

WHENEVER. WHEREVER.
We'll be there.



April 17, 2024

Board of Commissioners
of Public Utilities
P.O. Box 21040
120 Torbay Road
St. John's, NL A1A 5B2

Attention: Jo-Anne Galarneau
Executive Director and Board Secretary

Dear Ms. Galarneau:

Re: Newfoundland Power's 2025/2026 General Rate Application – Expert Report

On February 5, 2024, the Board issued Order No. P.U. 5 (2024), the procedural order on Newfoundland Power Inc.'s (the "Company") 2025/2026 General Rate Application (the "Procedural Order"). Schedule B to the Procedural Order established today's date as the deadline for the filing of expert reports and pre-filed evidence.

Please find enclosed a report prepared by Korn Ferry entitled *Executive Compensation Review* (the "Korn Ferry Report"). The Korn Ferry Report provides a market review of the Company's compensation level for its four executive positions. The report: (i) compares executive positions to a comparator group on the basis of similar job content; (ii) compares compensation values to those of the comparator market; (iii) assesses compensation values against the median level of the comparator group; and (iv) analyzes total remuneration.

If you have any questions please contact the undersigned.

Yours truly,

A handwritten signature in blue ink that reads "Dominic Foley".

Dominic Foley
Legal Counsel

Enclosures

c. Shirley Walsh
Newfoundland and Labrador Hydro

Dennis Browne, K.C.
Browne Fitzgerald Morgan & Avis

Donald Murphy
International Brotherhood of Electrical
Workers, Local 1620

Newfoundland Power Inc.

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Executive Compensation Review

April 11, 2024

Prepared for





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1. Project Scope

Korn Ferry (CA) Ltd. (“**KF**”) has been retained by Newfoundland Power Inc. (“**NFP**”) to provide a market review of NFP’s compensation level for its four senior executive positions:

1. President & CEO
2. VP Finance & CFO
3. VP Engineering & Energy Supply
4. VP Customer Operations

The following are the review objectives:

- Comparing NFP executive positions with other executive positions in the comparator market on the basis of similar job content (i.e., evaluation points). This method is consistent with NFP’s historical executive compensation principles;
- Comparing NFP compensation values to those of the comparator market consisting of a broad selection of Canadian Commercial Industrial organizations. This approach is consistent with NFP’s historical executive compensation principles;
- Assessing compensation values against the median level (i.e., 50th percentile or P50) of the defined comparator group, which is consistent with NFP’s historical executive compensation principles; and
- Analyzing NFP total remuneration including salary, short term incentive, long term incentive and benefits (including pension and perquisites).

This review has been prepared by the Korn Ferry team led by Mr. Wiclif Ma, Senior Client Partner, Korn Ferry Executive Pay and Governance Practice. For references, please see consultant biography in Appendix A.



2. Summary of Observations

- KF believes that it is reasonable for NFP to compare its executive remuneration level against jobs with similar job size (i.e., KF Hay Points) in the broad Canadian Commercial Industrial market as its comparator group.
- KF believes that it is reasonable for NFP to use the median compensation value of the comparator group compensation values as the basis on which to establish its own executive pay standards. This policy of referencing market median is typical in the Canadian marketplace across all industries and sectors.
- NFP average actual salary of the four executives is close to market median.
- As a policy, NFP sets its salary range in +/-15% of the market median. The private sector market tends to either set the salary range +/-20% of the market median or do not set any salary range at the executive level. In general, we observe that NFP's salary range spread tends to be narrower than those that adopted a salary range in the market. NFP's actual salaries are within its structural ranges.
- NFP target short-term incentive (STI) levels, expressed as a % of salary, are lower than the market median.
 - 50% of salary for President & CEO; and
 - 35% of salary for VPs
- NFP average Target Total Cash of the four executives is 7% below market median (P50).
- NFP target long-term incentive (LTI) levels are within the range of market practice among those companies that provide LTI. However, when both LTI providers and non-providers are taken into account, NFP is at or slightly higher than the market median value (P50).
- As such, NFP average Target Total Direct is 4% below market median (P50).
- Compared to the last review in 2021, we observe that compensation levels for the comparator market have rebounded sharply post-pandemic, surpassing the levels in 2018 generally. These reflect:
 - Salary has increased 10% over a three-year period;
 - Minor increases in short-term incentive opportunities (typically expressed as a percentage of salary); and
 - Long-term incentives are back to the pre-pandemic levels.



3. Methodology: Job Content / Job Evaluation

Every organization has unique attributes with respect to business functions, size (e.g., revenues, assets), geographical diversity, ownership, and corporate structure. Furthermore, the jobs within each organization are unique relative to factors such as mandate, reporting relationship, decision-making authority, etc. These attributes should be normalized when an organization compares its jobs to those of the market.

KF uses its job evaluation methodology to “point score” all positions in its compensation database. Job evaluation allows the skills, efforts, and responsibilities of a job to be quantified, such that the resulting points may be used as a comparison proxy that adjusts for the differences between the various comparator organizations and their unique job mandates. Highlights of the KF Method of Job Evaluation are provided in Appendix B.

Each of the four NFP executive positions in scope has been evaluated, and their job evaluation points (i.e., KF Hay Points) are updated as shown in Table 1 below:

Table 1 – NFP Job Evaluations

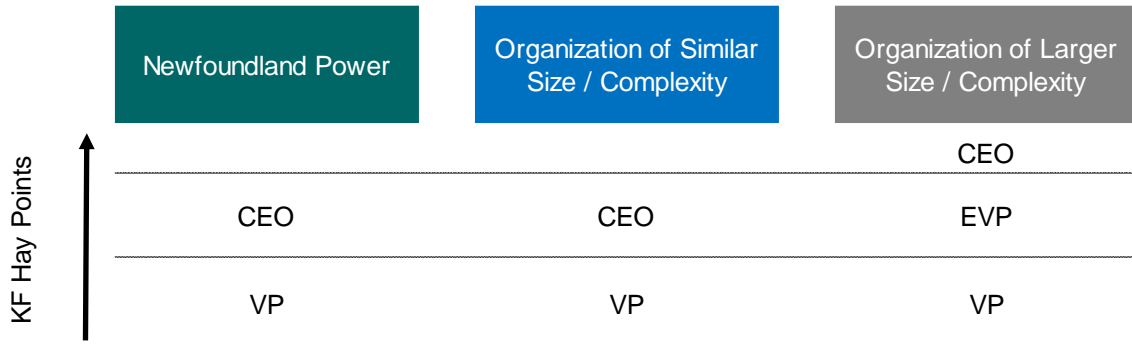
NFP Jobs	KF Hay Points
President & CEO	2128
VP Finance & CFO	1486
VP Engineering & Energy Supply	1486
VP Customer Operations	1486

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For comparison purposes, all other positions in the comparator market are assigned KF Hay Points using the same and consistent methodology. The use of KF Hay Points allows us to expand the selection of comparators by including organizations that are larger or smaller, but are considered relevant to NFP.

For example, the NFP CEO would not be benchmarked directly against the CEO of the larger organizations in our compensation analysis, but to an executive level that would have the same KF Hay Points as the CEO, as illustrated in the diagram below:



It should be noted that the evaluation process only concerns itself with the skills, efforts and responsibilities required for competent performance. The evaluation points do not reflect incumbent-specific characteristics such as performance, actual pay, or years of service.



4. Methodology: Comparator Market

For this review, KF dataset is effective as of December 2023 with a total of 543 participating organizations. In aligning with NFP pay principles, 390 Commercial Industrial organizations of the total database have been selected for this review. The participant list of Commercial Industrial organizations is illustrated in Appendix C.

KF believes that it is reasonable for NFP to compare itself to the list of organizations in Appendix C because:

- Jobs are compared on a “point adjusted” basis which means they are compared to those of similar overall skill, effort and responsibility, and not necessarily on the basis of “same title”; and
- The organizations are comparably classified as “private sector commercial industrial” and NFP competes for its executive resources with organizations across the breadth and depth of business sectors across Canada.

5. Methodology: Statistical Percentile

This review will present comparative values at three percentile levels, being:

- The 25th percentile, which represents the compensation values at which twenty-five percent of the database observations pay less and seventy-five percent pay more;
- The Median (50th percentile or P50), which represents the compensation values at which fifty percent of the database observations pay less and fifty percent pay more; and
- The 75th percentile, which represents the compensation values at which seventy-five percent of the database observations pay less and twenty-five percent pay more.
- NFP sets its pay standards relative to Median (50th percentile or P50), which KF believes is reasonable because:
 - As a utility it is appropriate to compare to the standard of a broad market as opposed to only comparing against the higher or lower paying sectors; and
 - NFP has adopted a pay-for-performance principle in its compensation framework and in its determination of incumbent-specific salary and bonus values, such that higher performers will be appropriately paid above market standards (i.e., above P50), while those who have not yet proven themselves may not be fully paid to market standards (i.e., below P50).



6. Methodology: Compensation Elements

The review will consider the compensation elements as listed and defined below.

- **Actual Base Salary:** The actual annual base salary paid to the comparable database observations.
- **Target Total Cash:** Actual base salary plus an annual incentive (bonus) value that represents the target award assuming that all incentive provisions are accomplished exactly to plan.
- **Target Total Direct:** Target total cash plus a mid/long term incentive value (i.e., LTI) that represents the assumed annualized net present value of the mid/long term incentive grants.
- **Target Total Remuneration:** Target total direct plus a noncash value that is the estimated value of the sum of the employer provided benefit, perquisite, and retirement programs.

Further explanation of the calculation of the benefit items is found in Appendix D.



7. Compensation Analysis

Tables 2 and 3 below compare NFP compensation values to those of the comparator market. KF's valuation method is to apply the same economic and demographic assumptions and valuation standards across all database participants, for relative comparison purposes. Please refer to Appendix D for a more detailed explanation.

- Table 2 compares the values of all compensation elements previously defined in this report.
- Table 3 excludes the NFP compensation elements that are not borne by the rate-payers (i.e., NFP long-term incentive values and the non-regulated portion of the short-term incentive values).
- Note that NFP pay data reflect 2024 compensation values while comparator market data are as of December 2023.

Table 2 – Total Remuneration (All Compensation Elements)

Title	Points	Actual Base Salary (\$)	Target Total Cash (\$)	Long-Term * Incentive Present Value (Eligible) (\$)	Target Total Direct Compensation (\$)	Target Total Remuneration (\$)
President & CEO	2128	495,000	742,500	445,500	1,188,000	1,359,451
P75		591,200	1,075,200	1,040,400	1,939,100	2,064,400
P50		501,900	809,300	461,900	1,183,800	1,300,800
P25		408,200	577,000	187,900	702,200	768,400
NFP vs. P50		-1%	-8%	-4%	0%	5%
VP Finance & CFO	1486	345,000	465,750	138,000	603,750	712,339
P75		410,200	636,400	457,300	941,500	1,054,000
P50		339,000	468,600	221,800	606,100	669,500
P25		280,600	374,600	86,100	396,200	427,900
NFP vs. P50		2%	-1%	-38%	0%	6%
VP Engineering & Energy Supply	1486	345,000	465,750	138,000	603,750	712,339
P75		410,200	636,400	457,300	941,500	1,054,000
P50		339,000	468,600	221,800	606,100	669,500
P25		280,600	374,600	86,100	396,200	427,900
NFP vs. P50		2%	-1%	-38%	0%	6%
VP Customer Operations	1486	286,000	386,100	114,400	500,500	594,442
P75		410,200	636,400	457,300	941,500	1,054,000
P50		339,000	468,600	221,800	606,100	669,500
P25		280,600	374,600	86,100	396,200	427,900
NFP vs. P50		-16%	-18%	-48%	-17%	-11%

Notes:

* NFP LTI values reflect Policy LTI values.



Table 3 – Adjusted Total Remuneration (Non-Regulated Portion of STI and LTI are excluded for NFP)

Title	Points	Target Total Remuneration (\$)	Short-Term Incentive Non-Regulated Portion (\$)	Long-Term * Incentive Non-Regulated Portion (\$)	Adjusted ** Target Total Remuneration (\$)
President & CEO	2128	1,359,451	(40,219)	(445,500)	873,732
P75		2,064,400			2,064,400
P50		1,300,800			1,300,800
P25		768,400			768,400
NFP vs. P50		5%			-33%
Market Position					P30
VP Finance & CFO	1486	712,339	(24,150)	(138,000)	550,189
P75		1,054,000			1,054,000
P50		669,500			669,500
P25		427,900			427,900
NFP vs. P50		6%			-18%
Market Position					P38
VP Engineering & Energy Supply	1486	712,339	(16,905)	(138,000)	557,434
P75		1,054,000			1,054,000
P50		669,500			669,500
P25		427,900			427,900
NFP vs. P50		6%			-17%
Market Position					P38
VP Customer Operations	1486	594,442	(14,014)	(114,400)	466,028
P75		1,054,000			1,054,000
P50		669,500			669,500
P25		427,900			427,900
NFP vs. P50		-11%			-30%
Market Position					P29

Notes:

* NFP LTI values reflect Policy LTI values.

** NFP total remuneration after non-rate payer adjustments (i.e., non-regulated STI and all LTI), but is compared to market data that includes full value of STI and LTI.



Appendix A – Consultant Biography

Wiclif Ma

Senior Client Partner,
Total Rewards Leader, Canadian Executive Pay & Governance

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Delivering Results for Clients

Wiclif Ma is a Senior Client Partner for Korn Ferry, based in the firm's Toronto office.

He has provided executive pay and governance (“EP&G”) advisory services to many major organizations in the industrial and financial sectors.

In his 25+ years at formerly Hay Group, Mr. Ma has worked with many global and local clients to define their executive pay strategy, design their total reward programs to support their business effectively, and articulate their pay governance standards and processes.

Expertise

Mr. Ma's expertise spans many areas related to executive pay matters, include pay strategy diagnostics, development of pay principles, assessment and modelling of performance metrics, assessment, and management of pay risk, regulatory compliance, governance and oversight, and market practices, etc.

He is the Canadian leader in EP&G expertise development, covering pay research, white paper development, methods for total incentive diagnostics & valuation, methodologies for total remuneration benchmarking and evaluation. He has also advised various clients in both public and private sectors with respect to benefits and pension (SERP) arrangements.

Academic and Professional Background

Prior to joining Korn Ferry, Wiclif led the remuneration function of a major utilities corporation in Hong Kong where he was responsible for the planning and implementation of pay and benefits policies.

Wiclif holds degrees in Business Administration and Economics from York University, in Toronto.



Appendix B – Korn Ferry Hay Guide Chart-Profile MethodSM of Job Evaluation

KF employs a proprietary method to conduct market pricing by utilizing job evaluation. We believe a title match may not be reliable if the roles are unique and the comparators are diverse. We will utilize the Korn Ferry Hay Guide Chart-Profile MethodSM of Job Evaluation (“KF Hay Method”), developed by Edward Hay in the early 1940s. It has been modified over the years to reflect the changing needs and evolution of organizations. Used by over 8,000 organizations in over 40 countries, it is the most widely used process for the evaluation of management, professional, technical, and administrative jobs in the world.

The method is based on KF’s long experience (over 50 years) with both private and public sector clients. The method was first constructed to be a job evaluation technique, but its broader application in (A) compensation market pricing, (B) both job and organizational analysis has made it a useful management tool. Two principles are fundamental to the KF Hay Method:

- An understanding of the content of the job to be measured.
- The direct comparison of one job with another job to determine relative value.

The comparison is made between different aspects of total job content, defined as know-how, problem solving and accountability. The sum of these measures, expressed in job evaluation “points”, represents the value of the whole job.

Know-How +	Problem Solving +	Accountability =	Korn Ferry Hay Points
<p>Know How - knowledge and skill needed for acceptable job performance:</p>	<p>Problem Solving - This factor measures the thinking required in the job by considering two dimensions:</p>	<p>Accountability - This factor measures:</p>	<p>The sum of Know-How, Problem Solving and Accountability</p>
<ul style="list-style-type: none"> • Technical know-how. • Managerial know-how. • People know-how. 	<ul style="list-style-type: none"> • Environment in which the thinking takes place. • Challenge presented by the thinking to be done. 	<ul style="list-style-type: none"> • Nature and degree of the decision-making or influence of the job. • Unit or function most clearly affected by the job. • Nature of that effect. 	<p>It is important to note that all positions in Korn Ferry database have been evaluated using the same method.</p>



Appendix C – Participants in Commercial Industrial Market

3M Canada Company	Burberry Canada	Exact Sciences
AbeBooks	Burger King Corporation	Ferrero Canada Limited
Abercrombie & Fitch Co. - Abercrombie	Cabot Canada Ltd.	First Majestic Silver Corp.
AB-InBev Group	Canpotex Limited	First Quantum Minerals
Acciona	Capri Holdings Limited	Fisher & Paykel Healthcare Inc.
AGCO Corporation	Capstone Mining Corp.	Flowserve Canada Corporation
Agnico-Eagle Mines Limited	Carrier Corporation	Fossil Canada
Air New Zealand	Carter's Canada	Franklin Electric
Air Products Canada Ltd.	Caterpillar of Canada Corporation	Freeport McMoran
Alamos Gold Inc.	Centerra Gold Inc.	Frulact - Canada
Allied Universal	Centric Brands	Fundserv Inc.
Alkem Canadá	CEPSA Química Bécancour	G2 Ocean Shipping Canada Ltd.
Allnex Canada Inc.	Ceva Sante Animale	Gallant Custom Laboratories, Inc
Alludo	Charlotte Tilbury	Gap (Canada) Inc.
ALS Canada Ltd.	Chemours Advanced Performance Materials (APM)	Gerdau Long Steel North America
ALSTOM Power Canada Inc	Chemours Thermal & Specialized Solutions (TSS)	Glencore Canada Corporation - Copper
Amazon Canada	Chemours Titanium Technologies	Glencore Canada Corporation - Nickel - Sudbury
Amcor Rigid Plastics	Chrysos Corporation	Glencore Canada Corporation - Zinc
Amgen Canada, Inc (CA)	Church & Dwight Canada	Global Infrastructure Hub
Amway Canada Corporation	Cloudflare	Grafana Labs
Annapurna Labs	COLAS SA	Granite Construction Inc.
AOC Aliancys	Coloplast	Grieg Seafood BC
ArcelorMittal Mines Canada	Conduent, Inc.	Griffith Foods Limited
ArcelorMittal TOPEX	Construction	Groupe LACTALIS
ArcelorMittal Tubular Products Canada G.P.	Continental AG	Groupe SEB Canada Inc.
Archer-Daniels-Midland Company (Canada) Ltd.	Copper Mountain Mining Corporation	Grundfos Canada Inc.
Arctic Canadian Diamond Company Ltd.	Corbion Canada	GS1 Canada
Argano Consulting, Inc.	Corteva Agriscience	H & M Hennes & Mauritz AB
Argen-X	COWI	Haleon
Argonaut Gold Inc.	CPAS Systems Inc.	Halliburton
Arlanxo Canada Inc.	CRH Canada Group Inc.	Hankook Tire Canada Corp.
Armaceil Canada Inc.	CSG International	Hempel A/S
Artemis Gold	Danfoss Canada	Hendrix Genetics
AT&T Inc.	Dart Canada Inc	Hettich Group
ATCO Wood Products Ltd.	DB Schenker	Hikma Pharmaceuticals & Holding
Atlantic Gold Corporation	Deckers	Hilti (Canada) Corporation
Autoliv	Delicato Family Wines	Holt Renfrew
Avis Budget Group, Inc.	Delta Air Lines, Inc.	Home Depot
B2Gold Corp.	Desigual	Honda Canada Inc.
Baker Hughes Canada Company	Devanlay Lacoste	Hood Packaging Corporation
Ball Aerosol Packaging	Digital Boundary Group	Hotelbeds
Ball Corporation	DNP	Hottinger Bruel & Kjaer Inc.
Ball Metal Beverage Packaging	Dollar Tree, Inc.	HudBay Minerals Inc.
Barilla	Dow Chemical Company	Hugo Boss Canada
Barrick Gold Corporation	Dr. Oetker Canada Ltd.	Huntsman Polyurethanes
BASF Canada Inc.	Dymax Corporation	Husky Injection Molding Systems Ltd.
Bass Pro Shops	Dyno Nobel Canada Inc.	Hyundai
Bath and Body Works	Eaton Corporation	IAMGOLD Corporation
Beaulieu International Group	Eberspaecher Climate Control Systems Canada Inc.	IBA
Bell Canada	EcoOnline AS	IFF Nutrition and Biosciences
Bericap North America Inc.	Eddyfi	IMDb
BHP Billiton Canada Inc.	EDP Renewables	Impala Canada Ltd.
BHP Billiton Limited	Egger Group	Incitec Pivot Limited
BigSteelBox Corporation	Eileen Fisher	Indivior
Biogen Canada Inc	Electrolux	Ineos Composites
BMW AG	Element Solutions	INEOS Group
Boehringer Ingelheim (Canada) Ltd.	Elemental Technologies	Information Services Corporation
Boortmalt	Ellexicon Energy	Innophos Inc.
Booz Allen Hamilton	Epocal Inc.	International Flavors & Fragrances Canada Ltd.
Boston Consulting Group	Eppendorf	Intrepid Travel Pty. Ltd.
Brambles	Eppendorf North America, Inc.	Ivanhoe Mines Ltd.
Brampton Brick	ESAB	Jaguar Land Rover
Bristol-Myers Squibb Canada Co.	ESC Corporate Services Ltd.	Jamieson Wellness Inc.
British American Tobacco	Evolution Mining	Jimmy Choo
British Columbia Ferry Services	Evonik Canada Inc.	John Deere Limited Canada



Appendix C – Participants in Commercial Industrial Market

JTI-Macdonald Corp.
K92 Mining Inc.
Kaizen Digital Services Single Partner S.A.
KBC Process Technology Ltd
Kellogg Canada Inc.
Kemira Chemicals Canada Inc.
Kemira Water Solutions
Kia
Kimberly-Clark Corporation
Kinross Gold Corporation
Kiva
Klockner-Pentaplast
Knorr-Bremse Canada
Kongsberg Maritime Canada Ltd.
Koninklijke Vopak
Kubota Canada Ltd.
Labcorp
Laerdal Medical
Lake Shore Gold Corp.
Lantic Inc.
Lavazza Group
LEGO
Lhoist North America, Inc.
Louis Dreyfus Commodities
Lundin Mining Corporation
LVMH Moët Hennessy Louis Vuitton S.A.
Maersk
Magna International Inc.
Magotteaux International
MAHLE Filter Systems North America, Inc.
Mallinckrodt Pharmaceuticals
Malvern Panalytical
Mammoet Worldwide
Marathon Gold
Marshall Aerospace and Defence Group
Mary Kay
Mazda Canada
McElhanney Ltd.
McEwen Mining Inc. - Canada
Mediterranean Shipping Company
Mega Group Inc.
Melitta Canada Inc.
Messer Canada Inc.
Mexichem Fluor Canada Inc.
Michael Kors
Michaels Stores, Inc.
Michelin North America (Canada) Inc.
Mission Group Enterprises
Mitsubishi Canada Limited
Moncler S.p.A.
Moore's Clothing for Men
Moosehead Breweries
Mphasis Limited
NDT Global Ltd.
Nestle Canada
New Gold Inc.
Newcrest Mining Ltd.
Newmont Mining Corporation - (Canada)
Nike Canada
Nissan
Nokian Tyres Canada Inc.
Nutreco Canada Inc.
Obrascon Huarte Lain
Occidental Chemical Corporation
Okanagan Nation Alliance

Oldcastle Building Products Canada, Inc.
Omega Engineering
Orla Mining Ltd.
Össur Americas
Pandora Jewelry LTD
Parker Hannifin Corporation
Pattern Energy Group Inc.
Permian Industries Ltd.
Perry Ellis International Canada
Persistent System Ltd
Philip Morris Canada
Plaza Premium Group
Pluralsight
Popeye's Louisiana Kitchen
Porsche
Powell Industries
PRYSMIAN
PVH Canada Corp.
Qualico
Rain Carbon Canada
Ralph Lauren Corporation
Randstad Global
Red Bull
Red Lion Controls
Reflex Instruments North America Limited
Resideo Technologies
Restaurant Brands International
Rheinmetall AG
Richemont
Rio Tinto Aluminium
Riversdale Resources Limited
Rocket Software
Rolls-Royce Canada - Civil Aerospace
Rolls-Royce Canada - Defence
Rolls-Royce Canada Ltd.
ROSEN Canada Ltd.
Rothmans, Benson & Hedges Inc.
ROTORK PLC
Royal DSM
RTRC
SABIC Innovative Plastics Canada Incorporated
Sally Beauty Holdings, Inc.
Samuel, Son & Co., Limited
Sarens
Save on Foods
SBM Offshore
Schweitzer Engineering Laboratories
SciPlay Corporation
SeneGence International
Sennheiser Electronic GmbH & Co. KG
Septodont - Novocal Pharmaceuticals
Servomex
Sherritt International Corporation
SHPP Canada Inc.
Siegwerk Canada Inc.
Siemens Canada Limited
Sika Canada Inc.
Simcorp
Smurfit Kappa Bag-In-Box Canada
Sofina Foods Inc.
Solar Turbines Incorporated
Solvay Canada
South32 Limited - Canada
Spectrum Brands
StandardAero

Standex International -- Mold-Tech - Canada
Standex International -- ATC Frost Magnetics
Staples, Inc.
Star Diamond Corporation
Subway Franchise World Headquarters LLC
Suncorp Valuations
SVITZER
SwordFish
Symcor Inc.
Syncreon
Syngenta Group
Tafisa Canada
Tech Data Canada Corporation
Teck Resources Limited
Tessenderlo Kerley International
Tetra Pak
The Beer Store
The Chemours Company
The Mosaic Company
The Weir Group PLC
Ticketmaster
Tim Horton's
TIP Trailer Services
TJX Companies
TMF Canada Operations Inc.
Tolko Industries Ltd.
Torex Gold Resources Inc.
Torrid
Toyota Canada Inc.
Toyota Motor Manufacturing Canada Inc.
Transurban Group
Trilogy Metals Inc.
Trivium Packaging
Twitch
uniPHARM Wholesale Drugs Ltd.
UPM Raflatac
VAISALA OYJ
Vale Canada Limited
Valentino SPA
Valmet Ltd.
Valvoline Canada Corp.
Van Hessen
Versace
VF Corporation
Victoria Secret
VinFast
Viscosity Oil Company
Volkswagen
Volvo Canada
Wallenius Wilhelmsen Logistics Vehicle Services, Ltd.
Wal-Mart Canada Corp.
Warby Parker
Wärtsilä Canada Incorporated
Wayfair
WD-40 Products Canada Ltd.
Westech Building Products ULC
Westlake Chemical Canada Inc.
Westmoreland Mining LLC - Canada
Williams-Sonoma, Inc.
WILO SE
Wilton
WNS Global Services
Zapier
Zebra Technologies Corporation
Zensar



Appendix D – Korn Ferry Benefit Valuation Methodology

For the purpose of evaluating benefit plan competitiveness (not actual cost), KF utilizes a proprietary actuarial valuation methodology to evaluate benefit plans based on the cash equivalence value of the benefits.

The following are the key considerations.

- The comparison of actual benefit cost between employers is generally affected by differences in demographic, claim experience, plan coverage and features, and actuarial assumptions etc.
- In evaluating a program's competitiveness, KF's benefit valuation model uses "standard cost assumptions", instead of a company's specific costs, which eliminates the impact of cost variables, as mentioned above.
- KF's valuation model places a relative cash equivalent value on each specific feature of a benefit program. The value for each plan is then compiled to produce an overall program value appropriate for market comparison. In general, the more generous the feature, the higher the relative value. For example, life insurance coverage of 3x salary is more valuable than 2x salary.
- For benefit items, which are conditional on the occurrence of an event such as disability, death or continuous employment in an organization, the cash equivalent value has been calculated on the basis of the probability of receiving such items using appropriate actuarial assumptions. For items such as cars and other perquisites which have an immediate value, the cash equivalent value has been calculated on the basis of the most probable average projected replacement cost in Canada.

For compensation comparison, only those benefit programs over and above minimum statutory requirements are valued in our report. KF benefit values take into account the employer-paid portion only and exclude holidays and vacations.

About Korn Ferry

Korn Ferry is a global organizational consulting firm. We help clients synchronize strategy and talent to drive superior performance. We work with organizations to design their structures, roles, and responsibilities. We help them hire the right people to bring their strategy to life, and we advise them on how to reward, develop, and motivate their people.

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