

## PART 3 Corporate governance

CDIC is committed to a strong governance framework. This section of our *Annual Report* presents information about the CDIC Board of Directors, including its committees and Director attendance, and outlines how CDIC works to meet public service expectations in the area of good governance.

### Board of Directors

CDIC's affairs are administered by its Board, made up of a Chairperson, five other private sector Directors and five *ex officio* Directors (the Governor of the Bank of Canada, the Deputy Minister of Finance, the Commissioner of the Financial Consumer Agency of Canada (FCAC), the Superintendent of Financial Institutions, and a Deputy Superintendent of Financial Institutions or another officer of the Office of the Superintendent of Financial Institutions (OSFI) appointed by the Minister of Finance).

CDIC's Board of Directors oversees the strategic direction of the Corporation and ensures that significant business risks are identified and well-managed. The Board's commitment to effective stewardship and its overall mandate are outlined in its charter. An overview of the composition of CDIC's Board of Directors and of its supporting committees follows.

#### More about governance

For additional information on how CDIC is governed, including information about Board and committee charters and Directors, please visit our website at [www.cdic.ca](http://www.cdic.ca).

## Board of Directors composition

as at March 31, 2020



### Robert O. Sanderson

Chair

Joined: June 2016

*Re-appointed as Chair for a one-year term, effective December 14, 2019*

### Private sector Directors



#### J. Martin Castonguay

Chartered Professional Accountant  
Montréal, Québec  
Joined: May 2019  
*Appointed for a four-year term expiring on May 20, 2023*



#### Linda Caty

Lawyer  
Carignan, Québec  
Joined: June 2018  
*Re-appointed June 21, 2020, for a four-year term expiring on June 20, 2024*



#### David Dominy

Business Executive  
Edmonton, Alberta  
Joined: June 2018  
*Appointed for a four-year term expiring on June 20, 2022*



#### Andrew Kriegler

Financial Executive  
Toronto, Ontario  
Joined: September 2018  
*Appointed for a four-year term expiring on September 6, 2022*



#### Wendy Millar

Financial Executive  
Oakville, Ontario  
Joined: June 2018  
*Appointed for a four-year term expiring on June 20, 2022*

### Ex officio Directors



#### Stephen S. Poloz

Governor  
Bank of Canada<sup>5</sup>  
Joined: June 2013  
*Appointed for a seven-year term*



#### Paul Rochon

Deputy Minister  
Department of Finance  
Joined: April 2014  
*Appointed to hold office during pleasure*



#### Judith Robertson

Commissioner  
Financial Consumer Agency of Canada  
Joined: August 2019  
*Appointed for a five-year term*



#### Jeremy Rudin

Superintendent of Financial Institutions  
Office of the Superintendent of Financial Institutions  
Joined: June 2014  
*Appointed for a seven-year term*



#### Jamey Hubbs

Assistant Superintendent  
Deposit-taking Supervision Sector  
Office of the Superintendent of Financial Institutions  
Joined: April 2015  
*Appointed pursuant to s. 5(1)(b.1) of the CDIC Act*

### Alternates (for ex officio Directors)



#### Paul Beaudry

Deputy Governor  
Bank of Canada  
*Designated Alternate: February 2019*



#### Leah Anderson

Assistant Deputy Minister  
Financial Sector Policy Branch  
Department of Finance  
*Designated Alternate: December 2016*

<sup>5</sup> On May 1, 2020, the Government of Canada announced that Tiff Macklem was being appointed as Governor of the Bank of Canada effective June 3, 2020. Mr. Macklem will succeed Stephen S. Poloz, when his term at the Bank of Canada concludes on June 2, 2020.

## Board committees

In March 2019, the Board reorganized the committee structure to reflect changes in CDIC's mandate and its operating environment. As a result, three standing committees support the Board in its activities: the Audit Committee, the Risk Committee, and the Governance and Human Resources Committee.

### Audit Committee

The Audit Committee assists with the Board's oversight of the integrity of CDIC's financial statements; the financial reporting process; the systems of internal accounting and financial controls; the performance of CDIC's internal audit function; and the performance of any special examinations pursuant to the *Financial Administration Act*.

#### Composition\*

- **A. Kriegler (Chair)**—Member since September 2018; Chair since April 2019
- **J.M. Castonguay**—Member since June 2019
- **D. Dominy**—Member since August 2018
- J. Hubbs—Member from May 2015 to March 2020
- **J. Robertson**—Member since September 2019

\* **Names in bold** denote current committee members as at March 31, 2020. Mr. Hubbs ceased to be a member of the Audit Committee effective March 4, 2020.

### Governance and Human Resources Committee

The Governance and Human Resources Committee assists with the Board's oversight of: corporate governance issues affecting CDIC; ensuring that appropriate processes, structures and information necessary for effective direction are in place to contribute to the success of CDIC; the succession of the Board Chairperson and non-*ex officio* Directors; the succession of the President and CEO and senior Management; the review and recommendation of annual objectives for, and the performance and annual evaluation of, the President and CEO; and key human resources and compensation policies, processes and strategies, including policies and processes relating to employee business conduct and ethical behaviour.

#### Composition

- **D. Dominy (Chair)**—Member and Chair since March 2019
- **J.M. Castonguay**—Member since September 2019
- **L. Caty**—Member since March 2019
- **W. Millar**—Member since March 2019
- **J. Rudin**—Member since March 2019
- **R.O. Sanderson**—Member since March 2019

## Risk Committee

The Risk Committee assists with the Board's oversight of CDIC's Enterprise Risk Management Framework as well as Management's ongoing identification, assessment, management and recording of key risks, including strategic, preparedness, operational, financial, organizational and reputational risks, which could impact CDIC's ability to carry out its mandate.

### *Composition*

- **W. Millar (Chair)**—Member and Chair since March 2019
- **L. Caty**—Member since March 2019
- **J. Hubbs**—Member since March 2019
- **A. Kriegler**—Member since March 2019
- **S. Poloz**—Member since March 2019

## Board and committee meetings and attendance

(April 1, 2019 to March 31, 2020)

Board members' attendance at the Board meetings and the Board committee meetings in respect of which they are members is summarized below.

|  | Board committees                |                              |  |                |
|--|---------------------------------|------------------------------|--|----------------|
|  | Board of Directors <sup>b</sup> | Audit Committee <sup>c</sup> | Governance and Human Resources Committee | Risk Committee |
| <b>Number of meetings<sup>a</sup></b>  | 9                               | 7                            | 6  | 4              |
| <b>Attendance</b>  |                                 |                              |  |                |
| <b>Private sector Directors</b>  |                                 |                              |  |                |
| R.O. Sanderson—Chair   | 9                               | 7                            | 6  | 4              |
| J.M. Castonguay <sup>d</sup>   | 8                               | 6                            | 4  | N/A            |
| L. Caty  | 9                               | N/A                          | 6  | 4              |
| D. Dominy  | 9                               | 7                            | 6  | N/A            |
| A. Kriegler <sup>e</sup>   | 9                               | 7                            | N/A                                      | 4              |
| W. Millar  | 9                               | N/A                          | 6  | 4              |
| <b>Ex officio Directors (Alternates)</b>   |                                 |                              |  |                |
| Bank of Canada: S. Poloz (P. Beaudry)  | 7 (7)                           | N/A                          | N/A                                      | 4              |
| Department of Finance: P. Rochon (L. Anderson)                                       | 0 (7)                           | N/A                          | N/A                                      | N/A            |
| Financial Consumer Agency of Canada: J. Robertson <sup>f</sup>                       | 6                               | 4                            | N/A                                      | N/A            |
| Superintendent of Financial Institutions: J. Rudin                                   | 7                               | N/A                          | 6  | N/A            |
| Office of the Superintendent of Financial Institutions—<br>Second Director: J. Hubbs | 8                               | 7                            | N/A                                      | 4              |
| <b>Directors who departed during the year</b>  |                                 |                              |  |                |
| J. Charbonneau <sup>g</sup>  | 1                               |                              |  |                |
| L. Tedesco <sup>h</sup>  | 1                               |                              |  |                |

<sup>a</sup> Also includes meetings attended by telephone.

<sup>b</sup> Includes Board Strategic Planning Session and two Board Tabletop Simulation Sessions.

<sup>c</sup> The Chair is invited to Audit Committee and Risk Committee meetings but is not a Committee member.

<sup>d</sup> Appointed to the Board of Directors effective May 21, 2019; joined Audit Committee effective June 5, 2019; joined Governance and Human Resources Committee effective September 16, 2019.

<sup>e</sup> Appointed Chairperson of Audit Committee effective April 25, 2019.

<sup>f</sup> Appointed as Commissioner of the Financial Consumer Agency of Canada and *ex officio* Board member effective August 19, 2019; joined Audit Committee effective September 16, 2019.

<sup>g</sup> Resigned from the Board effective April 18, 2019.

<sup>h</sup> Term as Commissioner of the Financial Consumer Agency of Canada and *ex officio* Board member ended effective May 31, 2019.

## Professional background of Board members—Expertise and experience

| Board member   | Education/<br>Designations            | Accounting | Comms | Crisis | Financial<br>services | Governance/<br>Leadership | IT/<br>Fintech | Law | M&A/<br>Insolvency | Regulatory | Risk<br>management | Talent<br>management | Other  |
|--|---------------------------------------|------------|-------|--------|-----------------------|---------------------------|----------------|-----|--------------------|------------|--------------------|----------------------|--------|
| <b>Sanderson, Robert</b><br>Chair, CDIC                          | BA, FCPA,<br>FCA, FIC,<br>FCIRP (ret) | ✓          |       | ✓      | ✓                     | ✓                         |                |     | ✓                  | ✓          | ✓                  | ✓                    |        |
| <b>Castonguay, J. Martin</b><br>Director                         | BSc, BComm,<br>CPA, ICD.D             | ✓          |       | ✓      | ✓                     | ✓                         |                |     | ✓                  | ✓          | ✓                  | ✓                    |        |
| <b>Caty, Linda</b><br>Director                                   | LLB                                   |            | ✓     | ✓      | ✓                     | ✓                         |                | ✓   |                    | ✓          | ✓                  | ✓                    |        |
| <b>Dominy, David</b><br>CEO, Firma Foreign<br>Exchange Corp.     | BA, MoM,<br>ICD.D                     | ✓          |       | ✓      | ✓                     | ✓                         | ✓              |     | ✓                  | ✓          | ✓                  | ✓                    |        |
| <b>Hubbs, Jamey</b><br>Assistant<br>Superintendent, OSFI         | BA, M.Cert,<br>PM, ICDD               |            |       | ✓      | ✓                     | ✓                         |                |     |                    | ✓          | ✓                  | ✓                    |        |
| <b>Kriegler, Andrew</b><br>President and CEO,<br>IIROC           | BSc, MBA                              | ✓          |       | ✓      | ✓                     | ✓                         |                |     |                    | ✓          | ✓                  | ✓                    |        |
| <b>Millar, Wendy</b><br>Director                                 | BA, MA,<br>ICD.D                      | ✓          |       | ✓      | ✓                     | ✓                         | ✓              |     | ✓                  | ✓          | ✓                  | ✓                    |        |
| <b>Poloz, Stephen</b><br>Governor,<br>Bank of Canada             | BA, MA, PhD,<br>Cert Int'l TP<br>SEP  |            | ✓     | ✓      | ✓                     | ✓                         | ✓              |     |                    | ✓          | ✓                  | ✓                    |        |
| <b>Robertson, Judith</b><br>Commissioner, FCAC                   | BA, MBA,<br>CFA                       | ✓          |       |        | ✓                     | ✓                         | ✓              |     |                    | ✓          | ✓                  | ✓                    |        |
| <b>Rochon, Paul</b><br>Deputy Minister,<br>Department of Finance | BA, MA                                | ✓          | ✓     | ✓      | ✓                     | ✓                         |                |     |                    | ✓          | ✓                  | ✓                    |        |
| <b>Rudin, Jeremy</b><br>Superintendent, OSFI                     | BA, MCRP,<br>PhD                      |            | ✓     | ✓      | ✓                     | ✓                         |                |     |                    | ✓          | ✓                  | ✓                    | Policy |

## Directors' fees

In 2019/2020, private sector Directors' fees for the performance of their services totalled \$245,663 (compared to \$231,836 in 2018/2019).

| 2019/2020—Fees for private sector Directors |                  |
|---|------------------|
| R.O. Sanderson                              | \$128,000        |
| J.M. Castonguay (from May 21, 2019)         | 24,397           |
| L. Caty                                     | 20,940           |
| J. Charbonneau (until April 18, 2019)       | 1,106            |
| D. Dominy                                   | 22,620           |
| A. Kriegler                                 | 12,960           |
| W. Millar                                   | 35,640           |
| <b>Total</b>                                | <b>\$245,663</b> |

## Governance Council

CDIC's Governance Council is comprised of its President and Chief Executive Officer (CEO), along with seven Corporate Officers. The President and CEO is appointed by the Governor in Council, which also approves compensation for this position. CEO performance objectives are set and evaluated annually by the Board of Directors and submitted to the Minister of Finance. Corporate Officers are appointed by the Board of Directors. The Board also approves the salary range for these individuals. CDIC's Officers, as of March 31, 2020, are set out below.

**Peter D. Routledge**

President and Chief Executive Officer

**Chantal M. Richer**

Chief Operating Officer

**Gina Byrne**

Chief Member Risk and Resolution Officer

**Michael Mercer**

Chief Data and Insurance Officer

**Tara Newman**

Head, Corporate Strategy and Risk Management & Chief Risk Officer

**Camille Ringrose**

Head, Finance and Operations & Chief Financial Officer

**Angela Roberge**

Head, People and Culture & Chief Human Resources Officer

**Christa Walker**

General Counsel and Corporate Secretary & Chief Legal Officer

## Officer compensation

### 2019/2020 compensation range disclosure for Corporate Officers, as at March 31, 2020

| Cash compensation <sup>6,7</sup>         | President and CEO   | Category 1 Officers | Category 2 Officers |
|--|---------------------|---------------------|---------------------|
| Base salary range                        | \$226,000-\$265,800 | \$219,492-\$292,638 | \$165,383-\$237,781 |
| Incentive program range                  | 6.5%-26%            | 0%-25%              | 0%-18%              |
| Total compensation range per fiscal year | \$240,690-\$334,908 | \$219,492-\$365,798 | \$165,383-\$280,582 |

### Perquisites program

| Item  | President and CEO | Category 1 Officers |
|---|-------------------|---------------------|
| Car allowance expense reimbursement <sup>8</sup>  | \$12,000          | —                   |
| Health care spending account and financial planning services expense reimbursement <sup>8</sup> | \$12,000          | \$10,000            |
| Comprehensive medical exams   | \$3,432           | \$3,432             |
| Total   | \$27,432          | \$13,432            |

In its Special Examination **report** discussed above, the Office of the Auditor General found “that the compensation range for the President and Chief Executive Officer was lower than the compensation ranges for the Corporation’s other executives.” In its response, the Corporation said it will “continue to engage with its responsible Minister and the Privy Council Office to review the total compensation structure of the President and Chief Executive Officer position in light of the expansion of the Corporation’s mandate, legislative framework, and powers.”

## Treasury Board directive on travel, hospitality, conference and event expenditures

In July 2015, the Corporation was issued a directive (P.C. 2015-1107) pursuant to section 89 of the *Financial Administration Act* to align its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures, in a manner that is consistent with its legal obligations. The Corporation is in compliance with the directive.

<sup>6</sup> The cash compensation does not report the actual salary and incentives paid to Corporate Officers but rather the range for their respective positions.

<sup>7</sup> As at March 31, 2020, Category 1 Officer roles included: Chief Operating Officer; Chief Member Risk and Resolution Officer; and Chief Data and Insurance Officer. Category 2 Officer roles included: Head, Corporate Strategy and Risk Management & Chief Risk Officer; Head, Finance and Operations & Chief Financial Officer; Head, People and Culture & Chief Human Resources Officer; and General Counsel and Corporate Secretary & Chief Legal Officer.

<sup>8</sup> These amounts represent the maximum allowance if receipts are submitted.



### Disclosure of expenditures for travel, hospitality and conferences

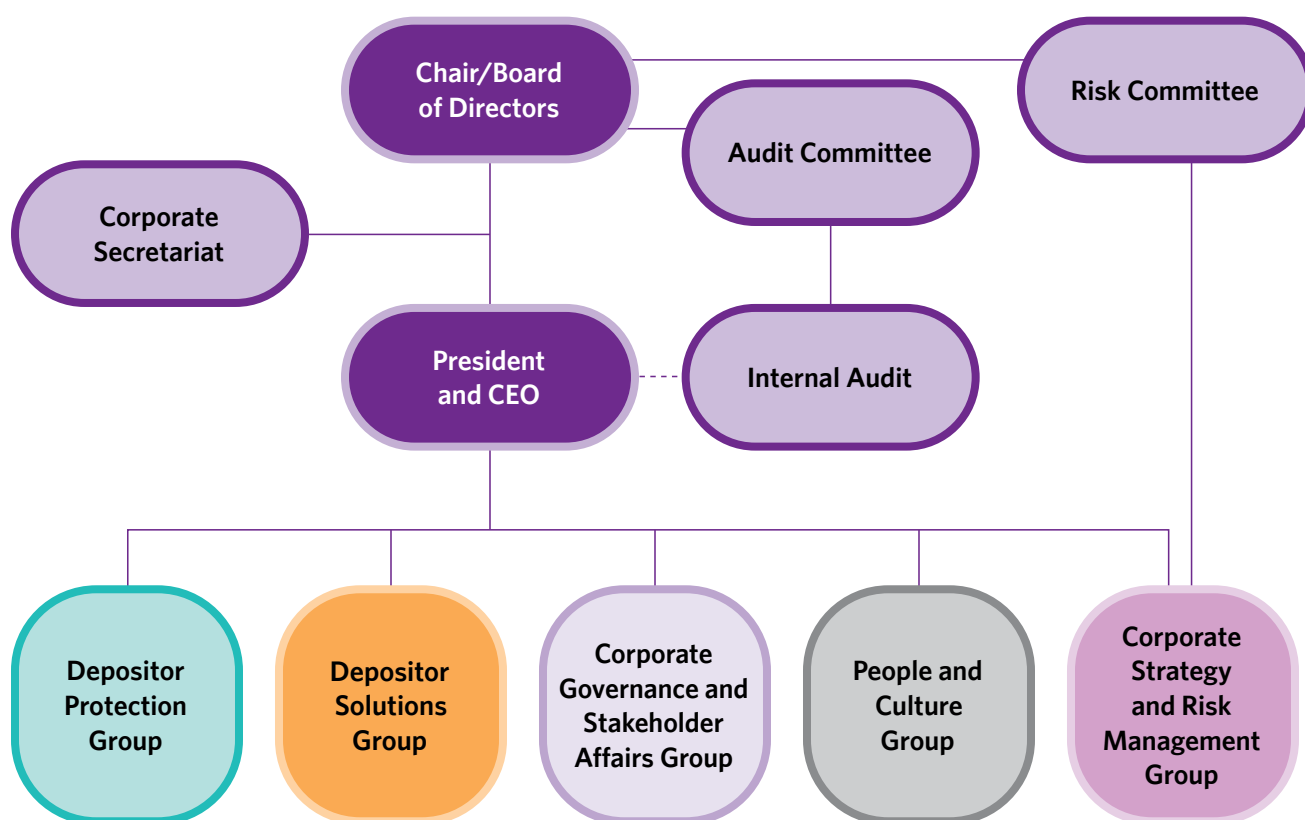
Since 2010, CDIC has proactively disclosed on its website the travel and hospitality expenses for its senior executives. Since June 2019, CDIC has published the details of travel and hospitality expenses of senior officers or employees reimbursed in a particular month within 30 days after the month of the reimbursement.

Since the first quarter of 2017/2018, CDIC has also published the travel and hospitality expenses for the Chair of the Board of Directors and the private sector Directors.

Commencing with the 2016/2017 fiscal year, the Corporation has disclosed the total annual expenditures for each of travel, hospitality and conference fees for the Corporation. The Corporation reviews its disclosures on a regular basis and makes changes when warranted.

These disclosures can be viewed on our website at [www.cdic.ca](http://www.cdic.ca).

### CDIC's organizational structure<sup>9</sup>



----- Denotes administrative reporting relationship

<sup>9</sup> In January 2020 CDIC's organizational structure was redesigned. The new structure comprises five groups built around business lines, as illustrated above. These groups replace the former: Corporate Affairs Division; Corporate Risk, Strategy, and Insurance Division; Finance, Technology and Depositor Solutions Division; and Member Risk and Resolution Division.

## Addressing public service expectations

### ***Ethical behaviour and integrity***

Promoting ethical behaviour and integrity are fundamental principles for CDIC. Adherence to our codes and ethics-related policies is a condition of employment, as is adherence to the *Values and Ethics Code for the Public Sector*, which is fully integrated into CDIC policies. Directors and employees must confirm compliance with their respective codes annually. Compliance with the codes and other ethics-related corporate practices is reported to the Audit Committee and to the Governance and Human Resources Committee.

### ***Ethics training***

CDIC undertakes annual mandatory employee ethics training with required attestations. Corporate-wide ethics training is scheduled for April 2020.

### ***Diversity and inclusivity, and harassment in the workplace***

CDIC is committed to a diverse work force reflective of the Canadians it serves, and to sustaining a workplace culture that is inclusive, welcoming and supportive. In 2019/2020, CDIC's ongoing commitment to diversity and inclusion saw the development of a new cultural framework setting out the values and competencies expected of employees. Putting people first and valuing diversity and linguistic duality are fundamental tenets. In addition, CDIC launched an awareness and development program that included:

- Annual mandatory ethics training that incorporates diversity and inclusion learning
- Recruitment relationships with organizations that support/target visible minorities and persons with disabilities
- Diversity training for the Board of Directors, including new Board members—*The Critical Importance of Workplace Awareness, Diversity and Respect*—in December 2019
- Review of website, job postings and policies to ensure gender-neutral and inclusive language
- Development of mandatory employee training on psychological safety and harassment
- Formal training in the areas of LGBTQ+, Unconscious Bias, and Mindfulness
- Official Languages Reward and Recognition Program

CDIC also leveraged experts and employees alike to keep the conversation going, along with a comprehensive calendar of diversity and inclusion activities.

In 2020/2021 CDIC intends to continue its emphasis on diversity and inclusivity.

### ***Annual Public Meeting***

CDIC held its most recent Annual Public Meeting (APM) on May 15, 2019, in Toronto. The APM is an opportunity for CDIC to provide information to stakeholders and the public on our services and mandate, as well as to answer any questions from members of the public in attendance, online or via social media. CDIC will hold its next APM in 2020 in compliance with the *Financial Administration Act*. The planned date is August 11, 2020, although this may need to be adjusted in light of the COVID-19 pandemic and any required physical distancing measures.