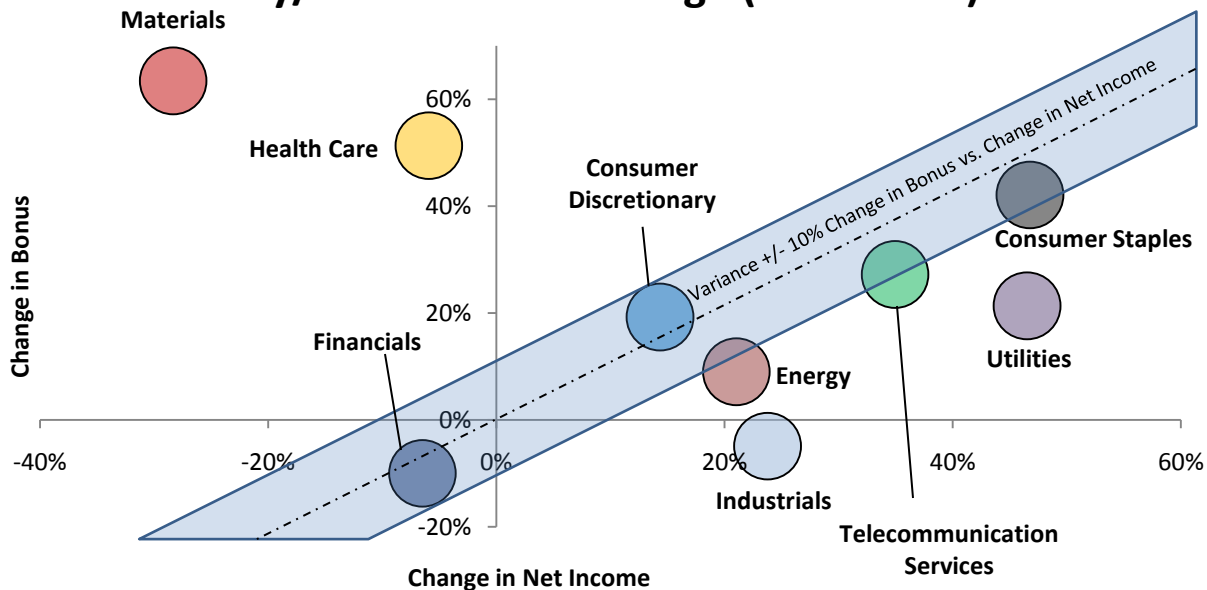


2010 Report on Corporate Governance in Canada

Our new push is “Pay-for-Performance” Linkage

S&P/TSX Composite Index
Pay/Performance Linkage (2005-2008)

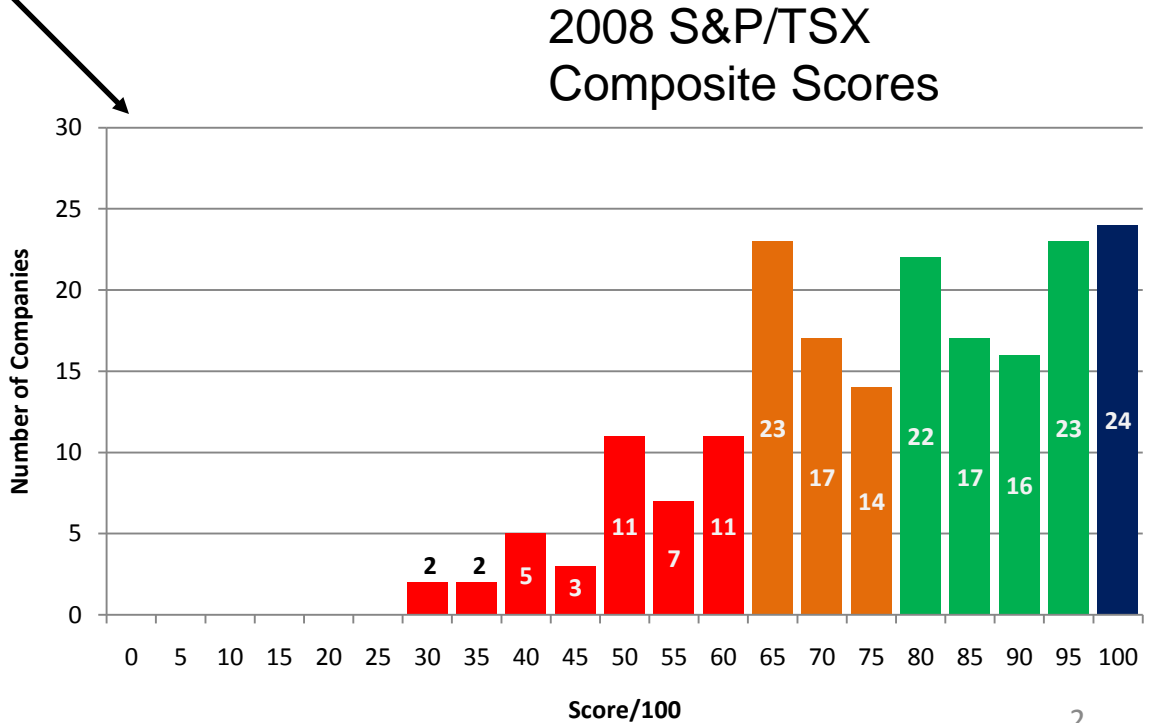
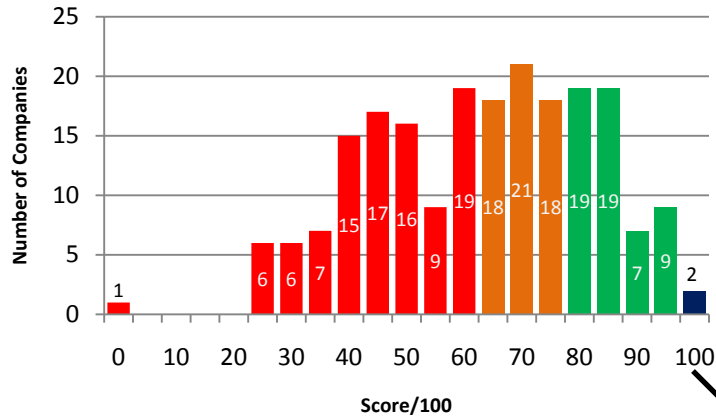


CLARKSON
Centre for Board Effectiveness



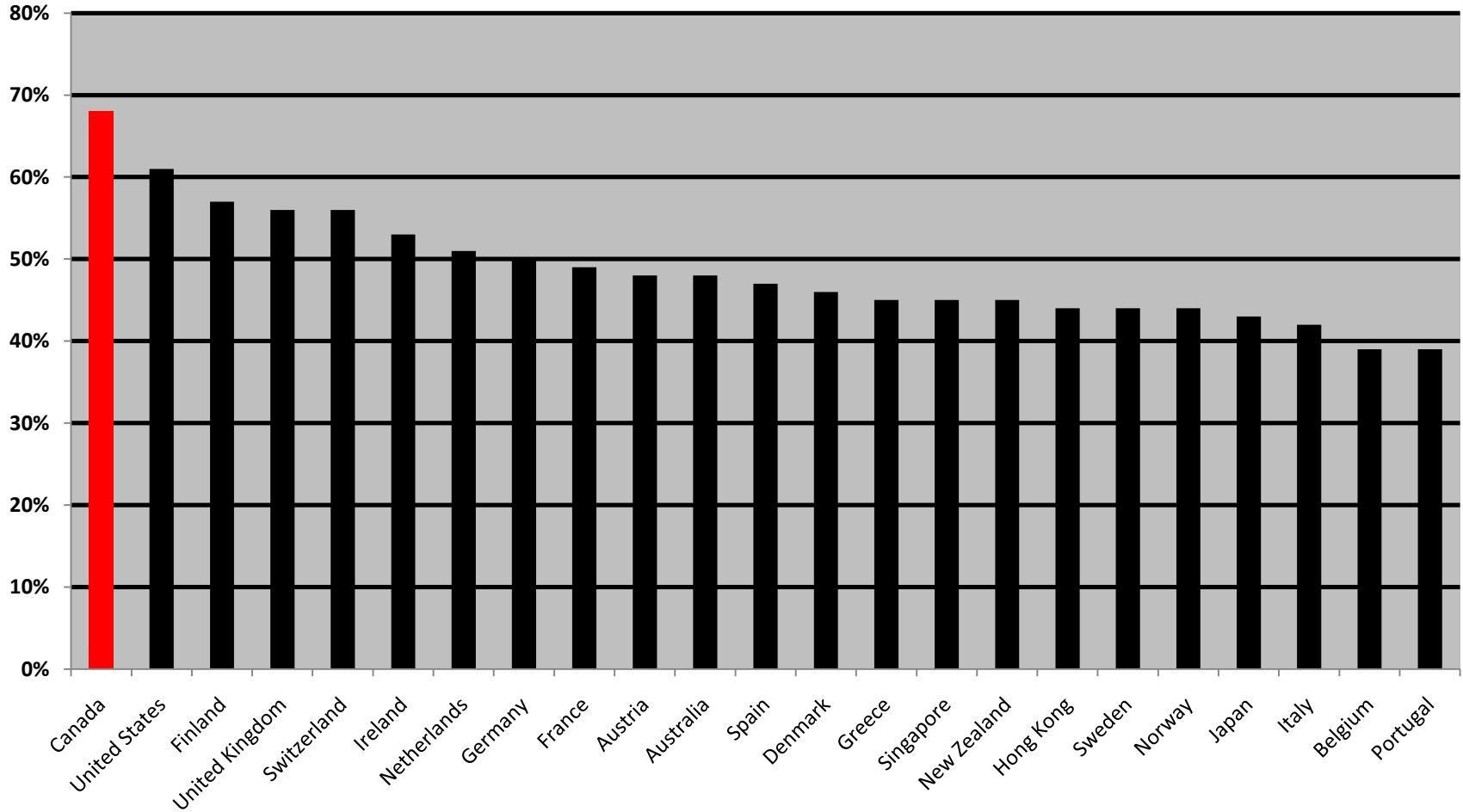
Rotman School of Management
UNIVERSITY OF TORONTO

Since 2002, the CCBE has collected and analyzed corporate governance data on Canadian corporations.



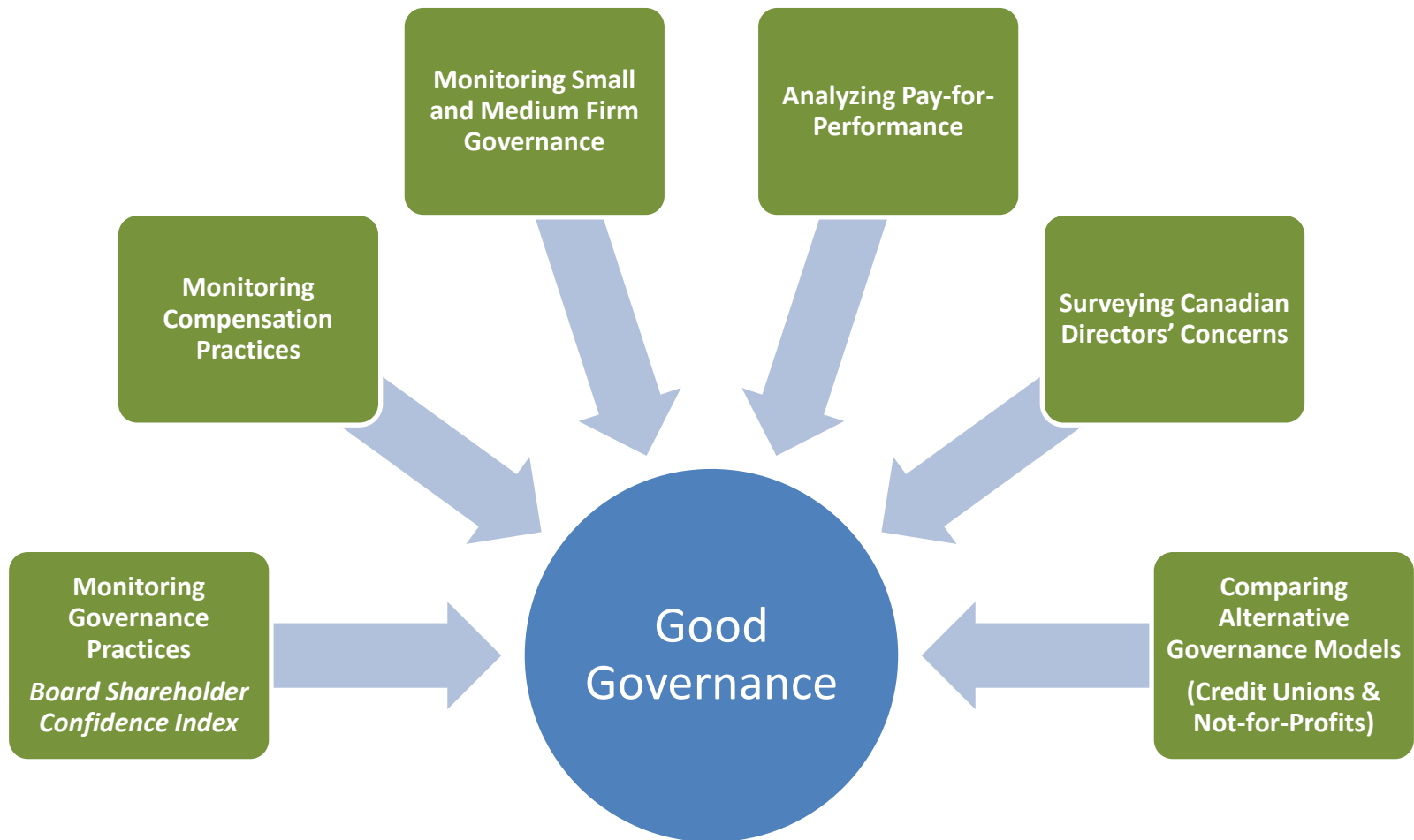
Helping Canada to achieve the GOLD medal for corporate governance

Governance Rankings based on 44 metrics



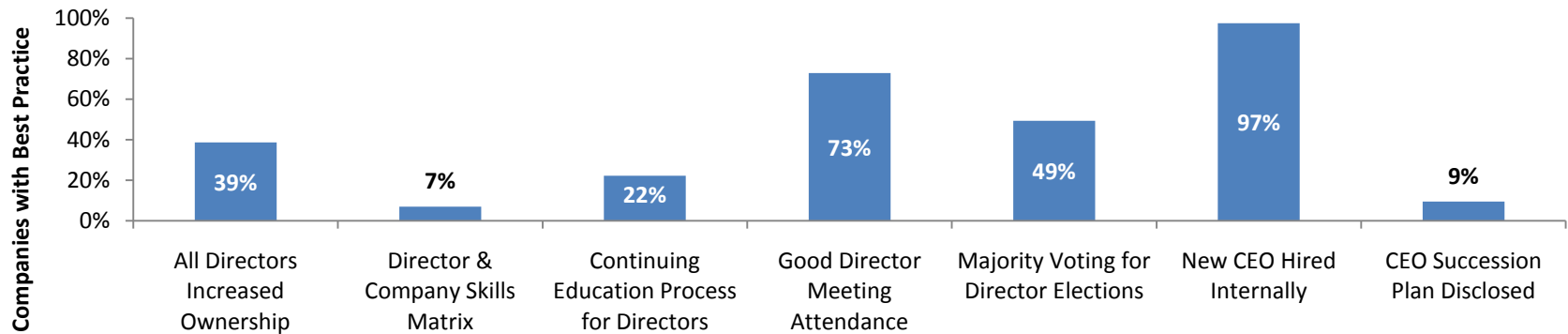
Basis: 5,296 US firms + 2,235 non-US firms in 23 nations using ISS metrics

Clarkson Centre is involved in an extensive number of projects that examine the Canadian Corporate Governance landscape.



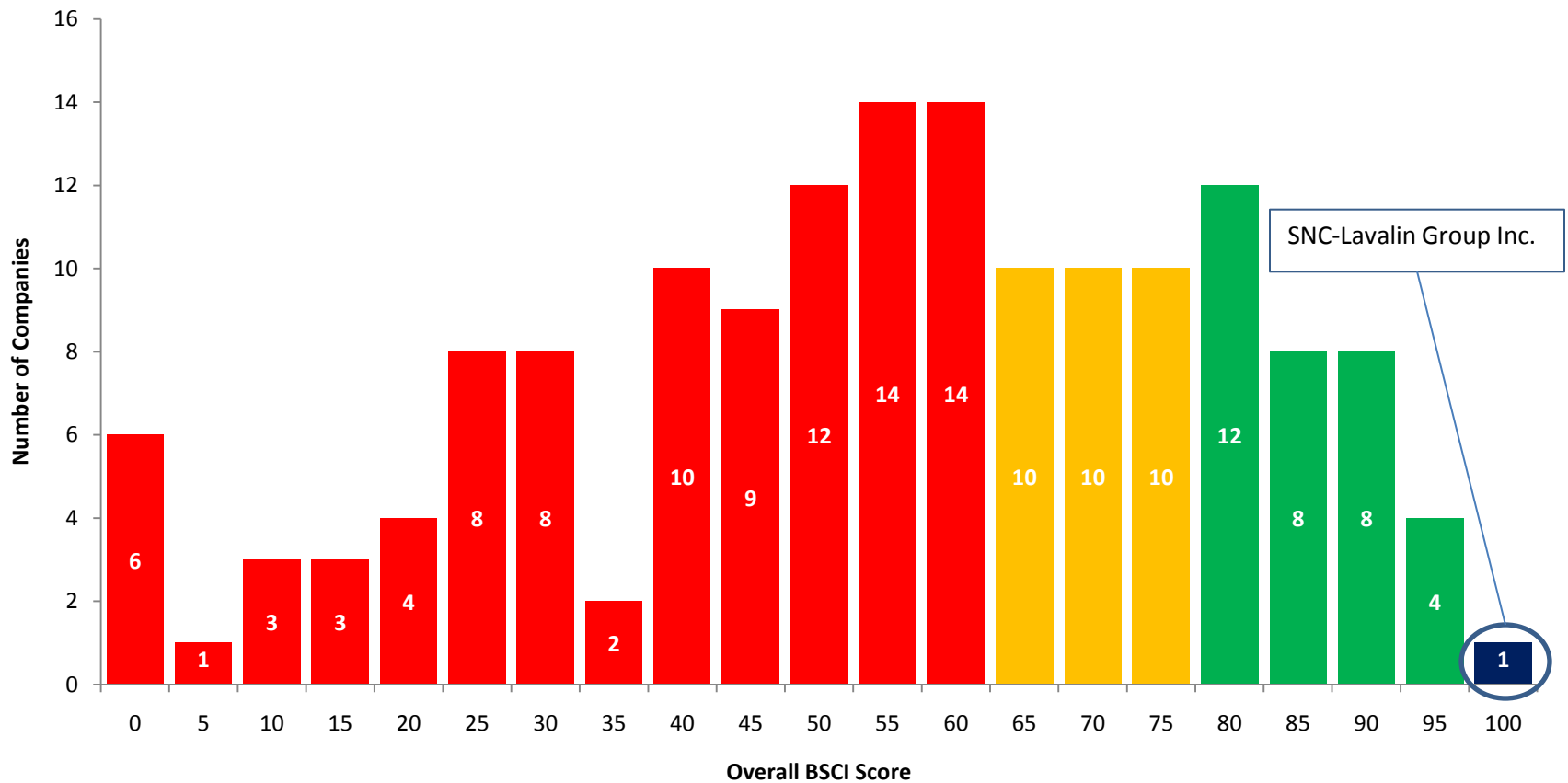
Board Shareholder Confidence Index: In 2009, we made significant updates to the scoring criteria

New BSCI Scoring Criteria - 2009

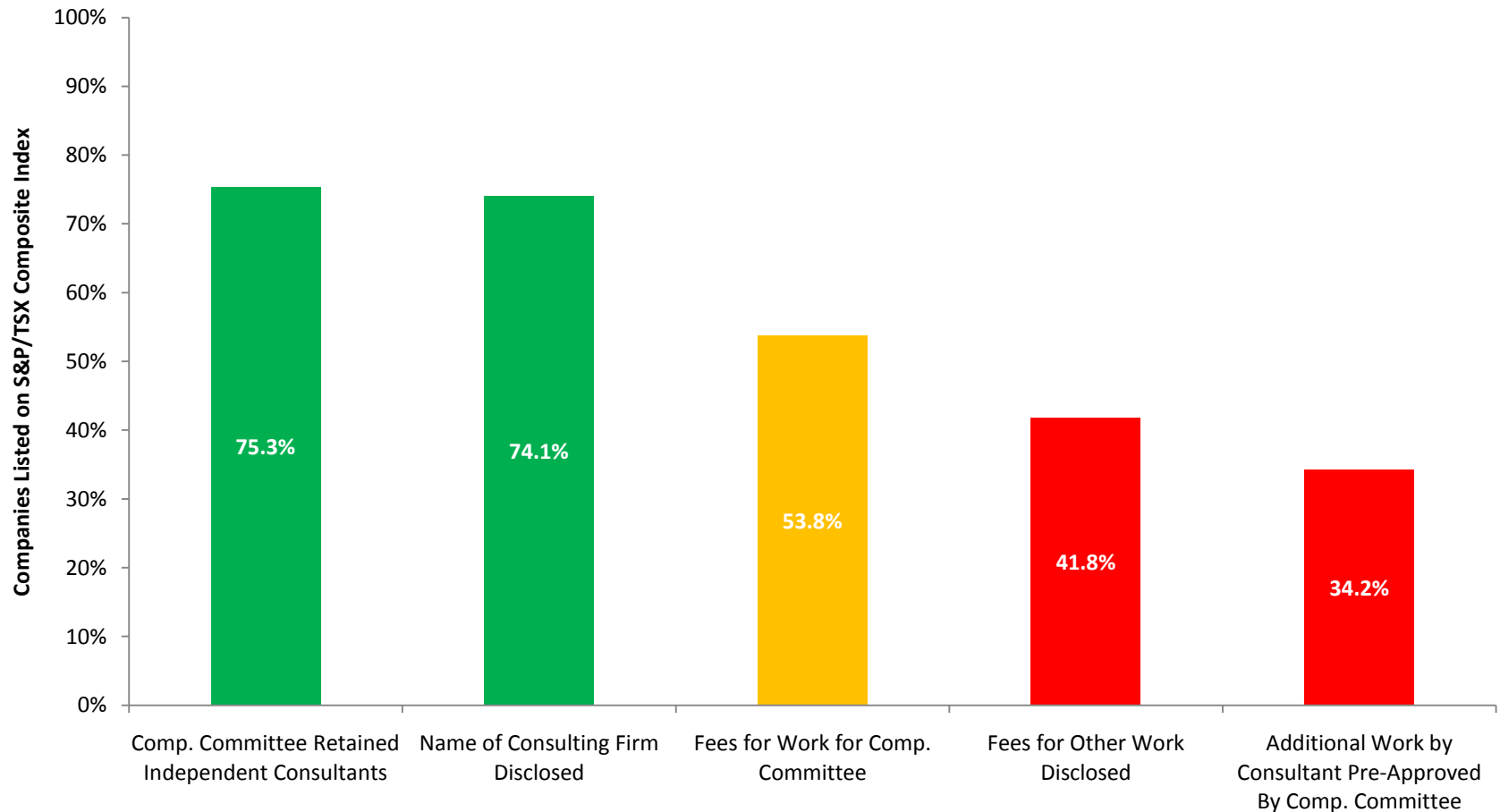


- **All Directors Increased Ownership:** All directors have increased their total number of Shares and Deferred Share Units since the last management information circular
- **Director & Company Skills Matrix:** The company has disclosed the areas of expertise for each individual director and the desired skill set of the board as a whole and how directors meet those requirements
- **Continuing Education Process for Directors:** A formal continuing education process has been disclosed with the relevant activities completed in the most recent fiscal year
- **Good Director Meeting Attendance:** All directors standing for re-election attended at least $\frac{3}{4}$ of all board meetings and at least $\frac{3}{4}$ of all relevant committee meetings
- **Majority Voting for Director Elections:** Directors that receive a vote “For” on less than 50% of ballots cast will submit their resignation for consideration by the board
- **New CEO Hired Externally:** Companies that have not changed the CEO or the new CEO was hired internally receive full marks
- **CEO Succession Plan Disclosed:** Corporation discloses a formal CEO Succession Plan

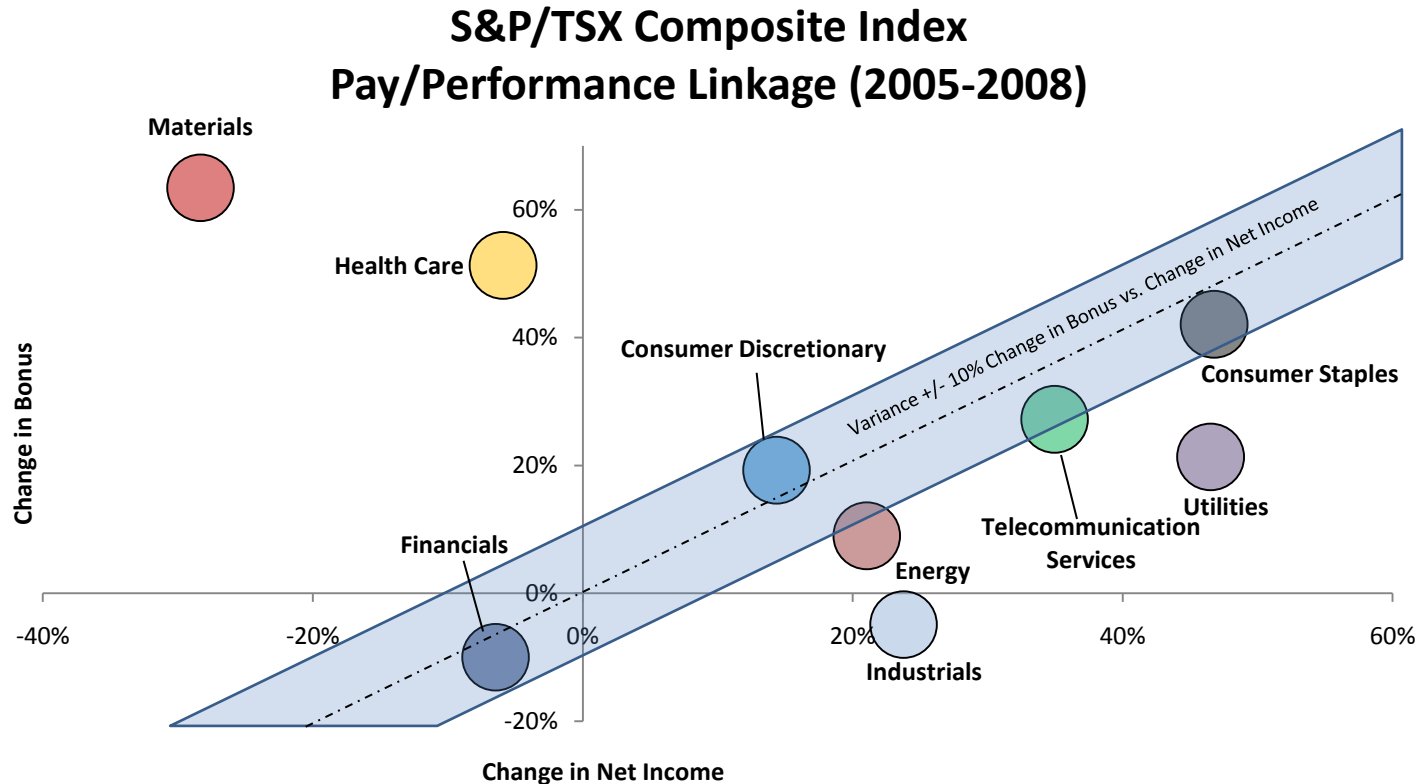
Under the new 2009 scoring criteria, only companies that stay ahead of the curve receive top marks



Compensation Governance Research: We have also continued to examine disclosure and practices surrounding executive compensation



Pay for Performance: One of our exciting new projects focuses on the alignment of CEO Compensation and Corporate Performance

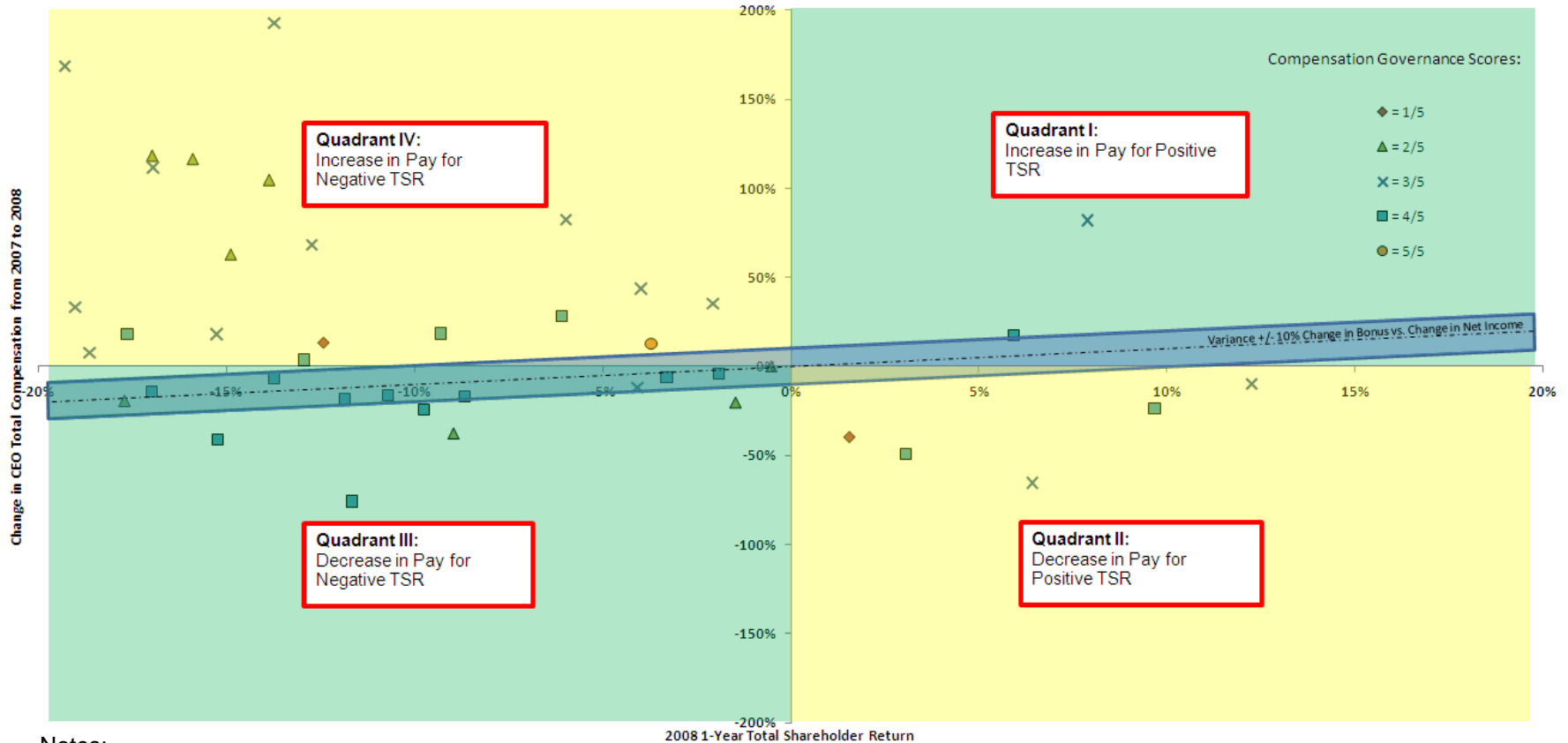


NOTES

- Each point represents all companies on the S&P/TSX Composite Index as of Oct. 15, 2009 from the designated industry that have been publicly traded for the past 5 years or more
- The y-axis is the percent change of 2-years of bonus combined across the industry (change from combined 05/06 bonuses to combined 07/08 bonuses)
- The x-axis is the percent change of 2-year net income combined across the industry (change from combined 05/06 net income to combined 07/08 net income)

Pay for Performance: By collecting the total value of CEO Pay and TSR, among other metrics, we are able to see how closely companies are aligned with Pay-for-Performance

1-Year Pay-for-Performance Chart
(Corporations listed on the S&P/TSX Composite as of Oct. 15, 2009)

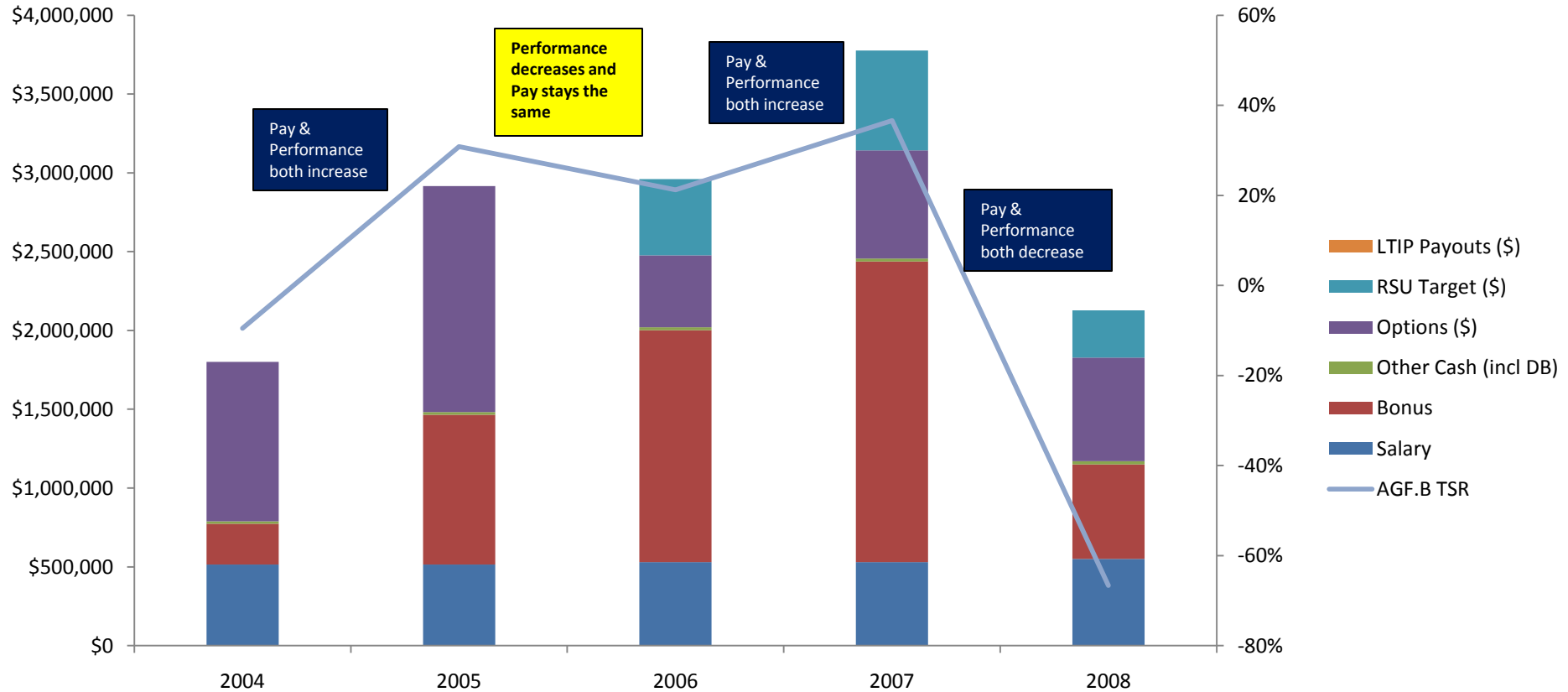


Notes:

- Each marker represents 1 corporation listed on the S&P/TSX Composite Index as of October 15, 2009
- CEO Pay is calculated using Clarkson Centre valuation methods of all equity-based compensation
- Markers within the blue line show a near 1-to-1 relationship of Pay and Performance

Pay for Performance: CCBE has collected 5 years of CEO compensation and performance data for corporations listed on the S&P/TSX Composite Index

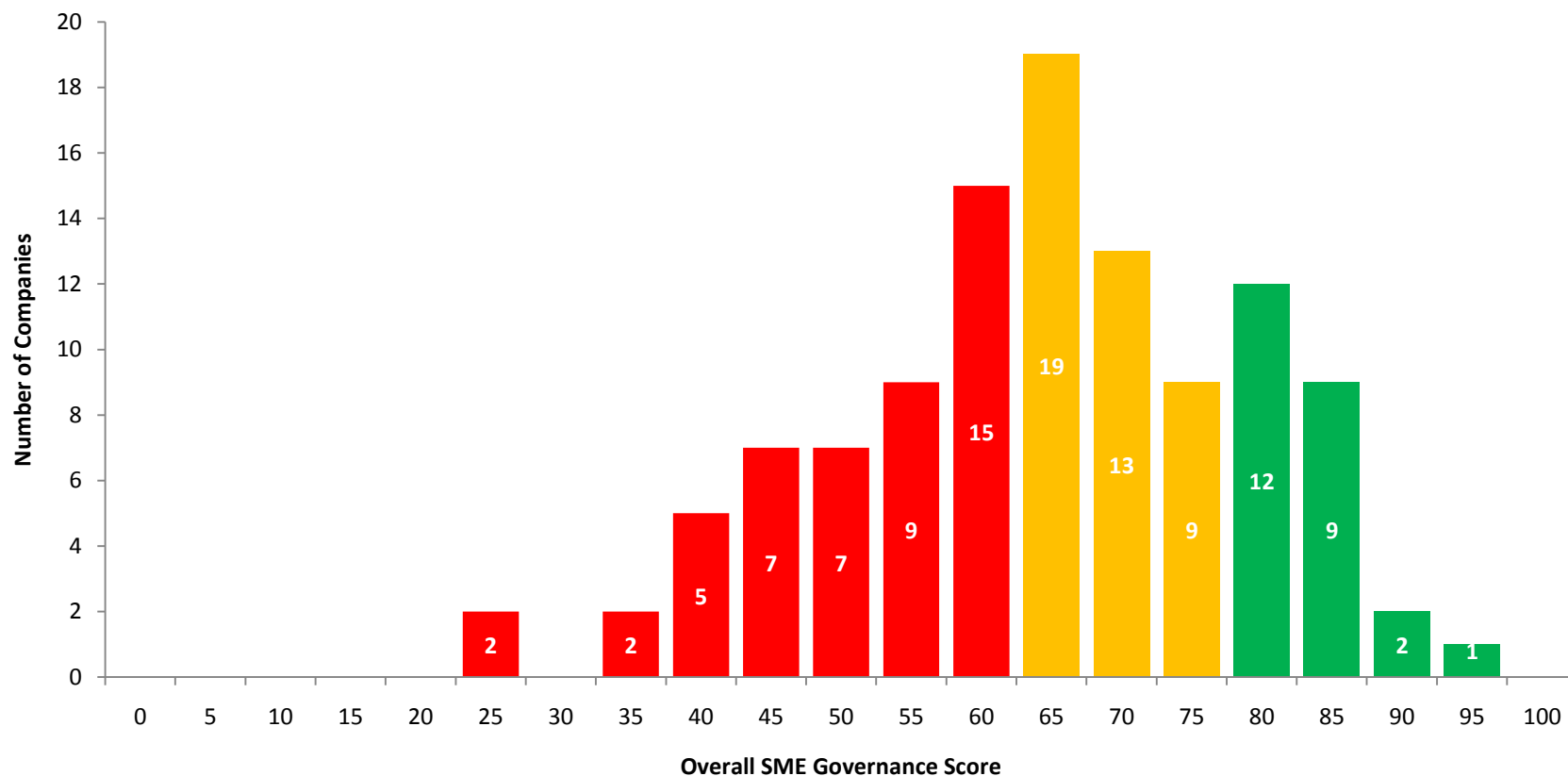
AGF Management Ltd.: Annual Pay vs. TSR



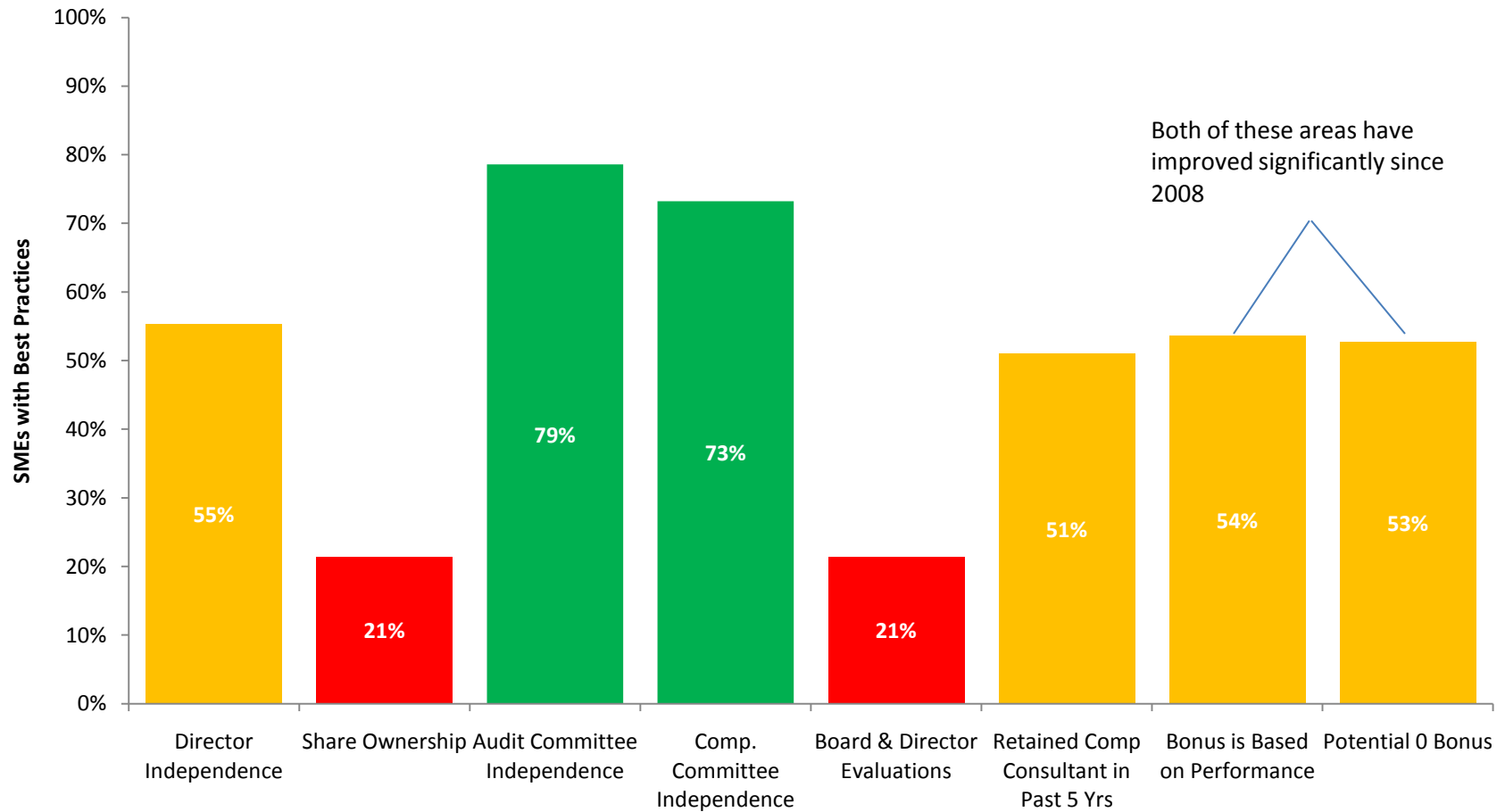
NOTE: With this analysis we can see when pay and performance are moving in the same direction over time

SME Governance: Since 2007, we have also examined corporate governance in Small and Medium Sized Enterprises (SMEs) using a newly developed methodology that focuses on the needs of smaller corporations

2009 Scoring Distribution of SMEs

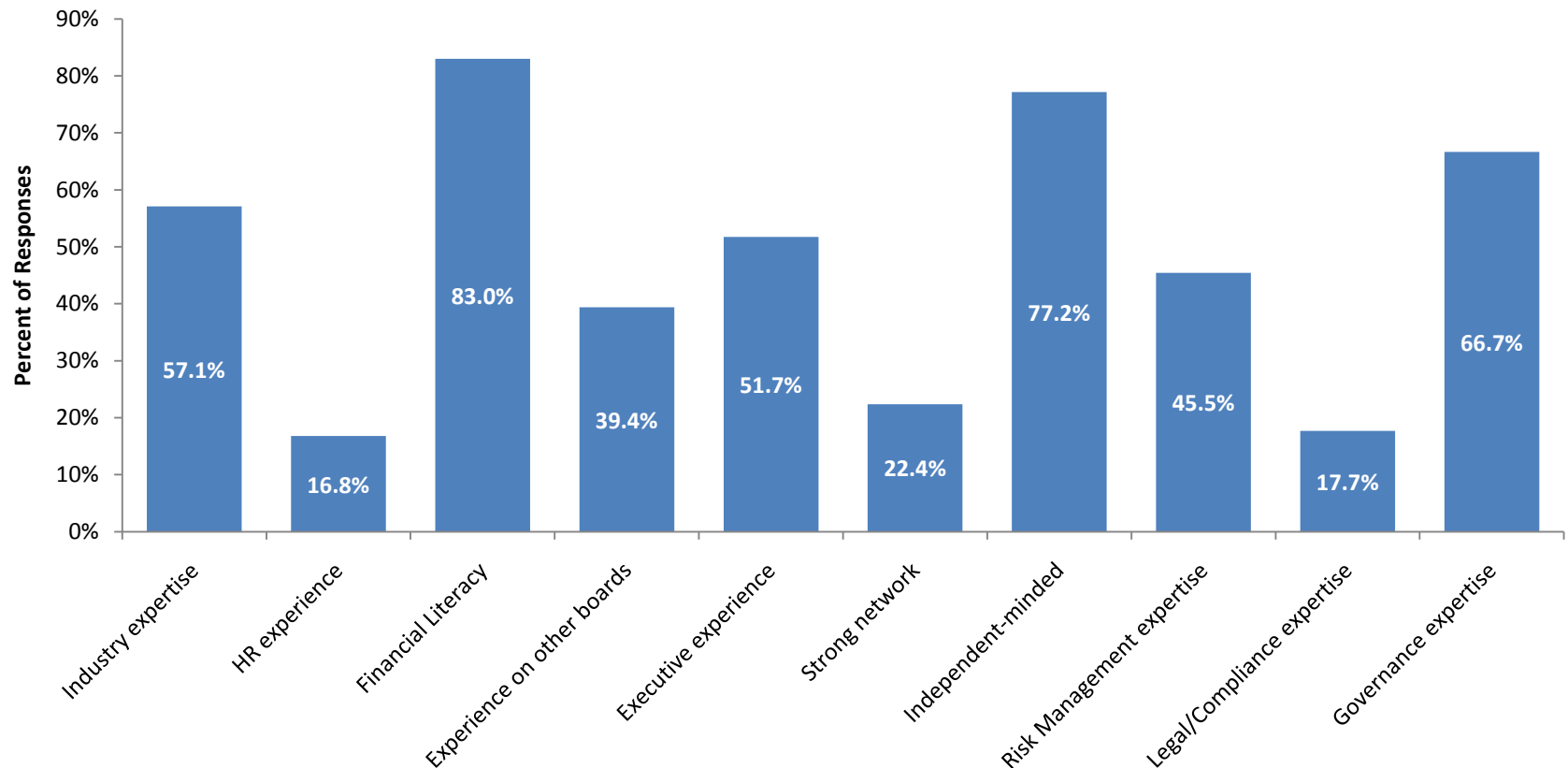


SME Governance: While we have seen some positive change in the SMEs, we still see much room for improvement



Director Survey: During 2009, we also conducted our first director survey in partnership with PricewaterhouseCoopers to assess the current state of boardrooms in Canada. The following is an example of some of the results

Most Valued Director Skills



NOTE: Participants were asked to select the five board skills that they most value in a director. Percentages indicate the percentage of participants that selected each skill

The success of all of our initiatives depends on your support.

