

# Governance Report



Susan Wolburgh Jenah    Doug McGregor    Ronald S. Lloyd    Roger Casgrain    Michelle Khalili    Thomas A. Kloet    Robert LeSourd    Tal Cohen

IROC's Board of Directors is comprised of 15 Directors, including the President and CEO, with an even number of Independent and Industry (Marketplace or Dealer Member) Directors.

## Directors:

- Seven Independent Directors
- Five Dealer Member Directors
- Two Marketplace Directors

The Chair of the Board can be an Industry Director or an Independent Director.

TMX Group is entitled to nominate one of the Marketplace Directors in accordance with IROC By-Laws. The other Marketplace Director is a representative of a Marketplace other than one associated or affiliated with TMX.

New Directors: IROC held its first Annual General Meeting on September 23, 2009. At that meeting, three new Directors were appointed to replace outgoing Directors.

### President & CEO

**Susan Wolburgh Jenah** (Joined February 2007)\*\*  
President & CEO, IROC  
Toronto, Ontario

### Industry Directors

**Roger Casgrain** (Joined June 2005)\*\*  
Executive Vice President,  
Casgrain & Company Limited  
Montréal, Quebec  
• Member of the Human Resources & Pension Committee

**Tal Cohen** (Joined November 2009)  
CEO, Chi-X Canada  
New York, New York, USA  
• Member of the Human Resources & Pension Committee

**Michelle Khalili** (Joined December 2008)  
Managing Director, Equity Capital Markets  
CIBC World Markets  
Toronto, Ontario  
• Member of the Human Resources & Pension Committee

**Thomas A. Kloet** (Joined October 2008)  
CEO, TMX Group Inc.  
Toronto, Ontario  
• Member of the Finance & Audit Committee

**Robert LeSourd** (Joined May 2008)  
EVP and Managing Partner, Western  
Operations, Mackie Research Capital  
Calgary, Alberta  
• Member of the Human Resources & Pension Committee

**Ronald S. Lloyd** (Joined June 2004)\*\*  
Chairman and CEO, Credit Suisse  
Securities (Canada) Inc.  
Toronto, Ontario  
• Chair, Human Resources & Pension Committee

**Doug McGregor, Chair** (Joined September 2009)  
Chairman and Co-CEO, RBC Capital Markets  
Toronto, Ontario  
• Member of the Finance & Audit Committee

### Independent Directors

**Kerry Adams** (Joined May 2008)  
Investment Consultant  
Aurora, Ontario  
• Member of the Corporate Governance Committee

**Jill Denham** (Joined September 2009)  
Consultant  
Toronto, Ontario  
• Member of the Corporate Governance Committee

**Mike Gagné** (Joined September 2009)  
Controller, Radium Resort  
Invermere, British Columbia  
• Member of the Finance & Audit Committee

**Daniel Leclair** (Joined June 2004)\*\*  
Corporate Director  
Shefford, Quebec  
• Chair, Finance & Audit Committee  
• Member of the Corporate Governance Committee

**Daniel Muzyka** (Joined June 2005)\*\*  
Dean and Professor  
University of British Columbia  
and Public Director  
Vancouver, British Columbia  
• Member of the Human Resources & Pension Committee  
• Member of the Corporate Governance Committee

**Gerry Rocchi** (Joined August 2004)\*  
CEO, Green Power Action Inc.  
Toronto, Ontario  
• Member of the Corporate Governance Committee  
• Member of the Finance & Audit Committee

**Grant Vingoe** (Joined August 2004)\*  
Partner, Arnold & Porter LLP  
New York, New York, USA  
• Chair, Corporate Governance Committee

### Outgoing Directors

**David Denison** (Served May 2008 to September 2009)  
President & CEO, Canadian Pension  
Plan Investment Board  
Toronto, Ontario  
• Member of the Human Resources & Pension Committee

**Michael Grandin** (Served April 2003 to July 2009)\*\*  
Corporate Director  
Calgary, Alberta  
• Member of the Corporate Governance Committee  
• Member of the Finance & Audit Committee

**H. Sanford Riley** (Served June 2006 to May 2008,  
and July 2008 until September 2009)\*\*  
Chairman, Richardson Partners Financial  
Winnipeg, Manitoba

**Wendy Rudd** (Served May 2008 to October 2009)  
CEO, TriAct Canada Marketplace LP  
Toronto, Ontario  
• Member of the Finance & Audit Committee

\* Appointed to Board of Market Regulation Services Inc. (RS) prior to the establishment of IROC.

\*\* Appointed to Board of Investment Dealers Association of Canada prior to the establishment of IROC.



Kerry Adams

Mike Gagné

Jill Denham

Daniel Leclair

Daniel Muzyka

Gerry Rocchi

Grant Vingoe

## Director Compensation

IROC does not compensate Industry Directors for their participation on IROC's Board or its Committees.

IROC compensates Independent Directors in accordance with the following framework:

### Board

- Annual retainer – \$15,000 per annum
- Chair of the Board – an additional \$7,500, if the Chair is an Independent Director
- Board meetings less than two hours in duration – a fee of \$1,000
- Board meetings of two hours or longer – a fee of \$1,500

### Committee

- Committee Members – \$1,500 per annum
- Committee Chairs – \$4,000 (except in the case of the Human Resources and Pension Committee Chair where the retainer will be \$3,500)
- Committee meetings less than two hours in duration – \$1,000
- Committee meetings of two hours or longer – \$1,500

In the event that the location of a Board meeting requires an additional travel day and the Director attends in person, a supplementary travel fee of \$1,000 is allowed.

### IROC Board Committee Highlights 2009–2010

The Corporate Governance Committee implemented a self-assessment framework and oversaw the Board and committee self-assessments. It also built upon the Board's recruitment plan for directors, which culminated in the slate of directors for the first Annual General Meeting.

The Finance and Audit Committee reviewed the new Dealer Regulation Member fee model proposal and recommended that the Board approve it for publication.

The Human Resources and Pension Committee reviewed the new compensation framework and recommended that the Board approve it.

## 2009–2010 Board Meetings

### Director Attendance at Board and Committee Meetings

Director	Board Meetings	Special Board Meetings	Regular Committee Meetings	Total Compensation
Kerry Adams	6/6	2/2	12/12	\$40,425.00
Roger Casgrain	5/6	2/2	6/7	
Tal Cohen*	2/2	1/1	2/2	
Jill Denham*	3/4	1/1	4/5	\$17,804.68
David Denison^	1/2	1/1	4/4	\$18,112.50
Mike Gagné*	4/4	1/1	3/3	\$23,149.68
Michael Grandin^	2/2	0/0	1/1	\$12,784.68
Michelle Khalili	6/6	1/2	3/3	
Thomas A. Kloet	6/6	1/2	4/5	
Daniel Leclair	6/6	2/2	7/7	\$51,673.26
Robert LeSourd	4/6	2/2	6/7	
Ronald S. Lloyd	3/6	0/2	8/13	
Doug McGregor (Chair)*	4/4	1/1	1/3	
Daniel Muzyka	5/6	2/2	12/15	\$47,129.98
H. Sanford Riley^	1/2	0/1	†	
Gerry Rocchi	6/6	2/2	10/10	\$42,853.98
Wendy Rudd^	3/3	0/1	2/2	
Grant Vingoe	6/6	1/2	12/12	\$45,000.00
Susan Wolburgh Jenah	6/6	1/2	23/24	

\* Director joined Board during the year.

^ Director stepped down during the year.

† No committee assignments.

### Committees

The following committees held meetings during this period:

- Corporate Governance Committee – 12 meetings
- Finance and Audit Committee – Five meetings
- Human Resources and Pension Committee – Seven meetings