**Disclosure**

* KPI/business targets not disclosed
* CCGG suggest to group related information, proxy info is all over the place
* Not much use of visual aids
* No majority voting; voting results not disclosed
* No direct mention of intelocks between directors, but stated within director biographies (Gilles Léveillé & Paula Doré sit on the same board at Heroux Devtek).
* Director biographies should use a skill competencies matrix
* No executive succession plan officially; No retirement policy.
* Director attendance is reported, but not evaluation
* Vague Language
* (p 41, Corp Gov report): “Certain corporate actions which may be material to CGI are initiated from time to time by the company’s senior management, and when appropriate are submitted to the board consideration and approval. What defines appropriate?
* Given the “inherent limitations of majority voting policies? what policies?

**Board Composition**

* Independent of fact (as per legislation), but few members ex-CGI employees therefore not independent of mind
* Independence of the Board Chair / Lead director
* CGI does this well, lead director is independent
	+ Julie Godin (daughter of serge), Jean Brassard (ex COO), Paule Dore (ex Secretary) are listed as independent directors - good enough for NI, but not entirely independent of mind
* Jean Brassard sits on Audit and Risk management committee -> should be 100% independent
* Interlocking
	+ no disclosure or policies on interlocking. which nonetheless exists (Gilles Léveillé & Paula Doré sit on on Héroux Devtek.)
* Daughter of Godin does not really fit the selection criteria for board members tenure, and her CV is not as nice as other members (and has significantly less experience than all others). Coincidently she is daughter of majority voting shareholder – obvious conflict of interest
* Passive board
	+ Serge Godin and André Imbeau has strong influence. (55% of vote -have the power to vote out any antagonizing board member)
* Separation of duties CEO/Chairman of the board = good thing
* No clear succession plan; no max age limit for sitting on board
* They are all over 60 years old, except for Julie Godin
* Boys only club (only 2 woman sitting on the board)
* Board Succession and Skills Matrix (CCGG)
	+ The board does not have a succession plan (no disclosure) nor a skills matrix
	+ Human resource committee (p.42) does review the succession planning, but this is not disclosed.

**Shareholder Relation**

* Not equitable voting rights; Godin and Imbeau 10% equity for >50% voting right
* Voting results not disclosed
* CDPQ, with 18% ownership, has the right to submit director for nomination, but haven’t done so (either because satisfied with current management/return it does not have much practical use)
* No shareholder advisory committee
* Poor proxy voting disclosure
* (p34-35): 20M (out of 274M = ~10%) outstanding options to be exercised = huge dilution.f now.

**Committee effectiveness (p. 42,45 & 46)**

* Corporate Governance Committee:
	+ Corporate Governance only composed of 2 members and has the lowest attendance rating (86%)
		- 3 members retired in April 08 & 29th; little continuity
* Audit Committee:
	+ Audit committee => not much disclosed in their report besides mandate and fees of 3rd party
	+ Most members are stated as “financially literate”; they can read/interpret statements but might not have required expertise to properly assess financial reports
* Human Resource Committee / Compensation:
	+ Human resources committee members have minimal experience into HR and no compensation experience (p. 17)
	+ Links between an issuer’s long term corporate strategy and its executive compensation programs.
	+ CGI explains the links between their more long-term oriented goals and performance measures (Profit and growth, but specifics excluded from disclosure)
		- Short term compensation performance targets and measures?
	+ Does not seem to have a link between risk management and compensation (no clawback)
	+ Termination and change of control benefit (Page 32):
		- Executive officers don’t have severance packages, no mention for board members
		- Change of control not defined (and probably not anticipated)
	+ Procedure followed is missing for the breakdown of committee member selection.
	+ Whistleblower procedures?
		- It is a recommendation of the NI 52-110
		- p.51, before last paragraph:
			* “submit a complaint to do so via a third party ethics reporting hotline and secure web site which assures that members who wish to preserve their anonymity are able to do so with confidence.”

**Board Member / Management Relations**

* Management can bring issues to the board; board might choose not to disclose them
* Roach, the CEO of CGI is also director - (board mandate to evaluate management?)
* Chairman (and majority voter) has the final word; Lead director has the final word
	+ Lead director has the responsibility of leading the independent directors. (p.43)
	+ the Chairman’s responsibilities is the development and implementation of strategic initiative, strengthen the company’s partnership, foster key relationships
* Board / Management Roles in Strategy
	+ There is very little disclosure on who sets the strategy

**Any other topic:**

* Dual class voting share -> evident conflict of interest
	+ All “family” board members earn much more
* 3 board members recently retired; not clear why they did (no reason given) - and Miss Godin’s daughter joined the board just after. Gives the impression of a putch from Serge