015 EXECUTIVE SUMMARY

“In the future, there will be no female leaders. There will just be leaders.”

– Sheryl Sandberg, *Lean In: Women, Work, and the Will to Lead*

This is our 10th annual report and at no time during the past decade have we been more hopeful, more excited, more energized about the fact that real and lasting change is coming when it comes to gender equality in business. It's not only as a result of the numbers we've unearthed, including a record high number of top executives being women, but a result of external events that we believe bring us closer to a tipping point towards gender equality in the highest corporate offices.

For ten years, we've tracked the progress of gender equality in the top offices of Canada's biggest and strongest publicly-traded corporations. We believe in the trickle-down effect: If things become more equal at the top in business, it will have important benefits throughout society, from closing the gender wage parity gap at all levels to improving competitiveness and profitability for Canadian businesses, which lifts the standard of living for all Canadians.

Studying the Canadian corporate landscape and shining our own flashlight on gender equality is one way we can consistently track the development of what Sheryl Sandberg, Facebook's COO and founder of LeanIn.Org refers to as changing the world to simply create more leaders, not labelled female leaders. “We cannot change what we are not aware of, and once we are aware, we cannot help but change,” Sandberg writes in *Lean In*. “The promise of equality is not the same as true equality.” We agree totally.

We believe in incremental change and by promoting gender equality in Canada, and specifically in Canadian business, it can further the movement towards gender equality around the world. It's similar to the butterfly effect where the flapping of wings in far-off places can impact weather patterns on the other side of the world.

In the 10th Annual Rosenzweig Report on Women at the Top Levels of Corporate Canada (“the Rosenzweig Report”) we have a record number of women in high office – 45 female NEOs (“Named Executive Officers”) who lead the 100 largest public companies in Canada as measured by revenues. That’s the good news.

The flip side is that represents a mere 8.5 percent of the total high-office jobs. For our 10th Rosenzweig Report we’re approaching 10 percent, but as a nation we are not there yet. We were hoping for a “10 at 10” headline for our tenth annual report; we got close. When we started this work way back in the fall of 2005 and early 2006, the number was a paltry 4.6 percent. The number has almost doubled in a decade.

There are many external events which give us optimism for 2015 and beyond. Perhaps the most important is the new “Comply or Explain” regulations from the Ontario Securities Commission (“OSC”) that began on January 1, 2015.

The new rules compel every company listed on the Toronto Stock Exchange to report the number of women both on their boards of directors and in senior executive positions. The Rosenzweig Report has focused on senior executive positions for two reasons: first, there is other good research in Canada that is focused on board diversity, but much less on senior executives; second, though boards oversee a company, it’s the senior executive team that runs the organization and develops its culture; both those things are extremely important when it comes to change.

The OSC’s new rules also require all companies to disclose whether they have internal targets for women and what they are. If companies don’t have targets, they are asked to explain why.

Reporting on the number of women in senior executive positions is what we’ve been doing with the Rosenzweig Report for the past ten years. The OSC goes even further, beyond the largest 100 companies we’ve been keeping an eye on. We’re proud that our work may have played a small role in the adaptation of these new regulations.

We're also hopeful that the new regulations mean that we may one day simply "work ourselves out of a job." If that's the case, and the regulations do create the effective changes for gender equality, nothing would make us happier than ceasing to do these reports every year. But until that happens we'll remain vigilant and continue to stay focused on the number of women in the top levels of corporate Canada, just as we've done for the past decade. We cannot predict when things will change enough to make our reports unnecessary; perhaps in three years, or in five years, and hopefully before another ten years. Regardless, we look forward to seeing positive changes in future Rosenzweig Reports.

We've always believed in voluntary changes through education and public awareness, not quotas, as many European countries have enforced. In Norway, where quotas were first introduced, hundreds of companies de-listed and only 6 percent of CEOs are women, proving there is a better, more effective way, according to the international 30% Club, which launches in Canada in 2015 (more on this in a moment.) The new OSC regulations announced last October strike a terrific balance between voluntary change and quotas.

In announcing the new rules, OSC chairman Howard Wetston told the *Globe and Mail's* Janet McFarland, one of the media's biggest advocates for change on this issue: "We did not see sufficient leadership from public company boards, and we felt that leadership from government would be necessary to achieve these goals for women on boards and women in business."

We agree and hope the new rules will be enough to ward off the need for quotas in the future.

Canada's federal government also stepped up in 2014 and urged companies to hit the 30 per cent level for women on boards by 2019. In a classic carrot-before-the-stick maneuver, the government made it clear it prefers voluntary increases but doesn't rule out imposing hard quotas, if need be.

In releasing a report entitled *Good for Business: A Plan to Promote More Women on Canadian Boards*, Dr. Kellie Leitch, Minister of Labour and Minister of Status of Women said: “The Government of Canada believes that increasing economic opportunities for women, including increasing their representation on corporate boards, makes good sense for Canadian women, and for our economy. I am confident that the Advisory Council’s report will help engage Canadians in the effort to advance more women than ever before into positions of leadership.”

And speaking of 30 percent, the 30% Club, a global group advocating more women in senior business roles, announced it will open a Canadian chapter within weeks of the release of the Rosenzweig Report. Veteran corporate director Spencer Lanthier has been named the first chair of the Canadian chapter.

The 30% Club originated in Britain in 2010 with the aim of getting the levels of women in executive management and on the board to a minimum of 30 percent. It “is a group of business leaders committed to achieving better gender balance at all levels of organizations, because we believe this will make businesses and boards more effective,” according to its website. “The 30% Club is a collaborative and constructive effort; it is not a diversity business. There is no charge for membership. Activities of the 30% Club have been financed through the generosity of a variety of firms, on an entirely voluntary basis.”

Like Rosenzweig & Company, the 30% Club does not favor quotas and hopes to have 30 percent women on British boards and in executive offices by the end of 2015. Women represent 23 percent of board seats in the United Kingdom, compared to only 13 percent in Canada. The 30% Club’s lofty goal is commendable, as is the organization’s strong volunteer core who work to push the boundaries. We look forward to working with the 30% Club’s Canadian chapter in any way possible to help achieve our shared goals.

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Two important university studies were released last year that have potential to improve gender equality in business, and they deserve mention.

The first came from the Harvard Business School that studied 6,000 Harvard MBA graduates between the ages of 26 and 67, both men and women. The findings were startling in many ways.

According to the report, women need to “bridge the confidence gap” in the workplace, and when they marry, they must find real partners who will share career aspirations and goals and, importantly enough, household work.

The majority of men, even young men in their 20s, still view their career as a higher priority than their wife’s career, according to study. “Women were likely to have egalitarian expectations – and to see their expectations dashed,” according to the report published in the Harvard Business Review in November.

Surprisingly, men in their late 20s and early 30s were not thinking in egalitarian terms as much as we might think; half still believe their career is more important and two-thirds expect the wife to be the primary childcare parent.

“A report like this from an esteemed school like Harvard is important for a number of reasons,” says Jay Rosenzweig, Managing Partner of Rosenzweig & Company. “It breaks down falsehoods. We tend to think younger generations are more enlightened, more equal on gender issues, but we really do have a lot more education to do on the road to gender equality.”

Another report came out from Simon Fraser University in British Columbia that showed that companies with even one woman on the board of directors are better governed than boards without any female representation.

Simon Fraser business professor Judith Zaichkowsky, author of the report published in the *International Journal of Business Governance and Ethics*, concluded more women directors are still needed but just one woman on a board encourages greater focus on good governance.

Zaichkowsky's report meticulously looked at how companies in the S&P/TSX composite index scored in *The Globe and Mail's* annual Board Games ranking of corporate governance practices between 2004 and 2012. The Globe ranking has been overseen by reporter Janet McFarland, mentioned earlier in this report for her work on gender issues. The *Globe's* annual ranking looks at dozens of factors related to corporate governance practices in areas such as board composition, ownership, compensation, disclosure and shareholder rights.

We would also like to tip our cap to another Canadian pioneer in this area, Rosenzweig & Company Advisory Board Member Judith Humphrey, for the release of her new book in November entitled *Taking the Stage*. Ms. Humphrey argues that the most important thing career-minded women can do is “take the stage” at meetings and presentations and confidently let their voices be heard.

Over her 25-year career as an executive coach, Ms. Humphrey's program of teaching women presentation skills and confidence in the corporate arena has reached over 400,000 participants around the world. Her book will reach tens of thousands more.

“Judith should be applauded for all her work in helping women achieve their goals and dreams and for being another voice calling out for gender equality,” says Jay Rosenzweig.

Those are just some of the reasons why the 10th Rosenzweig Report is filled with more hope and excitement than any of the previous nine reports.

“As a father of a son and two daughters, I want all three to have the same opportunities, and I'm confident it's getting closer each and every year that we do these reports,” adds Jay Rosenzweig.

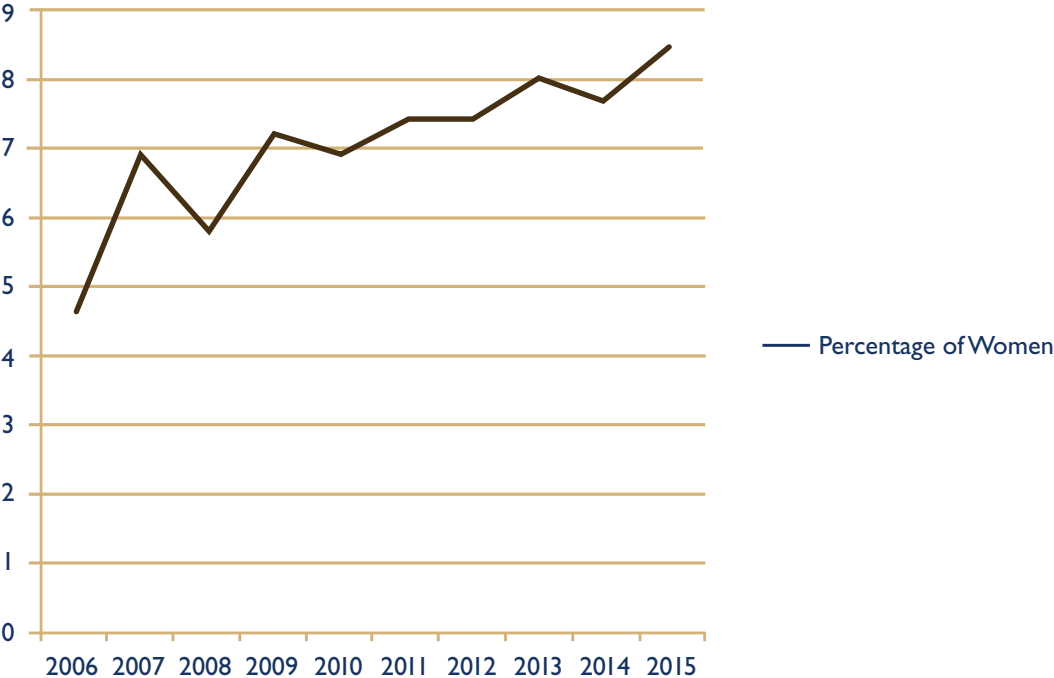
Now, let's look at the numbers in more detail.

THE 2015 REPORT

The Numbers

The Annual Rosenzweig Report on Women at the Top Levels of Corporate Canada looks at the 100 largest publicly-traded companies in Canada, based on revenue, and examines how many of the top-paid leadership roles are held by women. Every TSX-listed company must file the names and compensation levels of the top five executives or Named Executive Officers (“NEOs”).

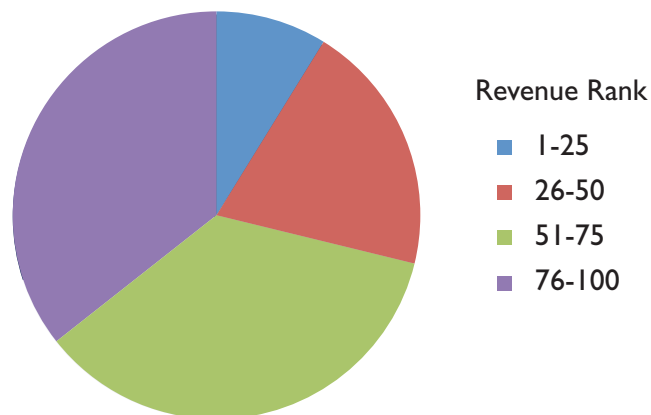
Year-over-year, the 2015 report shows a gain in both real numbers (from 41 to 45 women as NEOs) and percentage to a record high 8.5 percent from 7.7 percent. The first report found a mere 4.6 percent in 2006.



Other highlights of this year's report:

- There are now eight female CEOs among the 100 largest publicly-traded companies; up from seven CEO positions last year. (Nancy Southern holds the CEO title at both Atco Ltd. and Canadian Utilities.)
- The bigger the company, the fewer women in leadership roles. Of the 25 biggest publicly traded companies in Canada, there are only four female NEOs, or a trifling 3 percent. That means at the “biggest of the bigs”, 97 percent of the top executives remain men. These 25 companies have annual revenue ranging from \$12.4 billion to \$38.8 billion.
- Most of the women NEOs – 71 percent – are at companies ranked 51-100 on the list; further indicating women executives are not yet significantly reaching the top at the “biggest of the bigs.”

DISTRIBUTION OF FEMALE NEOS IN TOP 100 COMPANIES BY REVENUE



- Nine companies have multiple female NEOs. This is up from seven companies last year. All these companies have two female NEOs except Just Energy Group, which has three. The companies with two female NEOs are: Hudson's Bay Co.; ATCO; Quebecor; WestJet Airlines; Canadian Utilities; Russell Metals; The Co-operators Group; and HSBC Bank Canada.
- Eight women fell off the list from last year, but twelve new names have been added. See below.

NEW TO THE LIST

COMPANY	NAME	TITLE
Enbridge Inc.	Janet Holder	Executive Vice President, Western Access
Hudson's Bay Co.	Marigay McKee	President, Saks Fifth Avenue
Quebecor Inc.	Julie Tremblay	President & Chief Executive Officer, Sun Media
Sears Canada	Danita Stevenson	Senior Vice President, Apparel and Accessories
Goldcorp Inc.	Charlene Ripley	Executive Vice President & General Counsel
WestJet Airlines Ltd.	Brigid Pelino	Executive Vice President, People and Culture
Transat A.T. Inc.	Annick Guérard	General Manager, Transat Tours Canada
Methanex Corp.	Vanessa James	Senior Vice President, Global Marketing and Logistics
HSBC Bank Canada	Linda Seymour	Executive Vice President, Commercial Banking & Regional President, Central and Eastern Canada
Just Energy Group Inc.	Deborah Merrill	President and co-CEO
Emera Inc.	Nancy Tower	Executive Vice President, Business Development, Emera Inc. & Chief Executive Officer, Emera Newfoundland and Labrador
Transcontinental Inc.	Christine Desaulniers	Chief Legal Officer & Corporate Secretary

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- 35 companies had female NEOs while 65 did not; that is up one from last year. Therefore, two-thirds of Canada's biggest publicly-traded companies still only have men at the very top executive ranks.
 - Every company has a majority of male NEOs, and usually a vast majority. Just Energy Group had the largest percentage of female NEOs with three out of seven (43 percent) but it still has four male NEOs.

A full breakdown of companies and executives' names and positions can be found in the appendices to this report.

So, who are these female executives and how do we identify them?

Under law, public companies in Canada are required to disclose the compensation of their CEO, CFO and the next three highest-paid employees. We found the 100 largest (by revenue) publicly traded companies by looking at the Financial Post's list of Canada's Top 500 Companies by Revenue and going through their filings.

This is the 10th consecutive year we tracking Canada's progress on this important topic.

Of the 532 NEOs reported by Canada's top 100 publicly-traded companies this year, 489 were men while 45 were women (43 individual women with two women each holding two posts.)

APPENDIX ONE:

Female Named Executive Officers from the Top 100 Publicly-Traded Canadian Corporations (Ranked by Revenue)

Note – The numbering in the table below reflects the ranking of the company on the list of the top 100 publicly-traded Canadian corporations (by revenue).

COMPANY	RANK	NAME	TITLE
Royal Bank of Canada	1	Janice Fukakusa	Chief Administrative Officer & Chief Financial Officer
The Toronto-Dominion Bank	4	Colleen Johnston	Group Head - Finance, Sourcing and Corporate Communications & Chief Financial Officer
Enbridge Inc.	6	Janet Holder	Executive Vice President, Western Access
Agrium Inc.	20	Leslie O'Donoghue	Executive Vice President, Corporate Development and Strategy & Chief Risk Officer
METRO INC.	28	Johanne Choinière	Senior Vice President, Ontario Division
Caisse Centrale Desjardins	33	Monique Leroux	Chair of the Board, President & Chief Executive Officer
National Bank of Canada	38	Diane Giard	Executive Vice President, Personal and Commercial Banking
Canadian Pacific Railway Ltd.	42	Jane O'Hagan	Executive Vice President & Chief Marketing Officer
Encana Corp.	44	Sherri Brillon	Executive Vice President & Chief Financial Officer
Celestica Inc.	47	Elizabeth DelBianco	Executive Vice President & Chief Legal and Administrative Officer
Parkland Fuel Corp.	48	Donna Strating	Chief Information Officer & Vice President, Administration
Hudson's Bay Co.	50	Bonnie Brooks	President, HBC
Hudson's Bay Co.	50	Marigay McKee	President, Saks Fifth Avenue

COMPANY	RANK	NAME	TITLE
Resolute Forest Products Inc.	55	Jo-Ann Longworth	Senior Vice President & Chief Financial Officer
ATCO Ltd.	57	Nancy Southern	Chair, President & Chief Executive Officer
ATCO Ltd.	57	Susan Werth	Senior Vice President & Chief Administration Officer
Quebecor Inc.	58	Manon Brouillette	President & Chief Operating Officer, Vidéotron
Quebecor Inc.	58	Julie Tremblay	President & Chief Executive Officer, Sun Media
Canadian Oil Sands Ltd.	61	Trudy Curran	Senior Vice President, General Counsel & Corporate Secretary
Sears Canada Inc.	62	Danita Stevenson	Senior Vice President, Apparel and Accessories
Cascades Inc.	64	Suzanne Blanchet	President & Chief Executive Officer, Tissue Group
Goldcorp Inc.	66	Charlene Ripley	Executive Vice President & General Counsel
WestJet Airlines Ltd.	67	Brigid Pelino	Executive Vice President, People and Culture
WestJet Airlines Ltd.	67	Cheryl Smith	Executive Vice President & Chief Information Officer
Transat A.T. Inc.	68	Annick Guérard	General Manager, Transat Tours Canada
Linamar Corp.	69	Linda Hasenfratz	Chief Executive Officer
Canadian Utilities Ltd.	72	Nancy Southern	Chair, President & Chief Executive Officer
Canadian Utilities Ltd.	72	Susan Werth	Senior Vice President & Chief Administration Officer

COMPANY	RANK	NAME	TITLE
Tim Hortons Inc.	74	Cynthia Devine	Chief Financial Officer
Russel Metals Inc.	78	Marion Britton	Executive Vice President, Chief Financial Officer & Secretary
Russel Metals Inc.	78	Maureen Kelly	Vice President, Information Systems
The Co-operators Group Ltd.	79	Kathy Bardswick	President & Chief Executive Officer
The Co-operators Group Ltd.	79	Carol Poulsen	Executive Vice President & Chief Information Officer
Methanex Corp.	80	Vanessa James	Senior Vice President, Global Marketing and Logistics
HSBC Bank Canada	83	Sandra Stuart	Chief Operating Officer & Acting Senior Vice President, Human Resources
HSBC Bank Canada	83	Linda Seymour	Executive Vice President, Commercial Banking & Regional President, Central and Eastern Canada
Just Energy Group Inc.	84	Rebecca MacDonald	Executive Chair
Just Energy Group Inc.	84	Deborah Merrill	President and co-CEO
Just Energy Group Inc.	84	Beth Summers	Chief Financial Officer
Bell Aliant Inc.	85	Karen Sheriff	President & Chief Executive Officer
Crescent Point Energy Corp.	88	Tamara MacDonald	Vice President, Land
TransAlta Corp.	92	Dawn Farrell	President & Chief Executive Officer

COMPANY	RANK	NAME	TITLE
Emera Inc.	95	Nancy Tower	Executive Vice President, Business Development, Emera Inc. & Chief Executive Officer, Emera Newfoundland and Labrador
Cott Corp.	97	Marni Morgan Poe	Vice President, General Counsel & Secretary
Transcontinental Inc.	99	Christine Desaulniers	Chief Legal Officer & Corporate Secretary

APPENDIX TWO:

Methodology

The data was collected from Financial Post's list of Canada's 500 Largest Corporations by Revenue (FP500) as well as from documents filed by the public corporations available on the System for Electronic Document Analysis and Retrieval (SEDAR). The study included several steps:

- Reviewing the list mentioned above to compile a list of Canada's largest 100 publicly-traded companies according to revenue, ranging from \$2.10 billion to \$38.77 billion, according to the latest regulatory filings.
- Researching the highest-paid executive officers, based on annual salary and bonus, from each of the companies on the list. The data was taken from the most recent Management Information Circulars, filed with the Canadian Securities Administrators (CSA) directly by each company and available on the SEDAR website (www.sedar.com).

Note – Ontario Securities Commission rules require the Chief Executive Officer, Chief Financial Officer, and three other (if three others exist) most highly compensated executive officers of public companies to disclose their compensation on an individual basis. For the purpose of these filings, compensations are based strictly on the annual base and bonus components allocated to these executives. Although additional compensation, such as equity through stock options and/or pension benefits, was provided by some companies, this data is not included for the above purposes (taken from the SEDAR website.)

Note – The survey does not include highly-paid executives working on a contractual basis or individuals not designated as officers of a company (taken from the SEDAR website.)

Year-end dates range from November 2013 up to September 2014 and the management circulars are all pegged to the each company's 2014 fiscal year end. Companies report NEO compensation annually, usually within a couple of weeks of releasing their annual report to shareholders. It is from these reports that we compiled the list, including the name and position of each officer at the company's fiscal year-end.

For this report, the term "Canadian public company" is defined as any company with their executive head office in Canada (where the CEO and other executives have their offices) that lists its shares on an exchange (TSX, TSX-V, etc.) and files with SEDAR and the Ontario Securities Commission. The Desjardins Group and The Co-operators General Insurance Co. are co-operatives and therefore do not list their shares on an exchange but were included on the list due to their large size and the fact that they file with SEDAR.

For this report we used an exchange rate of C\$1 = US\$1.

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