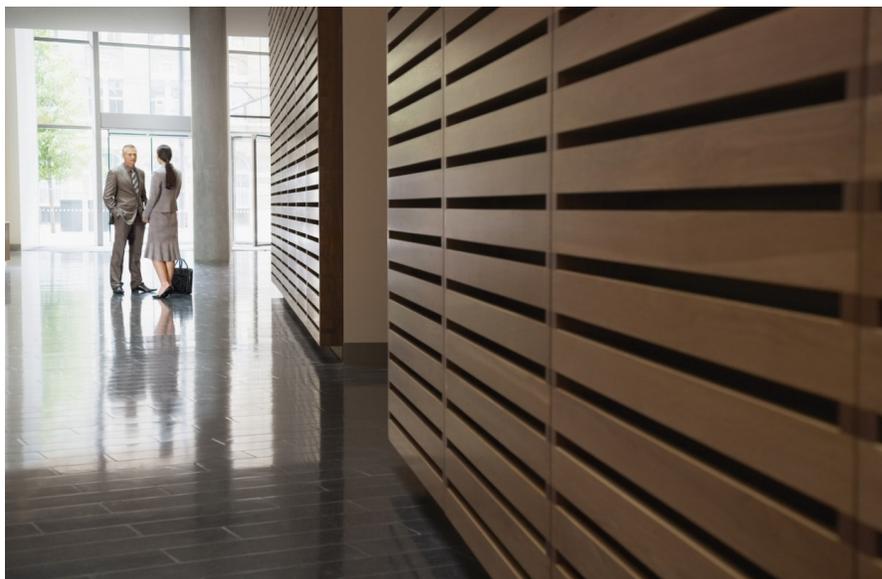


Key Takeaways for McDowall Associates Clients:

1. The CCGG intends to continue its Board engagement program to meet with independent directors of 45-50 companies each year, including companies with smaller market capitalizations.
2. The CCGG will continue to recommend to regulators and lawmakers that SOP votes be required for all Canadian public companies.
3. The CCGG is monitoring CEO Pay ratios and claw-back policies.



Canadian Coalition for Good Governance Perspectives 2013

Executive compensation continues to be a hot topic for the 44 members of the Canadian Coalition for Good Governance (“CCGG”), ranking 4th out of a list of their top 10 areas of focus for 2013, as noted by the McDowall Associates consultants who attended the CCGG’s 10th annual meeting on June 18, 2013.

The CCGG’s 2012 Annual Report mentioned a number of executive compensation and board governance issues, as we summarize below:

2013 Principles of Executive Compensation

The Coalition expanded its 2013 Principles of Executive Compensation to include the views of its members on option-based compensation.

Board Engagement Program

The CCGG intends to continue its board engagement program to meet with independent directors of 45-50 companies each year, including companies with smaller market capitalizations.

The scope of the CCGG’s dialogue with boards has expanded from discussing governance and executive compensation practices to the board’s approach to providing effective oversight and input in critical areas, such as risk management, strategy setting, and board and management succession.

About McDowall Associates

Fully Independent Experts

McDowall Associates is a fully independent consulting firm offering a complete range of advisory services for Boards and management.

Strategic & Evidence-based Approach

Providing market intelligence based on research is foundational to the consideration of alternative strategies.

Subject Matter Experts

Experience matters! Our associates have in-depth knowledge of executive compensation and related areas of practice including Expert Witness Consulting.

Say on Pay

The CCGG noted that over one-third of S&P/TSX Composite companies have adopted “Say on Pay”, and that most of them use the CCGG’s recommended approach and model shareholder resolution. The CCGG indicated that it will monitor the results of SOP shareholder votes in order to determine whether companies are responding appropriately to the results of these votes. In addition, CCGG will continue to recommend to regulators and lawmakers that SOP votes be required for all Canadian public companies.

Monitoring Activities

Current developments that the CCGG is monitoring that relate to executive compensation include:

- Short-termism vs. Long-termism
- CEO pay vs. employee pay ratios (currently pending under the Dodd-Frank legislation in the US)
- Broader and more industry specific compensation “claw-back” policies (also pending under the Dodd-Frank legislation in the US).

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