



Corporate governance

EDC's mandate, powers and objectives are established by statute of the Parliament of Canada through the *Export Development Act*.

As a financial Crown corporation that operates on commercial principles, EDC is governed by a board of directors whose representatives are from the private sector.

Board stewardship

The board, along with the Executive Management team, ensures that the Corporation's strategic direction and Corporate Plan are aligned with the Government of Canada's trade priorities. Board members also act as a link between EDC and the shareholder, the Government of Canada. In this regard, the board is informed by guidance from the Minister of Export Promotion, International Trade and Economic Development through a Statement of Priorities and Accountabilities (SPA). The SPA complements the ongoing dialogue between EDC and its shareholder.

In November 2023, the board recommended the 2024–2028 Corporate Plan to the shareholder and Minister for approval.

Accountability and operations

With the exception of the President and CEO, the board is independent of EDC's management. The two entities have an effective working relationship, with the board regularly reviewing the allocation of

responsibilities. The EDC bylaws regulate board proceedings and establish matters for which the board has reserved authority. The Board Charter elaborates on the board's stewardship roles and responsibilities and provides additional detail on board proceedings.

At each board and committee meeting, time is reserved for directors to meet with the CEO and separately without the CEO. The Audit Committee meets in camera in three sessions: with representatives of the Office of the Auditor General of Canada; with EDC's Senior Vice-President and Chief Internal Auditor; and as the full Audit Committee without the CEO.

The Risk Management Committee holds regular in-camera sessions with the Chief Risk and Sustainability Officer, as well as with the Vice-President and Chief Compliance & Ethics Officer. Additionally, directors receive agendas and materials for, and are welcome to attend, any committees of which they are not members, with the exception of the Executive Committee and the Nominating and Corporate Governance Committee, where membership and participation are generally reserved for the chair and vice-chair of the board and the chairs of the board committees.

Board renewal and 2023 highlights

Vivian Abdelmessih was appointed Chair of the board in March 2023. Her extensive and diverse experience as a financial services professional, as well as her deep board experience, ensures continued excellence in board leadership. EDC also acknowledges and thanks Lindsay Gordon, who served as Interim Board Chair until March 2023.

Board renewal continued to be a priority. In 2023, two selection processes led by the Privy Council Office were completed to fill the vacant chair position and five director positions. Three directors continued to serve beyond the end of their terms, as permitted by the *Export Development Act*, and two director positions were vacant at year-end. EDC wishes to acknowledge the contributions of Andrea Stairs and the late Karen MacWilliam, both of whom stepped down from the board in 2023.

The board is gender balanced, reflecting the organization's commitment to inclusion, diversity and equity.

Other focus areas for the board included shareholder priorities such as the Indo-Pacific strategy and budgetary reductions, new geopolitical and economic uncertainties and implementation of our 2030 strategy.

GOVERNANCE STRUCTURE



Gender mix:

55% (6) male **45%** (5) female

Equity-seeking groups:

27% (3) visible minorities

ESG and ethical conduct oversight

The board oversees the Corporation's overall ESG direction and strategy, as well as the Environmental and Social Review Directive. The board received the OAG's report on its audit of the ESRD in 2023. For more information, see [page 34](#).

The board strengthened its collective ESG competency through ongoing director development and certifications. Directors took part in development training sessions on financial crime and AI, participated in training to learn more about cleantech and other sectors of the future, and engaged with the Minister of Environment and Climate Change Canada to learn more about Canada's priorities. Additionally, 82% of directors hold a Competent Boards ESG designation (GCB.D), covering enterprise risk, business complexity, technological disruptions, and social and environmental obligations. ESG was a standing item on the meeting agendas of the board and the Business Development and Performance Committee (BDPC). All other committees applied an ESG lens in fulfilling their mandates. The board received regular ESG updates from the Chief Risk and Sustainability Officer, in addition to hearing from the shareholder and civil society representatives.

Board Chair Vivian Abdelmessih served as the board representative at EDC's ESG Advisory Council meetings in 2023. This group of experts advises and guides EDC on its ESG practices.

The board promotes an ethical business culture and is sensitive to conflict-of-interest concerns. The board approves EDC's Employee Code of Conduct, which incorporates the Values and Ethics Code for the Public Sector. It receives regular reports on employee training and sign-off to confirm adherence with EDC's Code of Conduct. Board members are also expected to perform their roles in accordance with EDC's Board Code of Conduct, which the board reviews and approves annually. Attestation and training on the Board Code is an annual obligation.

EDC directors file standing declarations of interest and refrain from discussions or voting where a real or potential conflict of interest exists. Board documents are screened to flag companies listed in the standing declarations so that transaction documents are withheld from a director who has declared an interest in a party related to that transaction.

Subsidiary oversight

The board continued to oversee EDC's wholly owned subsidiary, Development Finance Institute Canada (DFIC) Inc., operating under the trade name FinDev Canada. FinDev Canada is guided by a separate board of directors, whose membership draws from the EDC board (including EDC's President and CEO, who serves as FinDev Canada's chair), as well as independent directors.

Transformation and long-term strategy

EDC is in the process of implementing its 2030 strategy. The EDC board received regular updates on transformation efforts, including organizational culture and employee survey results, and engaged with management to implement a robust culture roadmap for promoting the shifts required to achieve desired outcomes. Also notable was the annual strategy day session held at the June board meeting, where the board and EDC management team took stock of the progress made on our strategy, challenged key assumptions and aligned corporate planning with shareholder priorities.

The board maintained a long-term strategic view and helped guide the development of and revisions to EDC's Corporate Plan, ensuring alignment with shareholder priorities, including the government's Indo-Pacific strategy and budgetary reductions. Throughout the year, the board worked closely with the Executive Management team to examine the trends affecting Canadian trade, such as global economic and geopolitical conditions, the climate crisis and supply chain issues, and to engage in divergent thinking about the challenges and opportunities facing Canadian exporters. The board performed an effective challenge function, enabling senior management to address the demands on the organization and to support Canadian companies.

Enterprise risk management

As an export credit agency, we inevitably encounter a variety of financial, operational and strategic risks across a diverse economic and political landscape. Enterprise risk management (ERM) builds risk management practices into EDC's everyday operations and therefore remains a board priority. In 2023, the board oversaw the Special Model Review to assess adequacy of controls, and participated in tabletop exercises with the management team to ensure continued crisis management readiness, including the annual strategy day session at the June meeting.

Engagement with stakeholders

The board continued to monitor and facilitate effective communication between EDC and its shareholder, the Government of Canada. The board engaged with the Minister of Export Promotion, International Trade and Economic Development on governance, board renewal, shareholder priorities and corporate performance.

Maintaining high-level oversight of EDC's stakeholder engagement remained a board priority. The BDPC received regular corporate engagement reports and provided guidance while monitoring market conditions, the needs of Canadian exporters and investors, the priorities of EDC's shareholder and the expectations of other stakeholders. The board received regular reports on inclusive trade and opportunities to support equity-seeking businesses, and on EDC's international performance. It engaged with stakeholders in the medium and small segments, sectors of the future, and partners focused on scaling climate solutions.

Senior management evaluation and succession

As part of its responsibilities, the board evaluates the annual performance of the President and CEO, executive and senior vice-presidents and other designated positions. Set by the Human Resources Committee, the President and CEO's annual performance objectives and metrics are directly related to EDC achieving objectives in the Corporate Plan. The Human Resources Committee reviews performance based on these objectives and metrics, and makes recommendations to the board. The board provides the government with recommendations for the President and CEO's performance rating and variable pay. The Human Resources Committee also reviews the performance and compensation of senior management and certain other positions annually, and it reviews talent management plans and business continuity plans. A focus in 2023 was the development of a work plan that will guide EDC efforts to comply with pay equity legislation starting in 2024. The federal *Pay Equity Act* seeks to address systemic wage imbalances that may exist between male and female dominated jobs of comparable value.

Board committees

The board is supported by six board committees, and regularly reviews their mandates and terms of reference, which are described below, while specific information on board terms is available [here](#).

Each board member serves on multiple committees.

The **Audit Committee** ensures the board fulfils its mandate in financial matters, reviews any investigations by the Chief Internal Auditor, approves the plans for internal and external auditors, and ensures adequate resources.

The Audit Committee approves and monitors important capital and administrative expenditures, reviews the implications of new accounting policies, and reviews internal and external audit results. The committee approves quarterly financial statements for public release. All Audit Committee members are financially literate and independent of EDC management.

The committee, chaired by Manjit Sharma, held four regular meetings in 2023. The Audit Committee provided regular reports to the board and engaged frequently with the Chief Internal Auditor and representatives of the Office of the Auditor General of Canada.

The **Business Development and Performance Committee** advises the board on strategic direction, oversees the execution of the Corporation's strategy and monitors business performance against approved business strategies, plans and policies.

The committee, chaired by Pierre Matuszewski, held five regular meetings in 2023.

The **Human Resources Committee** supports the board's oversight of human resources strategic planning. It approves the management succession plan, employee and executive compensation, and measures and targets for the corporate incentive program. It sets objectives and advises the board on the assessment of the president's performance, and oversees the design, investment strategy and performance of employee pension plans.

The committee, chaired by Karna Gupta, held five regular meetings in 2023.

The **Risk Management Committee** supports the board's oversight of the prudent management of EDC's capital structure, including the management of credit, market and other enterprise risks. The committee oversees and recommends updates to the internal policy framework governing authorization of EDC's business activities, and oversees the authorizations required to undertake specific transactions. It reviews and recommends transactions requiring board approval and monitors compliance with the Environmental and Social Review Directive. It also oversees EDC's compliance and ethics programs and receives updates on portfolio management activities.

The committee, chaired by Pierre Matuszewski, held five regular meetings in 2023. EDC wishes to thank Lindsay Gordon for his time and dedication in serving as chair of the committee until June 2023.

The **Nominating and Corporate Governance Committee** handles matters relating to EDC's governance regime. It provides input on the ethics program for directors, selection criteria for appointments of the president and the chair, profiles of the desirable skills and experience required of directors, consideration of board candidates, and board orientation and education programs. It oversees the governance of EDC subsidiaries, assesses board effectiveness, monitors relations with management and reviews the membership and mandates of committees.

The committee, chaired by Board Chair Vivian Abdelmessih, held four meetings in 2023.

The **Executive Committee** has the authority to exercise certain board powers and meets only if necessary to deal with urgent matters that arise between board meetings. The committee, chaired by Board Chair Vivian Abdelmessih, held two meetings in 2023.

Director remuneration

Compensation paid to directors is set by Order-in-Council. The chair and other independent directors receive an annual retainer for their services and for attending committee and board meetings, plus a fixed per diem for travel time. The following compensation schedule has been in place since 2000, in accordance with the Treasury Board Guidelines:

- Chair of the board: annual retainer of \$12,400; \$485 per diem.
- Other directors: annual retainer of \$6,200; \$485 per diem.
- Chairs of committees (other than the Executive Committee) and vice-chair of the board: base retainer plus \$2,000.
- Directors are reimbursed for reasonable out-of-pocket expenses while performing their duties, including travel, accommodations and meals.

There were 15 board meetings (five regular and 10 special) and 28 committee meetings in 2023. Board operations were conducted in-person with hybrid options, with directors and management participating both in-person and by video conference, with the exception of the February meetings, which were held exclusively by video conference. The board met in Toronto in June for its annual strategy session, which included engagement with diverse stakeholders and customers from various sectors.

The total remuneration paid to independent directors, including the chair (annual retainers plus per diems), was \$274,380 in 2023, compared to \$256,709 in 2022⁽¹⁾. The total for business travel, promotion and meeting expenses paid to board members plus meeting expenses for the board and committees was \$145,087 in 2023, compared to \$156,273 in 2022⁽²⁾ (both figures are exclusive of the expenses of the president). The total for the president's business travel and hospitality expenses in 2023 was \$118,456, compared to \$42,933 in 2022.

⁽¹⁾ In 2023, the total number of board and committee meetings held was 43, compared to 30 in 2022, resulting in higher director remuneration paid in 2023.

⁽²⁾ The increase in board travel costs relates to the Board Chair's orientation and onboarding in 2023, as well as an overall increase in the cost of travel.

Board attendance⁽¹⁾

Membership and attendance of EDC Board of Directors committees in 2023

	Total Compensation (retainer plus per diem payments)	Audit Committee Meeting (3 = quorum)	Business Development and Performance Committee Meeting (3 = quorum)	Human Resources Committee Meeting (3 = quorum)	Nominating & Corporate Governance Committee Meeting (3 = quorum)	Risk Management Committee Meeting (4 = quorum)	Board of Directors Meeting (6 = quorum)	Executive Committee Meeting	Exinvest Annual Meeting ⁽²⁾
Abdelmessih, Vivian	\$39,612.50	5/5	4/4	5/5	3/3	5/5	10/10	2/2	
Boivin, Pierre	\$20,750.00		4/5	3/3		5/6	15/15		1/1
Culbert, Heather	\$16,627.50	4/5		3/6	4/4		10/15	2/2	0/1
Gordon, Lindsay	\$26,887.50	5/5	1/1	6/6	2/3	6/6	13/15	1/1	1/1
Gupta, Karna	\$31,670.00	5/5	5/5	6/6	4/4		15/15	2/2	1/1
Lavery, Mairead	\$-			6/6	4/4	6/6	15/15	2/2	1/1
MacWilliam, Karen	\$3,975.00					1/1	4/5		1/1
Matuszewski, Pierre	\$31,722.50		5/5	6/6	4/4	6/6	14/15	2/2	1/1
McLeese, Robert	\$20,507.50	5/5				6/6	15/15		1/1
Payette, Richard	\$23,175.00	5/5	4/5			3/3	15/15		1/1
Sharma, Manjit	\$25,902.50	5/5	4/5		2/4		12/15	0/2	1/1
Stairs, Andrea	\$8,677.50		2/3	2/3			7/8		1/1
Yuers, Kari	\$20,022.50	5/5	5/5				14/15		1/1
Total	\$269,530.00								
EXINVEST	\$4,850.00								
Total	\$274,380.00								

⁽¹⁾ Attendance variances reflect the following board and committee composition changes in 2023: V. Abdelmessih was appointed to the board on March 31, 2023; L. Gordon acted as Interim Board Chair until March 30, 2023; A. Stairs stepped down from the board on June 30, 2023; K. MacWilliam stepped down from the board in April 2023; P. Boivin was appointed as a member of the Human Resources Committee on June 22, 2023; and R. Payette was appointed as a member of the Risk Management Committee on June 22, 2023.

⁽²⁾ Exinvest is a Tier 2 (dormant) subsidiary of EDC, established in 1995. All EDC directors serve as directors of Exinvest, which meets annually to maintain basic corporate life cycle management subject to regulatory requirements.

Board of Directors



Vivian Abdelmessih
(Chair)
Toronto, ON



Karna Gupta
(Vice-Chair)
Oakville, ON



Pierre Boivin
Sainte-Foy, QC



Heather J. Culbert
Calgary, AB



Lindsay Gordon
Vancouver, BC



Pierre Matuszewski
Montreal, QC



Robert S. McLeese
Toronto, ON



Richard Payette
Montreal, QC



Manjit Sharma
Toronto, ON



Kari Yuers
Vancouver, BC

Executive Management team



Mairead Lavery
President and Chief
Executive Officer



Carl Burlock
Executive Vice-President
and Chief Operating
Officer



Scott Moore
Executive Vice-President,
Finance and Chief
Financial Officer



Lorraine Audsley
Senior Vice-President
and Chief Risk and
Sustainability Officer



Susannah Crabtree
Senior Vice-President,
People and Culture



Guillermo Freire
Senior Vice-President,
Mid-Market Group



Sven List
Senior Vice-President,
Corporate and
International Group



Dominic Mailhot
Senior Vice-President
and Chief Information
Officer



Julie Pottier
Senior Vice-President,
Small Business &
Partnerships and Head
of Insurance



Miguel Simard
Senior Vice-President
and Chief Legal Officer,
Special Risks and CEBA



Todd Winterhalt
Senior Vice-President,
Communications, Marketing
and Corporate Strategy Officer

* Sameer Madhok, EDC's Chief Internal Auditor, retired in December 2023 and is not shown above.