

Investor Relations Professionals Demonstrate Strategic Value to Management and Boards of Canadian Issuers

Toronto, Ontario – The role of investor relations is increasingly being recognized for its strategic value as more IROs are contributing to the company’s strategic plan and executing the IR elements of that plan. According to a new survey released by the Canadian Investor Relations Institute (CIRI) and Global Governance Advisors (GGA), over half of IROs are contributing to the company’s strategic plan and almost three-quarters are executing the IR elements of the company’s strategy. In addition, over three-quarters of IROs counsel executives and Boards on IR matters. With this expanded responsibility comes enhanced compensation with one-third of IROs earning at least \$225,000 in total cash compensation, including 22% who earned more than \$300,000.

“Over the past few years, CIRI has seen significant changes in the Canadian capital markets, many of which have impacted the role, responsibilities and compensation of IR professionals in Canada,” commented Yvette Lokker, President and Chief Executive Officer of CIRI. “These macroeconomic changes have contributed to IROs being recognized by Boards and executives for the strategic value and insights they provide thereby elevating the stature of the role, which is reflected by higher compensation.

“Average total cash compensation for IR professionals spending more than half of their time on IR activities increased to \$210,800 representing a 12% increase from \$188,500 when this survey was last conducted,” commented Peter Landers, Partner at Global Governance Advisors. “We were pleased to be able to collect additional information on long-term incentives this year which indicated the increased prevalence of long-term incentive grants for more senior IR professionals playing a strategic role in their companies.”

Key survey findings:

- **Investor relations is a valued corporate function**
 - **Recognition as a distinct corporate function:** Three-quarters of IROs (75%) work for companies with separate IR departments, in line with 2014.
 - **Closer proximity to C-suite:** More IROs are working more closely with the company’s key decision makers: 36% report to the CEO, up from 32% in 2014, while 43% report to the CFO, up from 27% in 2014.
 - **Greater financial resources:** Average IR budgets are \$782,300 (excluding allocated overhead, but including compensation), up 8% from 2018, but down 19% from 2013.
- **IROs increase strategic influence by providing insights to management and Boards**
 - **Delivering strategic value:** Recognizing that IR is viewed as a strategic role, over half of IROs (53%) contribute to the company’s strategic plan and almost three-quarters (72%) have executed IR elements of the company’s strategy.
 - **Stronger engagement with the Board:** The strategic value IROs provide is further supported by their increased engagement with the Board. Most IROs (92%) prepare reports for the Board, up from 84% in 2014, while over half of IROs (51%) present to the Board, up from 39% in 2014. Over three-quarters of IROs (78%) counsel executives and Boards on IR matters, down slightly from 82% in 2014. IROs are facilitating Board-

shareholder engagement by acting as the key contact for institutional shareholders three-quarters of the time (74%) when investors put forward a proposal, up from 70% in 2014.

- **IR compensation is on the rise**
 - ***With expanded responsibility comes enhanced compensation:*** Total cash compensation for all IROs averaged \$202,200, up from \$199,000 in 2013. Approximately one-third of respondents (34%) earned at least \$225,000, down marginally from 35% in 2013, while 22% of IROs earned more than \$300,000, up from 19% in 2013.
 - ***Gender gap closing...marginally:*** While the compensation gap between men and women has closed, a considerable disparity remains. On average, male IROs received total cash compensation of \$229,200 while females earned \$184,300. This \$45,000 pay gap, representing 19.6%, is a drop of \$7,000 or 3.4% from 2013.

[Click here](#) for full survey results.

About the Survey

CIRI and GGA conducted the ninth ***Investor Relations Compensation and Responsibilities Survey*** during the second and third quarters of 2019. One hundred and two investor relations professionals took part.

The research objectives of this survey were to:

- Provide members, non-members and industry professionals with budget information for benchmark analysis; and
- Track key trends in the roles, responsibilities, resourcing and compensation of IR professionals in Canada.

About CIRI

CIRI is a professional, not-for-profit association of executives responsible for communication between public corporations, investors and the financial community. CIRI contributes to the transparency and integrity of the Canadian capital markets by advancing the practice of investor relations, the professional competency of its members and the stature of the profession. With close to 500 members and four Chapters across the country, CIRI is the voice of IR in Canada. For further information, please visit CIRI.org.

About GGA

Global Governance Advisors (GGA) is a leading North American advisory services and technology Human Capital Management (HCM) firm that works exclusively with boards of directors and senior management teams to maximize board effectiveness and governance, develop dynamic compensation/incentive plans that deliver the outcomes that align with company goals, and provides a stakeholder communications engine that produces oversight of stakeholder engagement activity. GGA's emPower platform is the first, comprehensive digital boardroom. For further information about GGA, please visit www.ggainc.com

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