# In-House Counsel
## Compensation & Career Survey 2010



THE COUNSEL NETWORK®
LAWYER RECRUITMENT SPECIALISTS
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Canadian Corporate Counsel Association
Association canadienne des conseillers (ères) juridiques d'entreprises




Ipsos Reid

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# Introduction

## In-House Counsel Compensation & Career Survey 2010



# Background

Ipsos Reid was commissioned by The Counsel Network® in 2009 to conduct the first annual In-House Counsel Compensation & Career Survey in collaboration with The Canadian Corporate Counsel Association (CCCA).

This year (2010), the study was conducted once again for the purpose of reporting and benchmarking compensation-related topics of Canada's in-house counsel community.

The survey asked over 60 questions which covered the following topics:

- Demographic data
  - Location, industry, tenure, experience, age, managerial responsibilities
- Compensation
  - Base salary and increase in the past/current fiscal year
  - Short-term compensation - bonuses
  - Long-term compensation - stock options
  - Benefits
- Satisfaction with the various components of the compensation package
- Hours of work and work-life balance
- Confidence in the future
- Satisfaction with career mobility

New questions this year include:

- Bonus/incentive maximums and payout frequency
- Further detail on benefits, including: educational credits, subsidized meals, childcare, moving expenses, etc.
- Change in benefits coverage/cost in past 12 months

- Structure and components of pension/RRSP
- Amount of car/parking allowance
- Long-term incentive plan vesting and amount
- Career outlook as result of economic climate

In addition to the questions listed above, the "In-Depth Look at Provinces" section is also new this year. Since compensation levels vary widely by province, this section provides detailed breakdowns of compensation and bonus structures by province, and also by job role. Please note that the breakdowns are only given where base size is of sufficient size.

# Methodology

Survey invitations were sent via e-mail by Ipsos to over 8,000 in-house counsel on June 10, 2010. The survey was hosted online on Ipsos' secure servers and was offered in both French and English.

A total of 1106 completed surveys were received at the end of the fielding period on July 12, 2010. Among active CCCA members, this is a considerable achievement. The strong response rate and interest in the 2010 report are likely connected to the success of the 2009 report, which was the first of its kind.

The robustness of results is not only based on response rate, but also on the demographics of the respondents themselves and whether their profile matches that of the in-house counsel community. In this report, the 1106 respondents surveyed come from a wide variety of sectors, job roles and regions, which makes the data more representative.

# Notes about the Report

This report is intended to be a tool for in-house counsel and human resource professionals to better understand the current compensation levels.

In-house counsel may use these figures to benchmark salary, but attention must be given to the location, sector and seniority of the role, which are factors that create significant variations in compensation.

For base salary levels, the figures are rounded to the closest $500.

If the sums of the subgroups do not add up to 100%, it is due to "don't know" and "no answer" which are not displayed in the graphs.



# Executive Summary

Results of the second In-House Counsel Compensation & Career Survey provide valuable insight regarding the impact of the economic downturn and the progressive recovery in Canada:

Positive Signs in Base Salary and Bonuses

- Despite the downturn last year, the national average base salary of in-house counsel has increased by 3%, over 2009, from $146,000 to $150,500:
  - 37% of in-house counsel report an increase of more than 3% in the past year.
  - Base salaries have increased more in Alberta and Atlantic Canada than in Ontario.
  - Calgary has surpassed Toronto as the city where the highest average base salaries can be found ($165,500 vs. $163,500).
- In addition, most respondents eligible for a bonus/incentive earned their 2009 target amount:
  - The national average bonus/incentive earned in the past year was $38,000 (i.e. 25.3% of the annual base salary) out of an average target amount of $40,000 (i.e. 26.6% of the annual base salary).
  - Only 8% of eligible respondents indicated they earned no bonus/incentive at all in the past fiscal year.
  - Overall satisfaction with base salary and incentive programs has remained very consistent from 2009 to 2010.

Impacts Seen in Benefit Decreases and Salary Freezes

- A negative impact is seen with respect to workload, cuts in benefits and salary freezes:

Additional pressure at work:

  - The average number of weekly work hours increased from 47.3 in 2009 to 48.1 in 2010.
  - In-house counsel satisfaction with work-life balance dropped  compared to 2009.

Impact on benefits:

- 40% of respondents experienced an increase in out-of-pocket costs for benefits in the past 12 months .
- 22% experienced a decrease in benefits coverage.

Impact on base salary:

- 23% of respondents experienced a salary freeze.
- 2% experienced a decrease in base salary.

Differences by Industry and Province

- There are significant differences by industry and province:
  - The proportion of respondents who earned no bonus/incentive is much higher in manufacturing (22%) and media/entertainment (20%) whereas bonus/incentives above target amounts were frequently earned in oil & gas.
  - Salary freezes have been common in sectors such as telecommunications and information technology. These differences justify the newly added section concerning regional compensation.

Compensation Equity and Loyalty

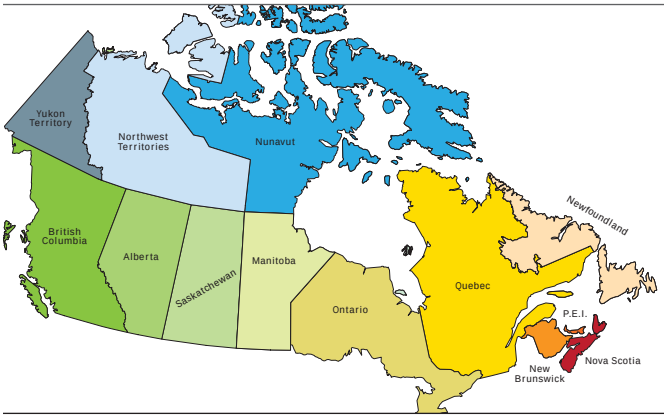
- In light of the contrasted trends characterizing the current economic climate, an increasing proportion of in-house counsel feel that they are not being fairly compensated compared to their peers:
  - 1 respondent out of 3 believe their overall compensation package is not comparable to that of other in-house counsel in similar roles.
  - The lack of information in this regard prevents 1 respondent in 5 from giving an answer to this question.
- Compensation remains the #1 motivation to make a career move:
  - 26% of respondents say that they are somewhat or very likely to do so within the next 6 months in light of their belief that current economic prospects are more promising.

# Respondent Profile

A total of 1106 in-house counsel participated in the survey from across Canada and a variety of sectors. Before using the survey results as benchmarks, it is important to consider the profile of the respondent base.

The majority of survey respondents came from Ontario and Alberta, particularly from large metropolitan centres. This reflects the location of company headquarters and head offices, where in-house counsel are most likely to work.

## Province and Region



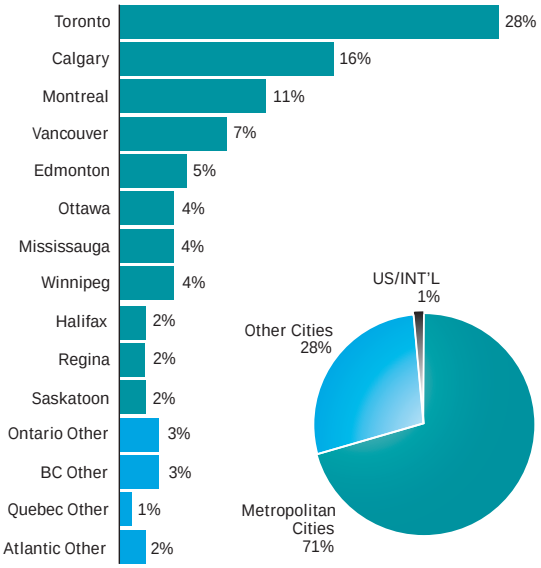

**1106 Respondents Total**

| Province | BC | AB | SK | MB | ON | QC | NL | NB | NS |
|---|---|---|---|---|---|---|---|---|---|
| % | 11 | 21 | 3 | 4 | 43 | 13 | 1 | 1 | 2 |

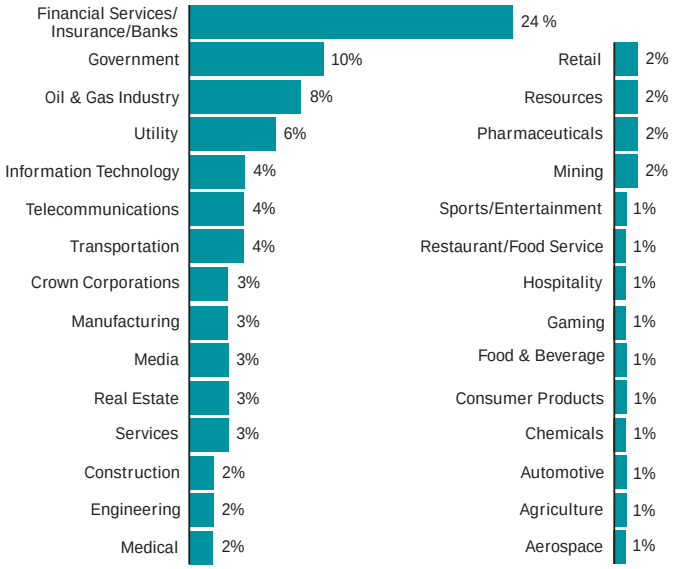
| Regions | West | Central | ON | QUE | East |
|---|---|---|---|---|---|
| % | 32 | 7 | 43 | 13 | 4 |

| Other | TERRITORIES | OUTSIDE CANADA |
|---|---|---|
| % | 1 | 1 |

## Cities




## Industry

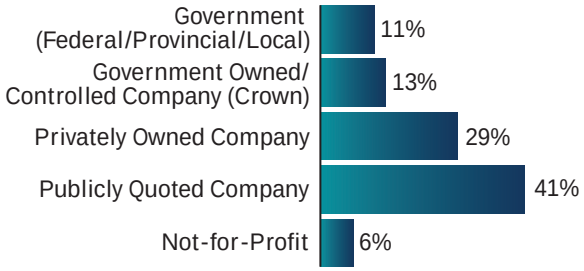


Both private and public organizations are represented in this study. The sector most represented in the sample is Financial Services.

Most in-house counsel interviewed work in publicly-quoted companies. In-house counsel are most prevalent in large organizations of 5,000 employees or more.

## Organization Type and Size

**Organization Type**




**Organization Size**




- Government organizations and organizations with staff of 5,000+ have the largest legal departments.

A wide variety of titles were mentioned by respondents but in order to provide meaningful analysis, several of the categories were combined.

1 in 3 respondents classified themselves as “Legal Counsel”. The least mentioned titles are the Assistant and Associate General Counsel.

For consistency reasons, sub-groups were combined based on their roles and responsibilities.

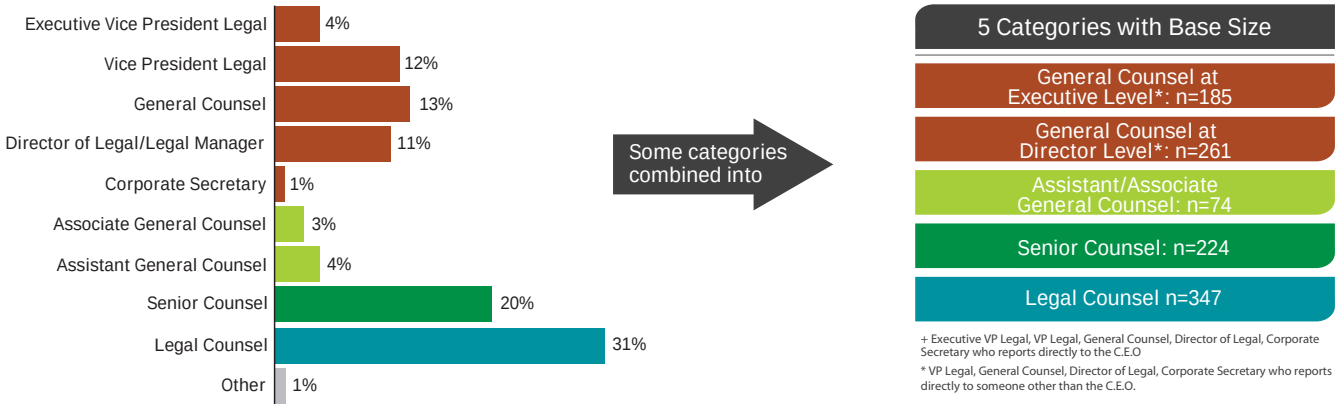
The three combined categories are as follows:

1) Assistant/Associate General Counsel (Assistant General Counsel and Associate General Counsel combined)
2) General Counsel at Director Level (Head of Legal at the Director Level who reports to the E.V.P., C.O.O, or C.F.O)
3) General Counsel at Executive Level (Chief Legal Officer who reports directly to C.E.O.)

# Respondent Profile

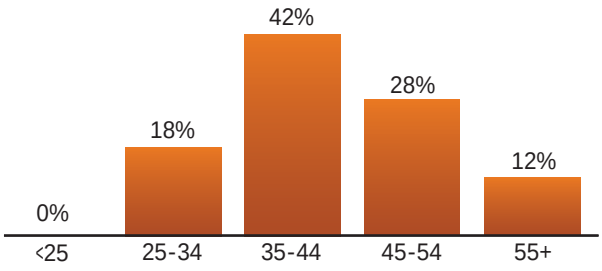
## In-House Counsel Compensation & Career Survey 2010

### Title/Position

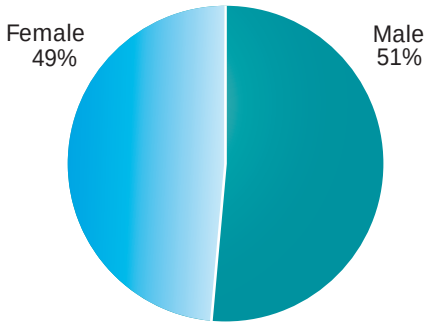



The average age of the in-house counsel surveyed is 42 years, with the age of men being slightly higher. The respondent base is half male, half female.

### Age




### Gender




- Legal Counsel are the youngest on average (37.1 years) whereas General Counsel at the Director (44.8) and Executive (46.4) Levels tend to be older.
- The mean age of males is 43.5 years versus 41 for females.



# In-House Counsel at Work

Logically, the size of the legal department is relative to the company size as well as the industry. Government, information technology and financial companies have the largest legal departments.

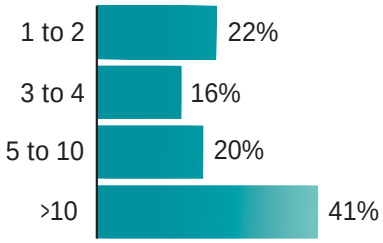
On average, in-house counsel work with about seven other lawyers.

As the seniority of the in-house counsel increases, the number of their direct reports also generally increases.

## Size of the Legal Department

Number of Lawyers

Median: 6.9

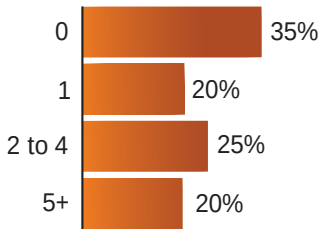


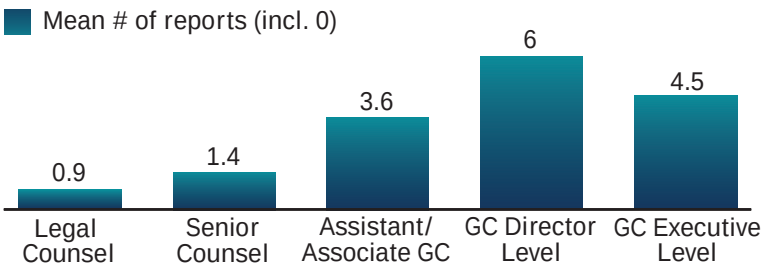

- Government organizations have the largest legal departments (14.8 lawyers), followed by publicly quoted companies (13.9 lawyers).

## Reporting Structure

Number of Reports

Mean: (incl. 0) 3

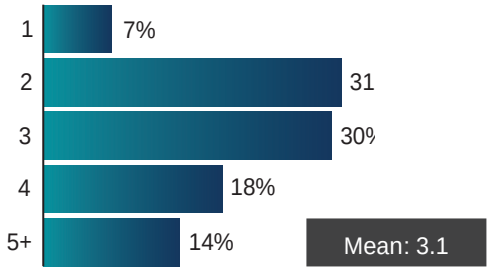


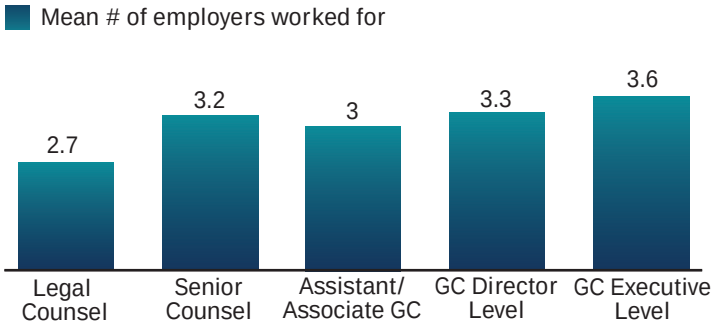



# Past Employment and Tenure

On average, in-house counsel have worked for 3.1 different organizations since being called to the bar. In-house counsel working for Government or Crown corporations are much more likely to stay with their employer. This can be seen by their higher than average length of service. On the other hand, private sector in-house counsel have worked with a larger number of companies in the past.

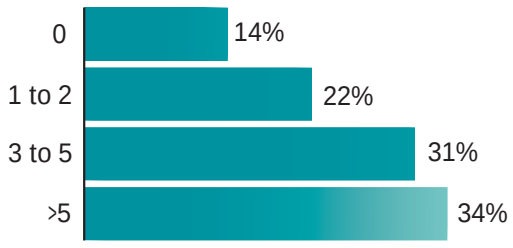
## Number of Employers Worked For

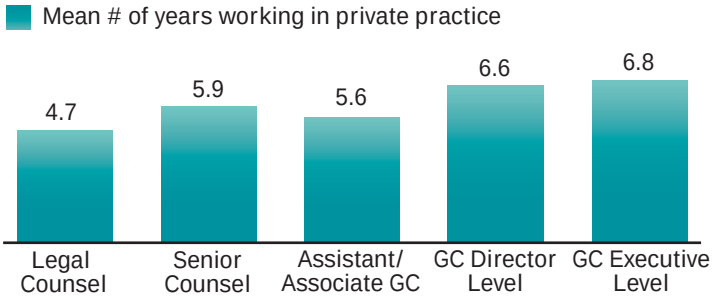



- On average, in-house counsel have worked for 3 employers.
- Those working in publicly quoted companies have worked for significantly more employers in the past than Government/Crown companies.

## Tenure in Private Practice



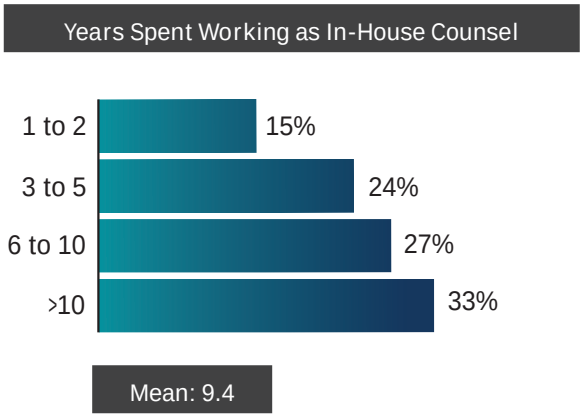



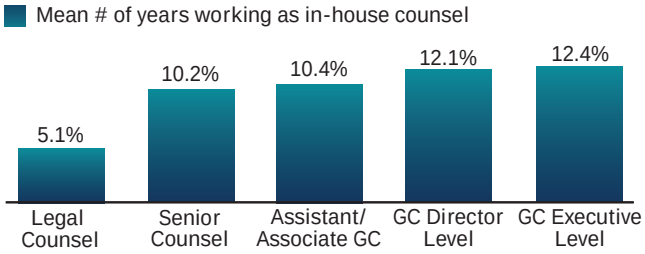

- 85% of in-house counsel have worked in private practice.
- On average, private practice experience is 5.8 years.
- Legal Counsel and counsel in Ontario are the least likely to have worked in private practice.
- Manufacturing/Auto/Aero counsel average the most years in private practice.

85% of counsel have worked in private practice before going in-house, for an average of 5.8 years. Since moving in-house, they tend to stay at their current placement for a longer time (9.4 years). Counsel in Central Canada and Quebec average the most time working in private practice.

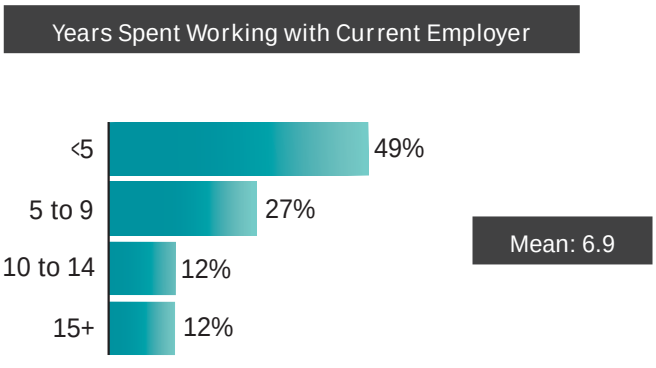
In-house counsel in Government organizations have a significantly longer tenure in-house and with their current employer, compared to all other industries. The average tenure of General Counsel at the Executive Level is 12 years, compared to only 5 years for Legal Counsel.

## Tenure as In-House Counsel

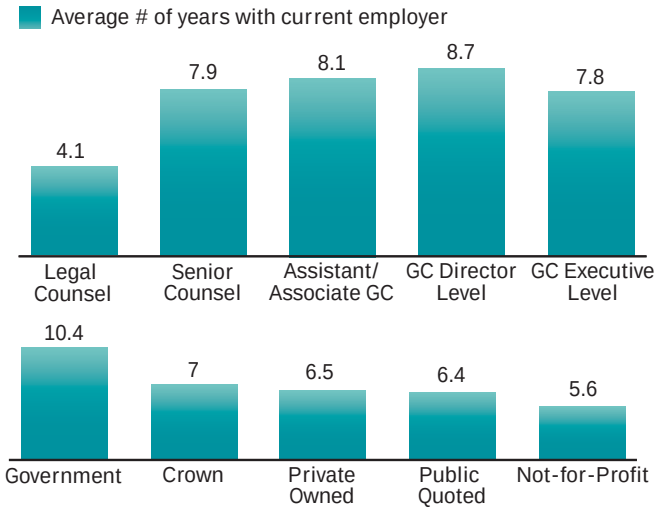



## Tenure with Current Employer




- In-house counsel in Government organizations have stayed with their current employers the longest compared to other industries.

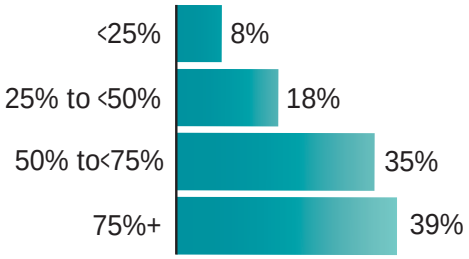


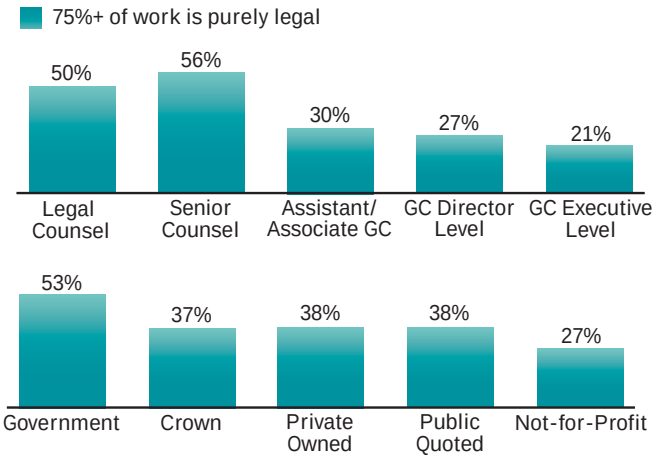
# Job Content

On average, in-house counsel spend about two-thirds of their time doing purely legal work. However, this varies by role. Legal Counsel and Senior Counsel spend the largest majority of time doing legal work but as seniority increases, proportion of legal work generally decreases.

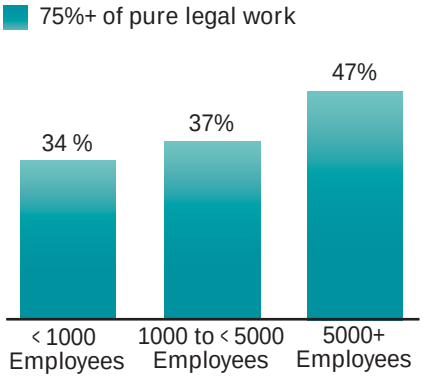
## Proportion of Legal Work

### Proportion of Purely Legal Work




### Proportion of Legal Work by Organization Size



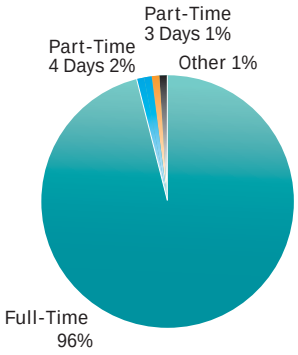

In-house counsel in Government organizations tend to spend the most time doing purely legal work, whereas counsel in not-for-profit organizations spend the least. Counsel in large organizations (with 5,000+ employees) spend more of their time doing legal work than those in small organizations who may have a wider range of responsibilities.

# Work Hours

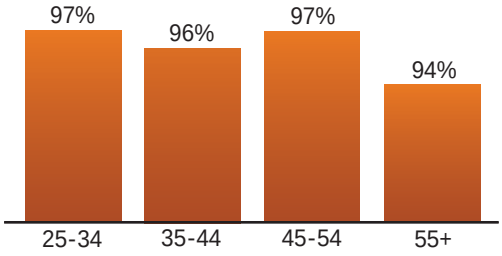
96% of in-house counsel work full-time. A higher incidence of part-time employees is found in the not-for-profit sector, among female counsel and counsel age 55+.

## Full-Time/Part-Time Work

**Full-Time/Part-Time**




**Working Full-Time by Age**

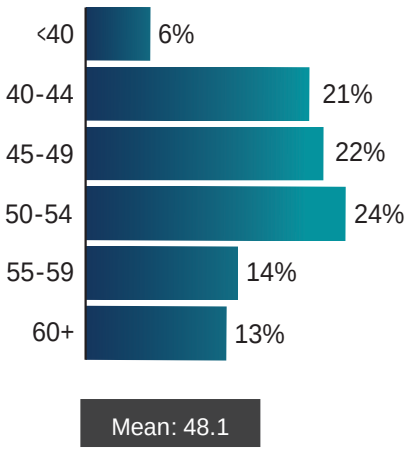


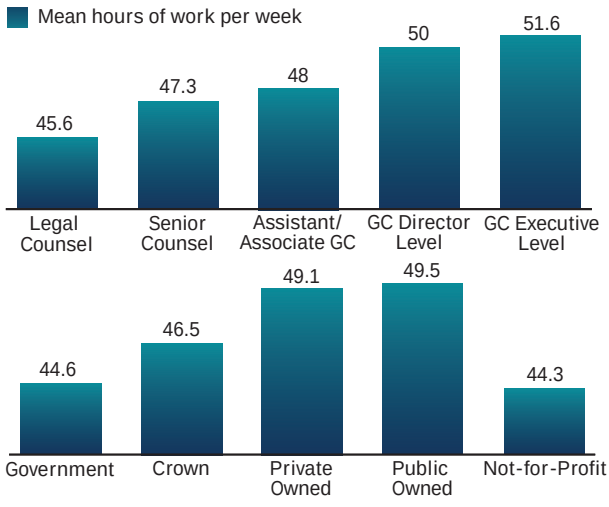

- Corporate Counsel working in not-for-profit organizations are most likely to work part-time.
- 99% of male lawyers work full-time compared to 93% of females.

On average, in-house counsel work 48.1 hours per week. This amount ranges from 45.6 hours among Legal Counsel to 51.6 among the General Counsel who report directly to the CEO.

Among the metropolitan cities, counsel in Toronto (49.8) and Montreal (49.7) work the longest hours, compared to Calgary (46.3) and Vancouver (46.9).

## Hours of Work per Week



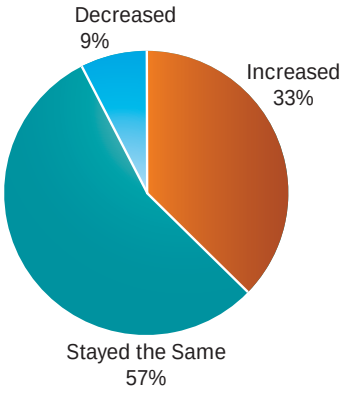
The number of hours worked seems to be moving towards either extreme. Over the past two years, more in-house counsel who are working less than 45 hours/week have experienced stable or even decreased work hours. On the other hand, in-house counsel working 55+ hours/week say that their work hours have increased in the last two years.

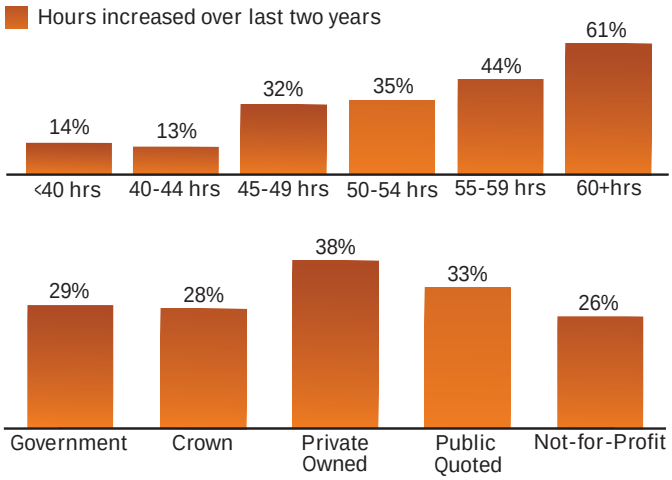
The change in work hours over the past two years is quite consistent across all positions from Legal Counsel to General Counsel. However, significantly more counsel in privately-owned companies have felt an increase in work hours, compared to those in Crown and not-for-profit organizations.

## Change in Hours of Work per Week

**Change in Weekly Hours of Work Over the Past 2 Years**

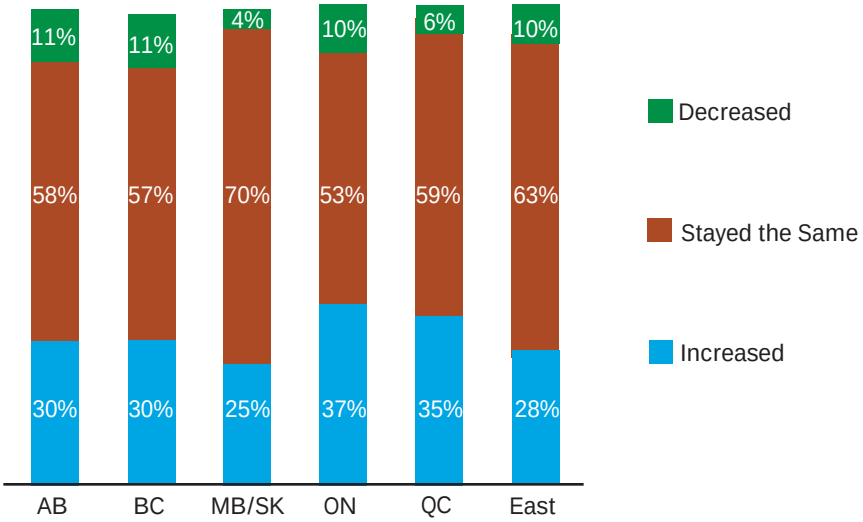
- Counsel in privately owned companies are most likely to have experienced an increase in work hours over the past two years.




## Change in Weekly Work Hours Over Past Two Years

- Work hours have remained the most stable for counsel in Manitoba (81% stayed same vs. 57% national).





# Comparability and Change in Compensation

When asked whether they knew if their compensation levels were comparable to others, 17% of in-house counsel replied “neither comparable/incomparable” and 22% of respondents simply did not know. This illustrates the lack of knowledge that counsel at all seniority levels have regarding marketplace standards for compensation. Even across all industries, there is lack of knowledge of whether one’s compensation is average or fair.

Counsel in all of the seniority categories have a similar lack of knowledge of the comparability of their salary, but Legal and Senior Counsel are more likely to feel that their compensation packages are not comparable to others in similar roles.

Compared to 2009, the percentage of counsel who don’t know or are unsure about the comparability of their salary to those of others has remained very stable. However, a small percentage of counsel have moved from feeling that their salary is comparable to incomparable.

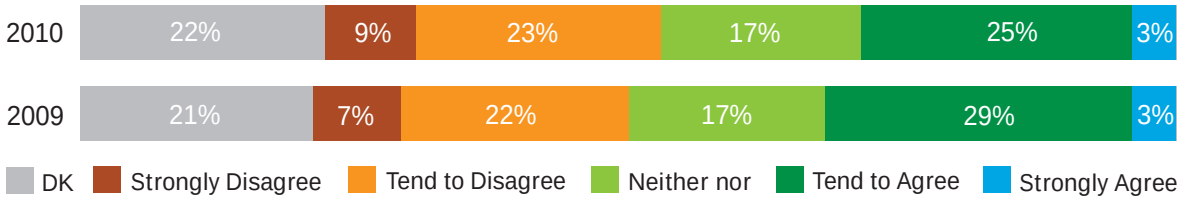
# Introduction

When in-house counsel are asked to compare their compensation to others in similar roles, there are mixed results:

- 28% answer that their package is comparable to that of others
- 33% disagree with this statement
- 17% reply ‘neither/nor’
- 22% of respondents simply don’t know

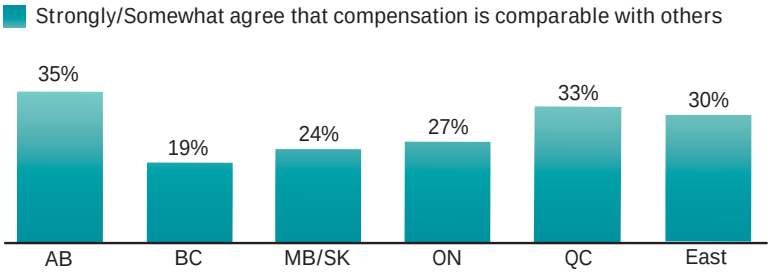
## Comparison of Compensation Packages

Is your overall compensation package comparable to that of other in-house counsels in similar roles?




## Comparison of Compensation Packages

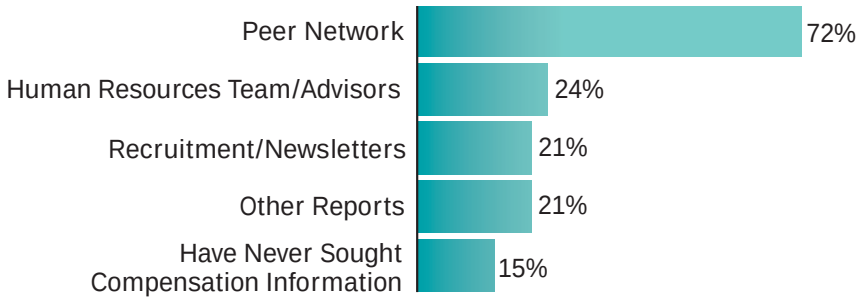
By Region




The sources for information about in-house counsel compensation and the averages and trends in the industry are limited to mostly word-of-mouth from peers, which may contribute to the lack of knowledge about one's compensation comparability.

## Sources of Information for Industry Compensation

From what sources do you obtain information about your compensation, relative to current market averages and trends?

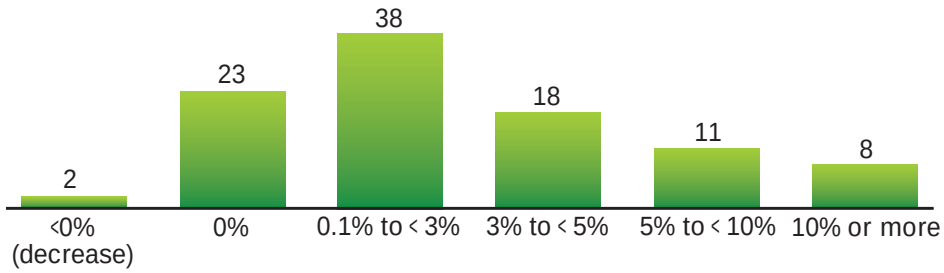


# Base Salary Increase

Opportunities to formally negotiate a salary increase are rare for half of the respondents. 49% declare that they "never have opportunities" to discuss a salary increase. However, for 40% there is a formal discussion about compensation every year and for 3%, every 2 years. 8% of in-house counsel say that they can negotiate an increase anytime.

In the past year, about 2% of counsel experienced a decrease in their base salary and 23% experienced no change in their base salary. In the past fiscal year, 83% of Government sector counsel had some increase in salary in the past fiscal year, compared to 74% on average in other sectors.

## Base Salary Increase in the Past Year




# Change in Benefits over Past 12 Months

Over the past 12 months, the economic climate has invariably affected compensation. In-house counsel were asked how their benefits packages may have been affected as well.

On average, 2 in 5 counsel experienced an increase in out-of-pocket costs for their benefits. Fewer, 2 in 10, experienced a decrease in benefits coverage. Both occurrences were mostly in the government, privately-owned and publicly-quoted organizations.

Additionally, large companies (5,000+ employees) and those in financial, telecommunications, retail/food/hospitality and information technology industries were more likely to have these benefit changes in the past 12 months.

| Experienced in past 12 months (% Yes) | Total | Gov't | Crown | Not-for-Profit | Privately Owned | Publicly Quoted |
|---|---|---|---|---|---|---|
| Increase in out-of-pocket costs for benefits | 40% | 45% | 29% | 31% | 41% | 43% |
| Decrease in benefits coverage | 22% | 24% | 11% | 19% | 22% | 26% |



# In-Depth Look at Provinces

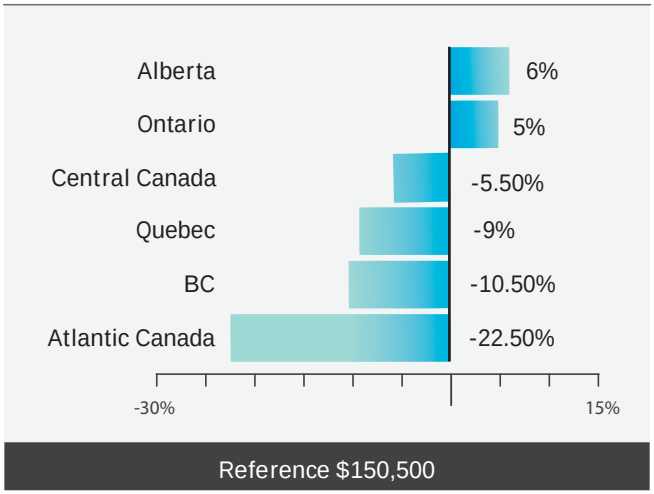
The following section provides further detail on compensation by provinces. There are large regional differences in corporate counsel compensation so each piece of this section details the key compensation statistics of that/those province(s).

There are several things to note when benchmarking salaries to the results in this section:

- There may not be an exact match between the positions presented here and one's current job title. However, the profile statistics of each position can determine whether a reasonable comparison can be made.
- Due to some limitations of sample size, not all cross tabulations of province and industry are provided. However, the remainder of the report explores further compensation statistics at the national level.

Overall, these statistics are not intended to be viewed as absolute but rather in conjunction with the rest of the variables in this report.

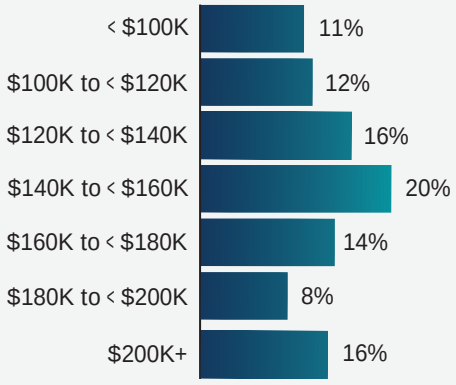
## National Average Base Salary



# Focus on Ontario

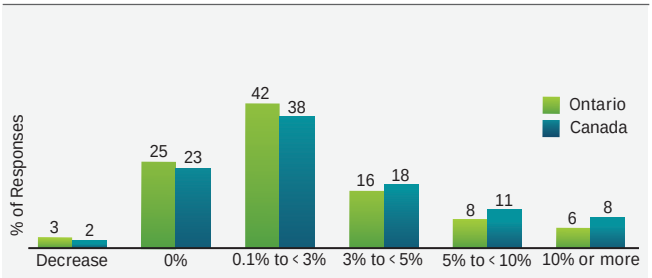
- The average base salary for in-house counsel in Ontario is $158,000.
- Base salaries range from $114,000 for Legal Counsel to $221,500 for General Counsel at the Executive Level.

## Distribution of Base Salary - Ontario




| Mean | Ontario: $158,000 \| Toronto: $163,500<br>Ottawa: $135,500 \| GTA: $162,500 |
|---|---|

## Base Salary Increase




Ontario vs. Canada

Overall, base salary increases in the past year were lower in Ontario vs. the national average.

- 28% of respondents experienced a salary decrease or salary freeze
- For 42% the increase granted in 2009 was under 3%
- 30% benefited from an increase >3%

## Compensation Package by Position - Ontario

| | Legal Counsel | Senior Counsel | GC Director Level* | GC Executive Level* |
|---|---|---|---|---|
| Average Base Salary | $114,000 | $147,000 | $170,500 | $221,500 |
| Target Bonus/Incentive** | 17% | 22% | 29% | 43% |
| Max. Target Amount | 21% | 31% | 46% | 60% |
| Actual Bonus/Incentive in Past Year | 15% | 20% | 24% | 35% |

* Chief Legal Officer who reports directly to C.E.O. or President vs. Head of Legal at Director level reports to E.V.P., C.O.O., C.F.O.

** 82% of respondents are eligible in the province

## Benefits/Incentives - Ontario

| Included in benefits package % Yes | Canada | ON |
|---|---|---|
| Dental Coverage | 95% | 96% |
| Extended Medical Coverage | 94% | 93% |
| Provincial Health Care Coverage | 83% | 81% |
| Employee Assistance Program | 75% | 73% |
| Additional Health Spending Account | 56% | 49% |
| Medical/Dental Coverage Beyond Retirement | 33% | 34% |
| Executive Health Plan | 19% | 18% |
| Disability/Life Insurance | 93% | 92% |
| Pension/Retirement Plan | 83% | 81% |
| Educational Credits/Tuition Reimbursement | 50% | 50% |
| Employee Referral Program | 33% | 31% |
| Parking Allowance | 31% | 22% |
| Moving Expenses | 21% | 14% |
| Car Allowance | 20% | 21% |
| Subsidized Meals | 10% | 11% |
| Subsidized Childcare | 2% | 2% |
| Personal Time Off Days | 48% | 51% |
| Flex Days | 39% | 29% |
| Top Up for Maternity Leave | 39% | 41% |
| Extended Parental Leave | 25% | 26% |
| Sabbaticals | 10% | 9% |

## Change in Benefits - Ontario

| Experienced in past 12 months (% Yes) | Canada | ON |
|---|---|---|
| Increase in out-of-pocket costs for benefits | 40% | 44% |
| Decrease in benefits coverage | 22% | 27% |

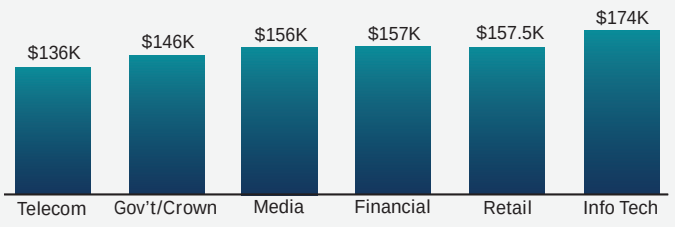
A comparable trend is registered concerning benefits: in-house counsel in Ontario were more likely than their counterparts in other provinces to experience benefits cuts in 2009.

The top 6 sectors employing in-house counsel in the province are the following:

- #1 Financial Services/Insurance
- #2 Government/Crown Companies
- #3 Retail/Hospitality/Food
- #4 Information Technology
- #5 Telecommunications
- #6 Media/Gaming/Entertainment

Corresponding base salaries are indicated in the chart hereafter.

## Trends by Industry in Ontario




## Focus on the Financial Sector - Ontario

| | Legal Counsel | Senior Counsel | GC Director Level* | GC Executive Level* |
|---|---|---|---|---|
| Average Base Salary | $109,000 | $135,000 | $176,500 | $241,000 |
| Target Bonus/ Incentive** | 16% | 21% | 37% | 59% |
| Max. Target Amount | 19% | 30% | 68% | 82% |
| Actual Bonus/Incentive in Past Year | 14% | 20% | 31% | 50% |

* Chief Legal Officer who reports directly to C.E.O. or President vs. Head of Legal at Director level reports to E.V.P., C.O.O., C.F.O.

** 92% of respondents are eligible in the sector

## Focus on the Public Sector in Ontario

| | Counsel (Legal and Senior Counsel) | General Counsel* |
|---|---|---|
| Average Base Salary | $133,000 | $154,500 |

## Satisfaction with Compensation

| % Very/Somewhat Satisfied | Canada | ON |
|---|---|---|
| Benefits Package | 76 | 70 |
| Incentive Program | 63 | 57 |
| Base Salary | 57 | 52 |

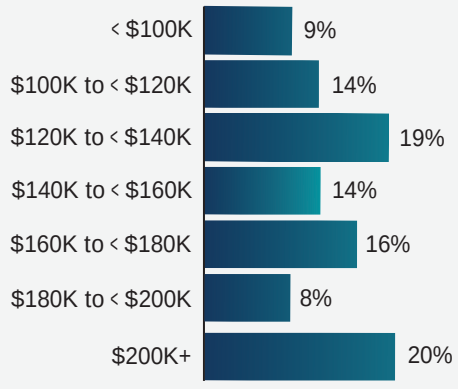
In-house counsel satisfaction with compensation package has dropped in Ontario.

In 2010, satisfaction scores concerning base salary, incentive program and benefits package are below the national average whereas last year's results were on par with the rest of Canada.

# Focus on Alberta

- The average base salary for in-house counsel in Alberta is the highest in the country at $160,000.
- Base salaries range from $117,500 for Legal Counsel to $228,500 for General Counsel at the Executive Level.

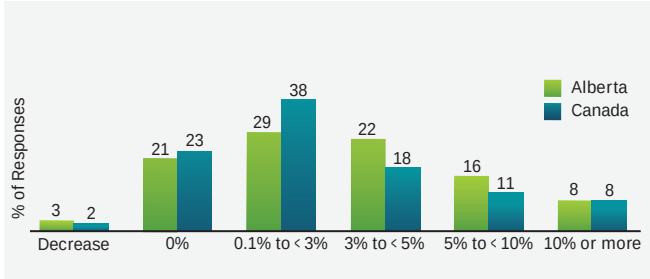
## Distribution of Base Salary in Alberta




Mean

Alberta: $160,000 | Calgary: $165,500 | Edmonton: $142,500

## Base Salary Increase




Alberta vs. Canada

Base salary increases in the past year were slightly higher in Alberta vs. the national average.

- 46% of respondents were granted an increase >3% (Canada = 37%)

In addition, in-house counsel in Alberta were less often impacted by benefits cuts in the past 12 months.

## Compensation Package by Position - Alberta

| | Legal Counsel | Senior Counsel | GC Director Level* | GC Executive Level* |
|---|---|---|---|---|
| Average Base Salary | $117,500 | $155,500 | $192,000 | $228,500 |
| Target Bonus/Incentive** | 21% | 20% | 35% | 56% |
| Max. Target Amount | 32% | 33% | 65% | 134% |
| Actual Bonus/Incentive in Past Year | 15% | 20% | 39% | 69% |

* Chief Legal Officer who reports directly to C.E.O. or President vs. Head of Legal at Director level reports to E.V.P., C.O.O., C.F.O.

** 82% of respondents are eligible in the province

## Benefits/Incentives - Alberta

| Included in benefits package % Yes | Canada | AB |
|---|---|---|
| Dental Coverage | 95% | 97% |
| Extended Medical Coverage | 94% | 96% |
| Provincial Health Care Coverage | 83% | 87% |
| Employee Assistance Program | 75% | 80% |
| Additional Health Spending Account | 56% | 71% |
| Medical/Dental Coverage Beyond Retirement | 33% | 32% |
| Executive Health Plan | 19% | 14% |
| Disability/Life Insurance | 93% | 95% |
| Pension/Retirement Plan | 83% | 86% |
| Educational Credits/Tuition Reimbursement | 50% | 53% |
| Employee Referral Program | 33% | 44% |
| Parking Allowance | 31% | 47% |
| Moving Expenses | 21% | 28% |
| Car Allowance | 20% | 18% |
| Subsidized Meals | 10% | 6% |
| Subsidized Childcare | 2% | 3% |
| Personal Time Off Days | 48% | 41% |
| Flex Days | 39% | 61% |
| Top Up for Maternity Leave | 39% | 33% |
| Extended Parental Leave | 25% | 22% |
| Sabbaticals | 10% | 8% |

## Change in Benefits - Alberta

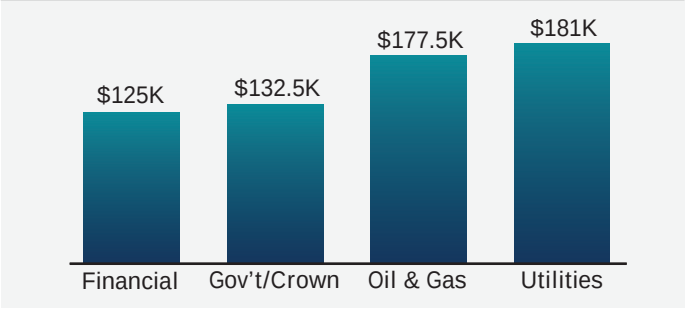
| Experienced in past 12 months (% Yes) | Canada | AB |
|---|---|---|
| Increase in out-of-pocket costs for benefits | 40% | 36% |
| Decrease in benefits coverage | 22% | 18% |

The top 4 sectors employing in-house counsel in the province are the following:

- #1 Oil & Gas
- #2 Government/Crown Companies
- #3 Utilities
- #4 Financial Services/Insurance

Corresponding base salaries are indicated in the chart hereafter. Additional details are available for the oil & gas sector on the following page.

## Trends by Industry - Alberta



## Focus on Oil & Gas Sector in Alberta

| | Legal Counsel | Senior Counsel | General Counsel* |
|---|---|---|---|
| Average Base Salary | $132,000 | $161,000 | $230,000 |
| Target Bonus/Incentive** | 18% | 18% | 55% |
| Max. Target Amount | 27% | 36% | 142% |
| Actual Bonus/Incentive in Past Year | 20% | 19% | 80% |

* Chief Legal Officer who reports directly to C.E.O. or President vs. Head of Legal at Director level reports to E.V.P., C.O.O., C.F.O.

** 97% of respondents are eligible in the sector

## Satisfaction with Compensation

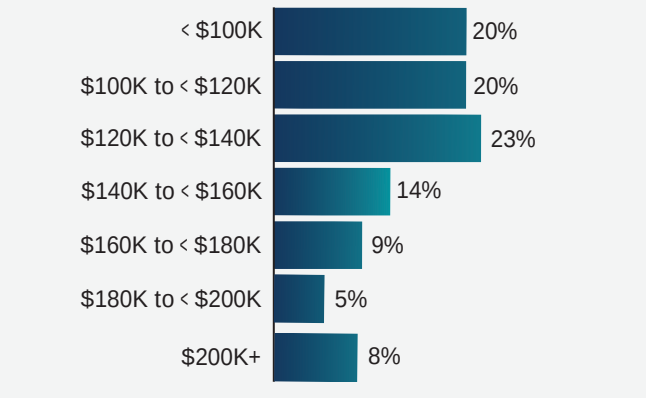
| % Very/Somewhat Satisfied | Canada | AB |
|---|---|---|
| Benefits Package | 76 | 82 |
| Incentive Program | 63 | 70 |
| Base Salary | 57 | 63 |

In-house counsel satisfaction with compensation package is higher in Alberta compared to the rest of Canada.

# Focus on British Columbia

- The average base salary for in-house counsel in British Columbia is $135,000.
- This base salary is 10% lower than the national average.
- Base salaries range from $107,000 for Legal Counsel to $194,000 for General Counsel at the Executive Level.

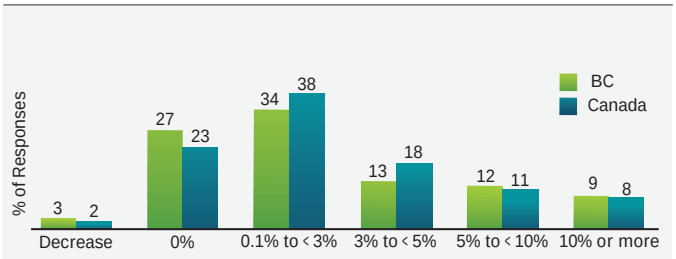
## Distribution of Base Salary in BC




Mean

BC: $135,000 | Vancouver: $142,000

## Base Salary Increase




BC vs. Canada

Base salary increases in British Columbia were compared to the Canadian average:

- 30% of respondents experienced a salary decrease or salary freeze (+5 points vs. Canada)
- 21% benefited from an increase >5% (+2 vs. Canada)

## Compensation Package by Position - BC

| | Legal Counsel | Senior Counsel | GC Director Level* | GC Executive Level* |
|---|---|---|---|---|
| Average Base Salary | $107,000 | $126,000 | $140,500 | $194,000 |
| Target Bonus/Incentive** | 14% | 16% | 21% | 33% |
| Max. Target Amount | 19% | 20% | 28% | 49% |
| Actual bonus/Incentive in Past Year | 11% | 14% | 19% | 45% |

* Chief Legal Officer who reports directly to C.E.O. or President vs. Head of Legal at Director level reports to E.V.P., C.O.O., C.F.O.

** 70% of respondents are eligible in the province

## Benefits/Incentives - BC

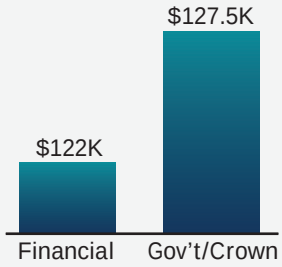
| Included in benefits package % Yes | Canada | BC |
|---|---|---|
| Dental Coverage | 95% | 92% |
| Extended Medical Coverage | 94% | 92% |
| Provincial Health Care Coverage | 83% | 83% |
| Employee Assistance Program | 75% | 66% |
| Additional Health Spending Account | 56% | 55% |
| Medical/Dental Coverage Beyond Retirement | 33% | 27% |
| Executive Health Plan | 19% | 17% |
| Disability/Life Insurance | 93% | 90% |
| Pension/Retirement Plan | 83% | 79% |
| Educational Credits/Tuition Reimbursement | 50% | 50% |
| Employee Referral Program | 33% | 27% |
| Parking Allowance | 31% | 31% |
| Moving Expenses | 21% | 24% |
| Car Allowance | 20% | 14% |
| Subsidized Meals | 10% | 9% |
| Subsidized Childcare | 2% | 2% |
| Personal Time Off Days | 48% | 49% |
| Flex Days | 39% | 31% |
| Top Up for Maternity Leave | 39% | 35% |
| Extended Parental Leave | 25% | 21% |
| Sabbaticals | 10% | 7% |

## Change in Benefits - BC

| Experienced in past 12 months (% Yes) | Canada | BC |
|---|---|---|
| Increase in out-of-pocket costs for benefits | 40% | 27% |
| Decrease in benefits coverage | 22% | 20% |

The impact of the downturn on in-house counsel benefits was limited in British Columbia.

## Trends by Industry - BC




The top 2 sectors employing in-house counsel in the province are Financial Services/Insurance and Government/Crown companies.

Corresponding base salaries are indicated in the chart above.

In-house counsel satisfaction with their benefits package is higher in BC vs. the rest of Canada.

Satisfaction concerning base salary is in line with the national average score of 57%.

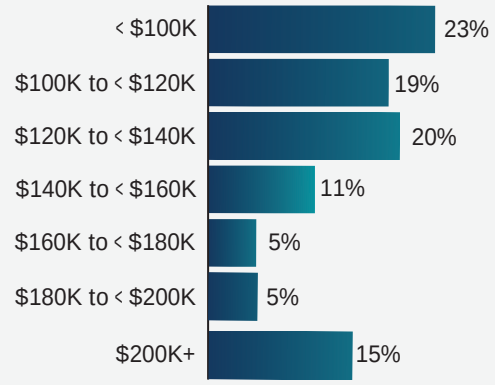
## Satisfaction with Compensation - BC

| % Very/Somewhat Satisfied | Canada | BC |
|---|---|---|
| Benefits Package | 76 | 82 |
| Incentive Program | 63 | 72 |
| Base Salary | 57 | 58 |

# Focus on Central Canada

- The average base salary for in-house counsel in Central Canada is $142,500.
- This base salary is 5.5% lower than the national average.
- Base salaries range from $117,500 for Counsel to $170,000 for General Counsel.
- Base salaries are slightly higher in Saskatchewan than in Manitoba.

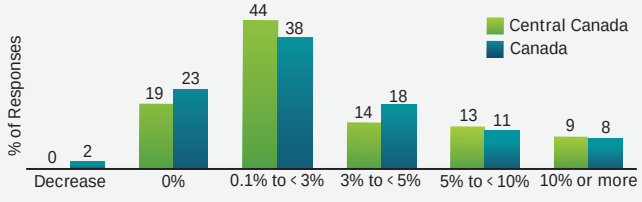
## Distribution of Base Salary - Central




Mean

Manitoba: $141,000 | Saskatchewan: $143,500

## Base Salary Increase




Central Provinces vs. Canada

Base salary increases in Central Canada were more common than in the rest of the country apart from the East.

- Only 19% of respondents experienced a salary decrease or salary freeze (6 point difference vs. Canada)
- 22% benefited from an increase >5% (+3 vs. Canada)

## Compensation Package by Position - Central Canada

| | Counsel (Legal + Senior Counsel) | General Counsel* |
|---|---|---|
| Average Base Salary | $117,500 | $170,000 |
| Target Bonus/Incentive** | 17% | 34% |
| Max. Target Amount | 20% | 50% |
| Actual Bonus/Incentive in Past Year | 18% | 34% |

* Chief Legal Officer who reports directly to C.E.O. or President and Head of Legal at Director level reports to E.V.P., C.O.O., C.F.O.

** 67% of respondents are eligible in Central Canada.

## Benefits/Incentives - Central Canada

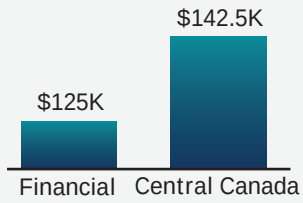
| Included in benefits package % Yes | Canada | MB/SK |
|---|---|---|
| Dental Coverage | 95% | 99% |
| Extended Medical Coverage | 94% | 97% |
| Provincial Health Care Coverage | 83% | 78% |
| Employee Assistance Program | 75% | 82% |
| Additional Health Spending Account | 56% | 73% |
| Medical/Dental Coverage Beyond Retirement | 33% | 37% |
| Executive Health Plan | 19% | 22% |
| Disability/Life Insurance | 93% | 96% |
| Pension/Retirement Plan | 83% | 94% |
| Educational Credits/Tuition Reimbursement | 50% | 58% |
| Employee Referral Program | 33% | 32% |
| Parking Allowance | 31% | 42% |
| Moving Expenses | 21% | 34% |
| Car Allowance | 20% | 19% |
| Subsidized Meals | 10% | 11% |
| Subsidized Childcare | 2% | 3% |
| Personal Time Off Days | 48% | 39% |
| Flex Days | 39% | 24% |
| Top Up for Maternity Leave | 39% | 49% |
| Extended Parental Leave | 25% | 25% |
| Sabbaticals | 10% | 11% |

## Change in Benefits - Central Canada

| Experienced in past 12 months (% Yes) | Canada | MB/SK |
|---|---|---|
| Increase in out-of-pocket costs for benefits | 40% | 35% |
| Decrease in benefits coverage | 22% | 13% |

Benefits coverage for in-house counsel in Central Canada was not especially affected by the economic crisis.

## Trends by Industry - Central Canada




The top sector employing in-house counsel in Central Canada is Financial Services/Insurance.

The corresponding base salary is indicated in the chart above.

In-house counsel satisfaction with their compensation package is higher in Central Canada compared to the rest of the country.

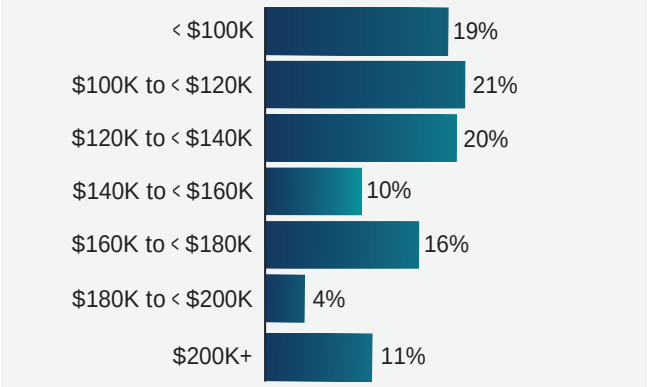
## Satisfaction with Compensation

| % Very/Somewhat Satisfied | Canada | MB/SK |
|---|---|---|
| Benefits Package | 76 | 80 |
| Incentive Program | 63 | 72 |
| Base Salary | 57 | 65 |

# Focus on Quebec

- The average base salary for in-house counsel in Quebec is $136,500.
- This base salary is 9% lower than the Canadian average.
- Base salaries range from $112,000 for Legal Counsel to $162,000 for General Counsel.

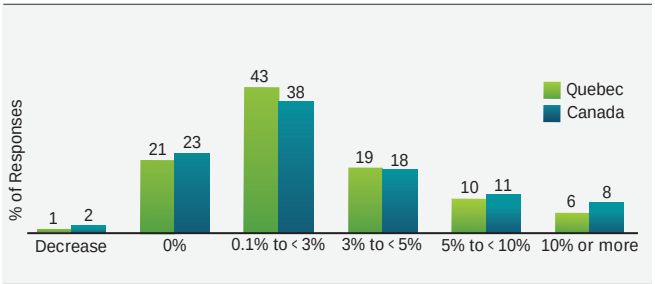
## Distribution of Base Salary - Quebec




Mean

Quebec: $136,500

## Base Salary Increase




Quebec vs. Canada

Base salary increases in Quebec were small in the last fiscal year: 43% of respondents fall into the 0.1 to 3% category.

## Compensation Package by Position - Quebec

| | Counsel (Legal + Senior Counsel) | General Counsel* |
|---|---|---|
| Average Base Salary | $112,000 | $162,000 |
| Target Bonus/ Incentive** | 17% | 23% |
| Max. Target Amount | 23% | 38% |
| Actual Bonus/Incentive in Past Year | 15% | 26% |

* Chief Legal Officer who reports directly to C.E.O. or President and Head of Legal at Director level reports to E.V.P., C.O.O., C.F.O.

** 92% of respondents are eligible in the province

## Benefits/Incentives - Quebec

| Included in benefits package % Yes | Total | QC |
|---|---|---|
| Dental Coverage | 95% | 91% |
| Extended Medical Coverage | 94% | 96% |
| Provincial Health Care Coverage | 83% | 84% |
| Employee Assistance Program | 75% | 77% |
| Additional Health Spending Account | 56% | 52% |
| Medical/Dental Coverage Beyond Retirement | 33% | 38% |
| Executive Health Plan | 19% | 37% |
| Disability/Life Insurance | 93% | 94% |
| Pension/Retirement Plan | 83% | 82% |
| Educational Credits/Tuition Reimbursement | 50% | 47% |
| Employee Referral Program | 33% | 33% |
| Parking Allowance | 31% | 26% |
| Moving Expenses | 21% | 16% |
| Car Allowance | 20% | 28% |
| Subsidized Meals | 10% | 15% |
| Subsidized Childcare | 2% | 6% |
| Personal Time Off Days | 48% | 50% |
| Flex Days | 39% | 44% |
| Top Up for Maternity Leave | 39% | 36% |
| Extended Parental Leave | 25% | 31% |
| Sabbaticals | 10% | 15% |

## Change in Benefits - Quebec

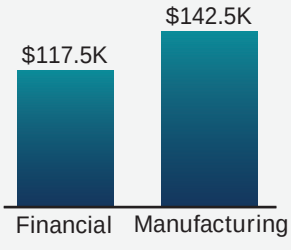
| Experienced in past 12 months (% Yes) | Canada | QC |
|---|---|---|
| Increase in out-of-pocket costs for benefits | 40% | 49% |
| Decrease in benefits coverage | 22% | 26% |

Like their Ontario counterparts, in-house counsel in Quebec were quite impacted by benefits cuts in the past 12 months.

The top 2 sectors employing in-house counsel in the province are Financial Services/ Insurance and Manufacturing/Auto/Aerospace.

Corresponding base salaries are indicated in the chart hereafter.

## Trends by Industry - Quebec



Quebec in-house counsel satisfaction with both their benefits and incentive package is in line with the rest of Canada.

Satisfaction concerning base salary is slightly lower than the overall score.

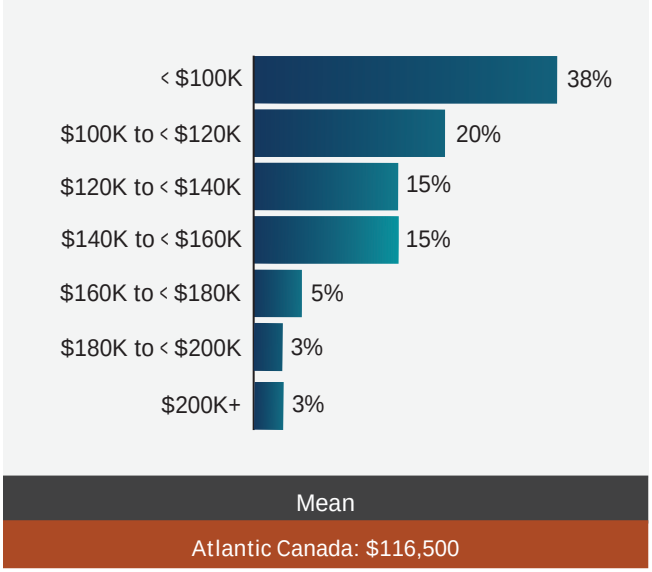
## Satisfaction with Compensation

| % Very/Somewhat Satisfied | Total | QC |
|---|---|---|
| Benefits Package | 76 | 78 |
| Incentive Program | 63 | 64 |
| Base Salary | 57 | 53 |

# Focus on Atlantic Canada

- The average base salary for in-house counsel in Atlantic Canada is $116,500.
- This base salary is 22.5% lower than the Canadian average.
- Base salaries range from $106,500 for Legal Counsel to $130,500 for General Counsel.

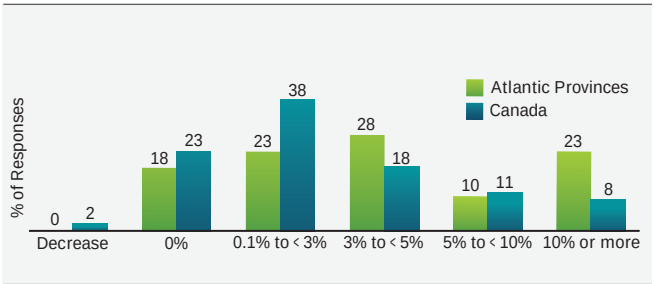
## Distribution of Base Salary - Atlantic




Mean

Atlantic Canada: $116,500

## Base Salary Increase




Atlantic Canada vs. Canada

Higher-than-average base salary increases were registered in the past year: 3 in 5 respondents indicated an increase >3%.

## Compensation Package by Position - Atlantic Canada

| | Counsel (Legal + Senior Counsel) | General Counsel* |
|---|---|---|
| Average Base Salary | $106,500 | $130,500 |
| Target Bonus/ Incentive** | 12% | 27% |
| Max. Target Amount | 16% | 49% |
| Actual Bonus/Incentive in Past Year | 11% | 28% |

* Chief Legal Officer who reports directly to C.E.O. or President and Head of Legal at Director level reports to E.V.P., C.O.O., C.F.O.

** 63% of respondents are eligible in the Atlantic Canada

## Benefits/Incentives - Atlantic Canada

| Included in benefits package % Yes | Total | East |
|---|---|---|
| Dental Coverage | 95% | 98% |
| Extended Medical Coverage | 94% | 93% |
| Provincial Health Care Coverage | 83% | 85% |
| Employee Assistance Program | 75% | 85% |
| Additional Health Spending Account | 56% | 48% |
| Medical/Dental Coverage Beyond Retirement | 33% | 38% |
| Executive Health Plan | 19% | 13% |
| Disability/Life Insurance | 93% | 93% |
| Pension/Retirement Plan | 83% | 90% |
| Educational Credits/Tuition Reimbursement | 50% | 48% |
| Employee Referral Program | 33% | 15% |
| Parking Allowance | 31% | 30% |
| Moving Expenses | 21% | 25% |
| Car Allowance | 20% | 20% |
| Subsidized Meals | 10% | 8% |
| Subsidized Childcare | 2% | |
| Personal Time Off Days | 48% | 50% |
| Flex Days | 39% | 50% |
| Top Up for Maternity Leave | 39% | 40% |
| Extended Parental Leave | 25% | 28% |
| Sabbaticals | 10% | 15% |

## Change in Benefits - Atlantic Canada

| Experienced in past 12 months (% Yes) | Canada | East |
|---|---|---|
| Increase in out-of-pocket costs for benefits | 40% | 38% |
| Decrease in benefits coverage | 22% | 10% |

Out-of-pocket costs for benefits increased for 38% of respondents in Atlantic Canada, but benefits coverage did not significantly change in the past 12 months.

Although salaries are lower in Atlantic Canada, in-house counsel satisfaction with their base salary is among the highest in the country. The significant salary increases registered in the past year have clearly contributed to this result.

## Satisfaction with Compensation

| % Very/Somewhat Satisfied | Canada | East |
|---|---|---|
| Benefits Package | 76 | 73 |
| Incentive Program | 63 | 64 |
| Base Salary | 57 | 68 |



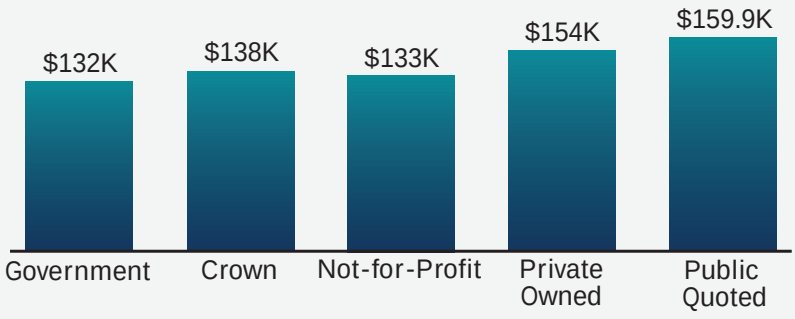

# National Trends in In-House Counsel Compensation

This section describes the trends and averages in compensation among all respondents as well as subgroups of respondents. However, if seeking to use these figures to compare and benchmark compensation, it is important to consider the appropriate subgroup for comparison as there are large discrepancies depending on various demographic or background factors. This section details the differences in base salary as well as incentives by gender, industry, employer type, age, tenure, job role, etc.

# Base Salary by Type of Employer

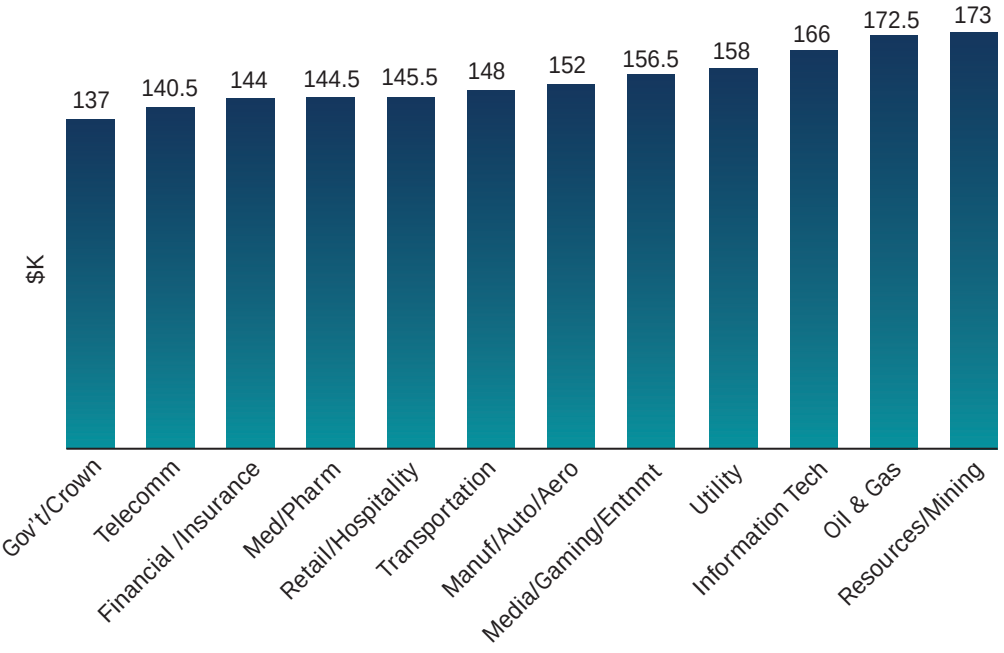
The average base salary of in-house counsel in privately-owned and publicly-quoted companies is significantly higher than those of Government or Crown corporation in-house counsel.

## Trends by Type of Organization




- Average base salaries are significantly lower in the public sector

## Trends by Industry




- There are significant differences in average base salaries by industry.

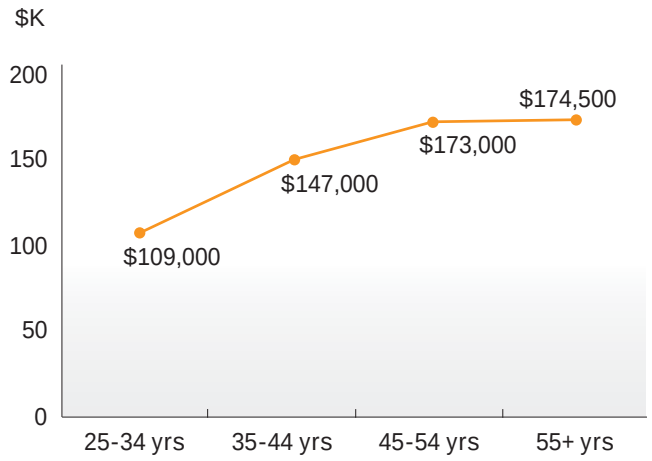
# Base Salary by Employment History, Age and Tenure

Another impactful factor on base salary is the number of years spent in private practice prior to going in-house. On average, there is a $22,000 difference in base salary between in-house counsel who have worked in private practice and those who have not. However, one has to have had at least three years of private practice work experience for their salary to be significantly greater than those who have always worked as in-house counsel.

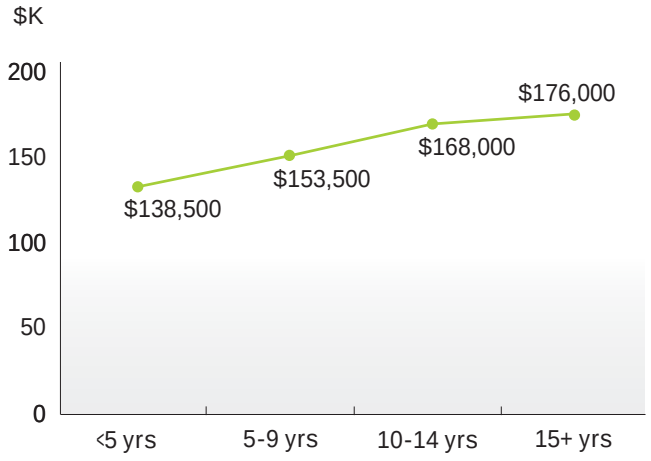
| Number of Years in Private Practice | Average Base Salary |
|---|---|
| None | $131,500 |
| 1-2 years | $135,500 |
| 3-5 years | $150,000 |
| >5 years | $169,000 |

There is general pattern of higher age to higher salary. The same pattern exists for salary and tenure with one's current employer.

### Trends by Age



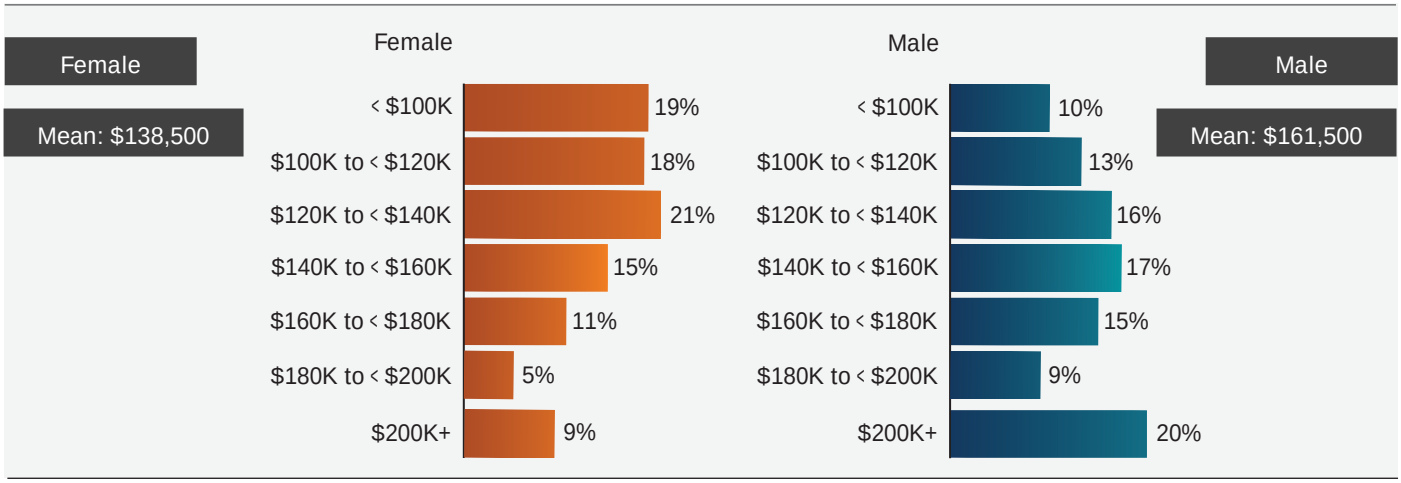

### Trends by Tenure with Employer




## Base Salary by Gender

On average, the salary of female in-house counsel is 14% lower than that of male in-house counsel.

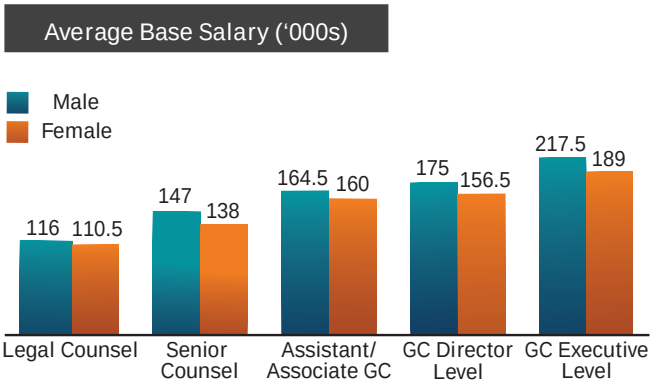
### Trends by Gender



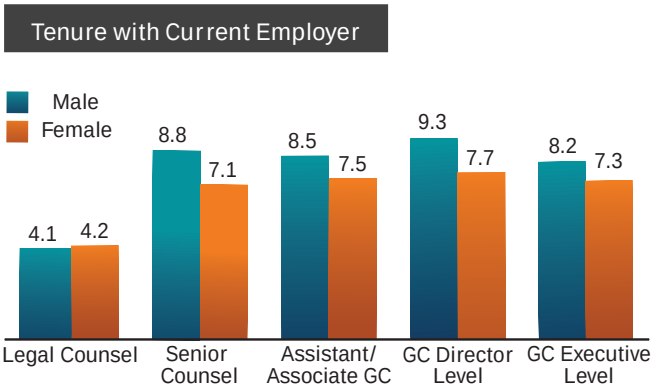
Although there is a discrepancy between the averages, it is important to note that in the respondent sample, 38% of female in-house counsel are in Legal Counsel roles compared to only 25% of males. 19% of males occupy Executive Vice President Legal and Vice President Legal roles compared to only 11% of females.

However, once we look at the salary by job title, then by gender, it appears that even if the job role is the same, there is still some discrepancy in base salary between males and females. However, there is another compounding factor where on average, the tenure with one's current employer of males is longer than that of females in every role except for Legal Counsel. Therefore, the gap in salary between males and females reflects many compounding factors that may not be solely related to gender.

## Salary – by Job Role and Gender




## Tenure – by Job Role and Gender



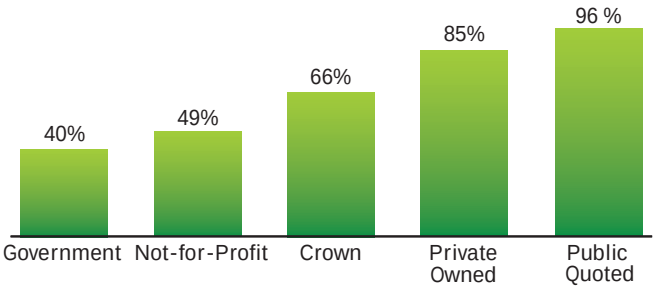

# Short- and Long-Term Incentive Programs

It is important to consider not only the base salary when thinking about compensation levels, but also incentive programs and bonuses. Benefits are also part of the compensation package to be considered and will be covered in a later section.

80% of in-house counsel are eligible for a bonus/incentive program. Those with the Legal Counsel title are significantly less likely to be eligible for incentives (71%) compared to all other levels (84%+). Also, large organizations (with 1,000+ employees) are more likely to offer bonus/incentive programs to their in-house counsel.

## Short-Term Incentives/Bonuses - Availability

- Availability of short-term incentive/bonus programs is dependant on the type of employer.




For over 90% of in-house counsel, the bonus/incentive program is based on individual performance and corporate performance. Specific project-based bonuses are more common for General Counsel at the Director and Executive Levels than Legal Counsel.

On average, the mean target bonus/incentive amount (as a percentage of base salary) is 26.6%, with the maximum potential amount being 41.2%. On average, counsel actually earned a bonus of 25.3% in the past year.

## Short-Term Incentives/Bonuses

- Individual and corporate performance are the two key criteria for incentives:

| Bonus Program based on... | TOTAL | Gov't | Crown | Not-for- Profit | Private Owned | Public Quoted |
|---|---|---|---|---|---|---|
| Individual performance | 92 | 100 | 98 | 97 | 88 | 92 |
| Organizational performance | 91 | 44 | 85 | 62 | 96 | 97 |
| Team performance | 51 | 33 | 63 | 76 | 47 | 50 |
| Specific project based | 24 | 35 | 30 | 47 | 22 | 22 |

- 98% of counsel who are eligible for a bonus are evaluated and receive their payout on an annual basis.
- General Counsel reporting to the CEO are more likely than other titles to be evaluated and paid out quarterly.

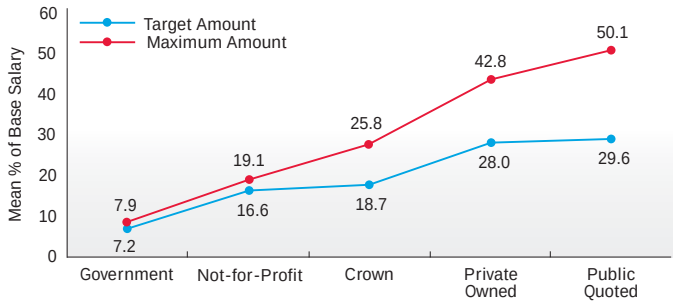
The incentive amounts vary greatly by sector, with Government awarding the least and publicly-quoted companies awarding the most. Privately-owned and publicly-quoted companies have the largest range between target and maximum amounts. Government counsel are by far the least satisfied with their bonus/incentive program (46% "Satisfied" compared to 63%+ for all other sectors).

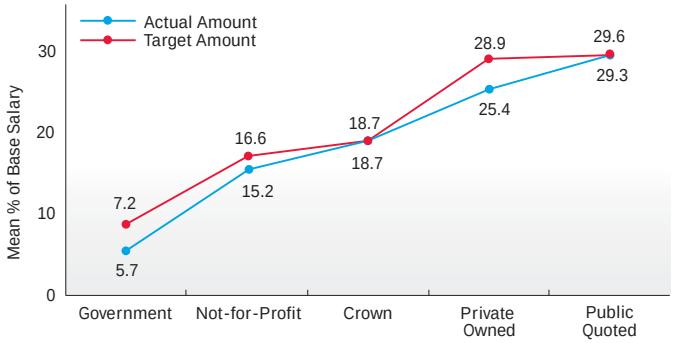
Despite the challenging economic climate of the past year, it is important to note that the actual bonus earned by most sectors was very close to the target amount.

Maximum bonus amounts increase with seniority – from 23.2% for Legal Counsel to 68.7% for General Counsel at the Executive Level. Despite this large range, satisfaction with one's bonus/incentive program is quite consistent between levels.

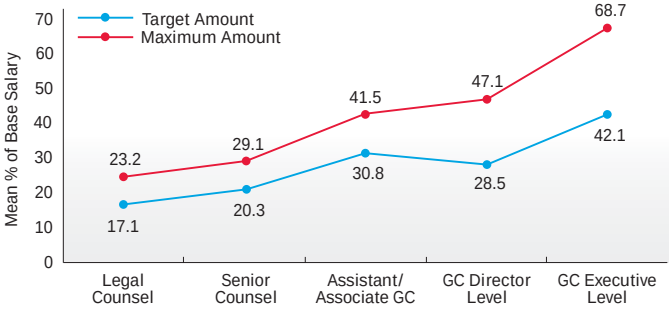
Once again, counsel at every level have earned close or even slightly above their target bonus amounts this year.

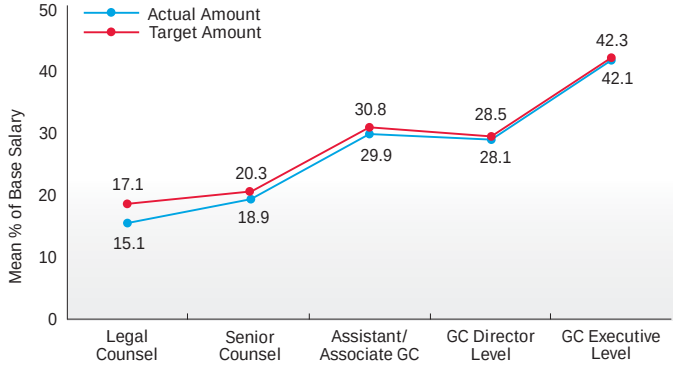
## Short-Term Incentives/Bonuses – by Sector




## Short-Term Incentives/Bonuses – by Title



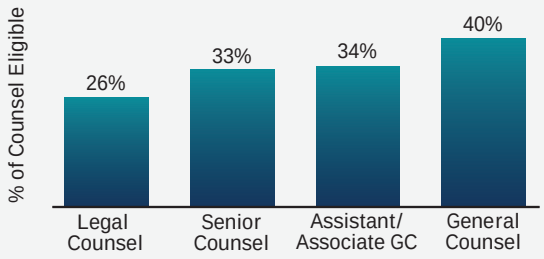



# Stock Options

The offering of stock options is limited to mostly privately-owned and publicly-quoted companies. On average, 29% of counsel in privately-owned companies and 61% of counsel in publicly-quoted companies are entitled to stock options. Virtually no Government, not-for-profit, or Crown companies offer stock options. General Counsel at the senior levels are more likely to be entitled to stock options than Legal Counsel.

## Stock Options - by Sector

- Results are dependant on the type of employer and level




| Type of Plan | % Yes |
|---|---|
| Restricted Stock Plan | 59 |
| Performance Share Plan | 30 |
| Share Appreciation Rights | 18 |
| Phantom Share Plan | 15 |

Stock options plans are usually restricted stock plans. There is no significant difference in type of stock option between different seniority levels or sectors.

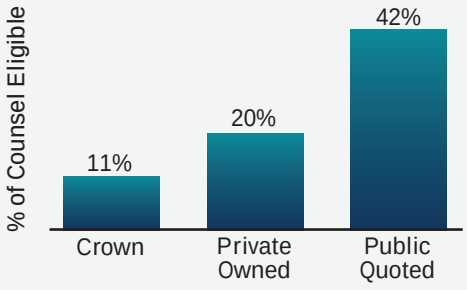
It is common practice to have a waiting period to exercise stock options. 74% of in-house counsel have a wait period of 1 to 5 years.

# Long-Term Incentive Plans

In terms of long-term incentive plans, 25% of the in-house counsel surveyed are eligible. However, sector and job role are the key factors in terms of eligibility for such plans. Companies with fewer employees (<1,000) are also significantly less likely to offer long-term incentive plans.

## Long-Term Incentive Plans - by Sector

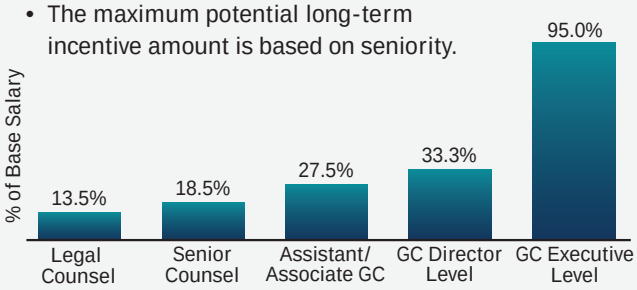
- Results are dependant on the type of employer.




Similar to stock options, a wait period for long-term incentives to vest is present for 71% of counsel. The actual potential amount of the long-term incentive is proportional to seniority.

## Long-Term Incentive Plans - Max. Potential

- The maximum potential long-term incentive amount is based on seniority.




# Benefits

Nearly all in-house counsel have medical and dental coverage and disability/life insurance. However, car allowance and executive health plans are more exclusive to more senior in-house counsel. Large organizations (1,000+ employees) are more likely to offer most of the insurance-related benefits listed, but small organizations are more likely to offer flexible work arrangements, subsidized meals and education reimbursement.

| Included in benefits package (%Yes) | 2010 |
|---|---|
| Dental Coverage | 95% |
| Extended Medical Coverage | 94% |
| Disability/Life Insurance | 93% |
| Provincial Health Care Coverage | 83% |
| Pension/Retirement Plan | 83% |
| Employee Assistance Program | 75% |
| Additional Health Spending Account | 56% |
| Educational Credits/Tuition Reimbursement | 50% |
| Medical/Dental Coverage Beyond Retirement | 33% |
| Employee Referral Program | 33% |
| Parking Allowance | 31% |
| Moving Expenses | 21% |
| Car Allowance | 20% |
| Executive Health Plan | 19% |
| Subsidized Meals | 10% |
| Subsidized Childcare | 2% |

- At the bottom of the list are benefits available to less than 1 out of 3 respondents
- It is mostly executives who receive these benefits

## Benefits Package – by Title

| Included in benefits package % Yes | Legal Counsel | Senior Counsel | Assistant/ Associate GC | GC Director Level | GC Executive Level |
|---|---|---|---|---|---|
| Dental Coverage | 95% | 96% | 97% | 95% | 96% |
| Extended Medical Coverage | 92% | 98% | 93% | 94% | 92% |
| Provincial Health Care Coverage | 84% | 79% | 82% | 84% | 85% |
| Employee Assistance Program | 67% | 81% | 82% | 80% | 74% |
| Additional Health Spending Account | 54% | 64% | 66% | 56% | 47% |
| Medical/Dental Coverage Beyond Retirement | 31% | 40% | 45% | 34% | 25% |
| Executive Health Plan | 9% | 10% | 18% | 31% | 35% |
| Disability/Life Insurance | 91% | 95% | 99% | 96% | 91% |
| Pension/Retirement Plan | 85% | 90% | 92% | 82% | 70% |
| Educational Credits/Tuition Reimbursement | 45% | 51% | 50% | 57% | 52% |
| Employee Referral Program | 29% | 41% | 28% | 36% | 27% |
| Parking Allowance | 19% | 27% | 36% | 42% | 40% |
| Moving Expenses | 19% | 20% | 19% | 25% | 19% |
| Car Allowance | 6% | 8% | 19% | 37% | 38% |
| Subsidized Meals | 8% | 8% | 9% | 13% | 11% |
| Subsidized Childcare | 2% | 1% | 4% | 5% | 2% |
| Personal Time Off Days | 43% | 45% | 50% | 51% | 54% |
| Flex days | 38% | 44% | 39% | 36% | 36% |
| Top Up for Maternity Leave | 38% | 43% | 35% | 39% | 34% |
| Extended Parental Leave | 22% | 27% | 22% | 28% | 26% |
| Sabbaticals | 12% | 13% | 7% | 8% | 8% |

## Benefits Package – by Sector

| Included in benefits package % Yes | Gov't | Crown | Not-for-Profit | Private Owned | Public Quoted |
|---|---|---|---|---|---|
| Dental Coverage | 98% | 95% | 91% | 93% | 97% |
| Extended Medical Coverage | 96% | 95% | 97% | 90% | 96% |
| Provincial Health Care Coverage | 85% | 86% | 96% | 79% | 82% |
| Employee Assistance Program | 78% | 86% | 70% | 65% | 79% |
| Additional Health Spending Account | 47% | 66% | 39% | 47% | 65% |
| Medical/Dental Coverage Beyond Retirement | 47% | 40% | 23% | 27% | 34% |
| Executive Health Plan | 9% | 20% | 17% | 23% | 20% |
| Disability/Life Insurance | 96% | 94% | 93% | 90% | 95% |
| Pension/Retirement Plan | 96% | 94% | 89% | 74% | 82% |
| Educational Credits/Tuition Reimbursement | 38% | 53% | 51% | 50% | 53% |
| Employee Referral Program | 14% | 26% | 19% | 32% | 43% |
| Parking Allowance | 34% | 41% | 27% | 29% | 28% |
| Moving Expenses | 28% | 23% | 9% | 17% | 23% |
| Car Allowance | 6% | 18% | 11% | 29% | 20% |
| Subsidized Meals | 6% | 5% | 16% | 14% | 9% |
| Subsidized Childcare | | 3% | | 3% | 3% |
| Personal Time Off Days | 45% | 54% | 60% | 45% | 47% |
| Flex Days | 50% | 37% | 47% | 34% | 38% |
| Top Up for Maternity Leave | 48% | 49% | 43% | 30% | 38% |
| Extended Parental Leave | 40% | 34% | 34% | 19% | 22% |
| Sabbaticals | 25% | 12% | 11% | 7% | 8% |

# Pension/Retirement Plans

Pension and retirement plans are offered to the majority of in-house counsel, 83%, but privately-owned companies are least likely to offer these plans.

The type of retirement plan offered depends largely on the sector. Pensions are more commonly offered in Government and Crown corporations, whereas privately-owned and publicly-quoted companies are equally likely to offer both pensions and RRSP savings. The actual type of pension offered also depends on the sector.

## Pension/Retirement Plan

| Included in benefits package (% Yes) | Total | Gov't | Crown | Not-for-Profit | Private Owned | Public Quoted |
|---|---|---|---|---|---|---|
| Pension/Retirement Plan | 83% | 96% | 94% | 89% | 74% | 82% |
| Does your retirement plan consist of (% Yes) (Respondents with Pension/Retirement plan in benefits package) | | | | | | |
| Pension | 81% | 97% | 91% | 68% | 73% | 80% |
| RRSP Savings | 67% | 51% | 50% | 60% | 70% | 76% |
| Pension Structure (Respondents with Pension in retirement plan) | | | | | | |
| Defined Benefit Plan | 56% | 73% | 73% | 55% | 42% | 49% |
| Defined Contribution Plan | 43% | 23% | 25% | 45% | 56% | 49% |

For the two-thirds of counsel who have RRSP savings-based retirement plans, about half have a matching program with their organization. Companies that participate average a matching percentage of 27.9%.

## Pension/Retirement Plan – RRSP Savings

| Does your retirement plan consist of (% Yes) | Total | Gov't | Crown | Not-for-Profit | Private Owned | Public Quoted |
|---|---|---|---|---|---|---|
| RRSP Savings | 67% | 51% | 50% | 60% | 70% | 76% |
| Organization offers a matching program (Respondents with RRSP Savings in retirement plan) | | | | | | |
| % Yes | 48% | 5% | 21% | 51% | 61% | 54% |

| What % of your RRSP savings are being matched by your organization? (Respondents with RRSP savings in retirement plan with matching offered) | Mean: 27.9% |
|---|---|

# Car and Parking Allowance

The inclusion of car and parking allowance in one's benefit package is largely dependent on job role and sector. Parking allowance is offered mostly to Senior Counsel and above, and is quite consistent across job roles at about $2,600 to $2,900 annually. Car allowance, however, is more exclusively offered to General Counsel at the Director and Executive Levels.

Between the different sectors, Crown companies are most likely to offer parking allowance but privately-owned and publicly-quoted companies are more likely to offer car allowance. In both cases, publicly-quoted companies are the most generous with their annual allowance amounts.

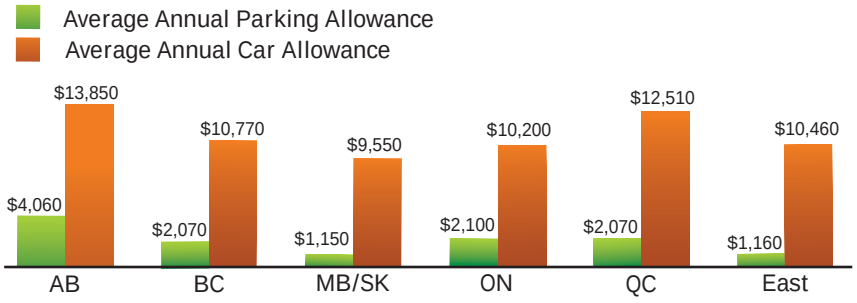
## Car and Parking Allowance

| | Total | Legal Counsel | Senior Counsel | Assistant/ Associate GC | GC Director Level | GC Executive Level |
|---|---|---|---|---|---|---|
| Parking Allowance in benefits package (%yes) | 31% | 19% | 27% | 36% | 42% | 40% |
| Average annual parking allowance ($) | 2,710 | 1,970 | 2,600 | 2,750 | 2,990 | 2,830 |
| Car Allowance in benefits package (%yes) | 20% | 6% | 8% | 19% | 37% | 38% |
| Average annual car allowance ($) | 11,380 | 9,870 | 8,250 | 10,330 | 11,570 | 12,290 |

| | Total | Gov't | Crown | Not-for-Profit | Private Owned | Public Quoted |
|---|---|---|---|---|---|---|
| Parking Allowance in benefits package (%yes) | 31% | 34% | 41% | 27% | 29% | 28% |
| Average annual parking allowance ($) | 2,710 | 1,650 | 1,830 | 1,630 | 1,860 | 3,910 |
| Car Allowance in benefits package (%yes) | 20% | 6% | 18% | 11% | 29% | 20% |
| Average annual car allowance ($) | 11,380 | 8,070 | 8,420 | 7,530 | 10,030 | 14,180 |

There are also some regional differences in the amount of allowance given for car and parking. Alberta offers the most annually for both car and parking allowance.

## Car and Parking Allowance




- The annual average parking allowance is the highest in Alberta ($4,060) and lowest in MB/SK ($1,150) and in the East ($1,160).

* The car allowance in Alberta is also the highest ($13,860), followed by Quebec ($12,510).

# Vacation, Flex and Personal Time Off Days

Work-life balance is a point of dissatisfaction for 18% of in-house counsel. Certain benefits options can help to mitigate unbalance, such as flex time and leaves of absence which 4 in 10 in-house counsel have access to. These benefits are offered mostly to in-house counsel in Government and Crown sectors.

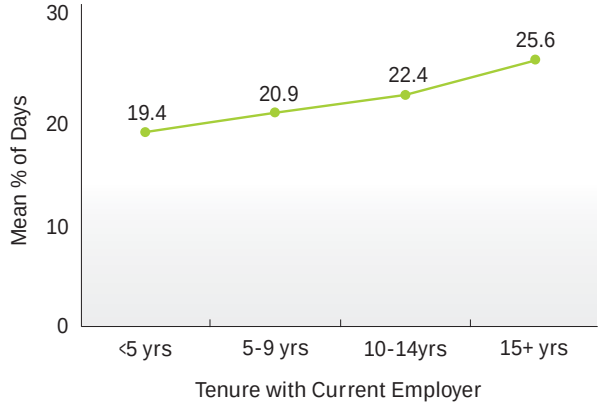
## Benefits Package

- The following benefits having to do with work-life balance are available to most common in the Government sector.

| Included in benefits package (% Yes) | 2010 |
|---|---|
| Personal Time Off Days | 48% |
| Flex Days | 39% |
| Top Up for Maternity Leave | 39% |
| Extended Parental Leave | 25% |
| Sabbaticals | 10% |

| | |
|---|---|
| Median number of personal time off days | 4.1 |
| Median number of flex days | 9.3 |

## Vacation Days

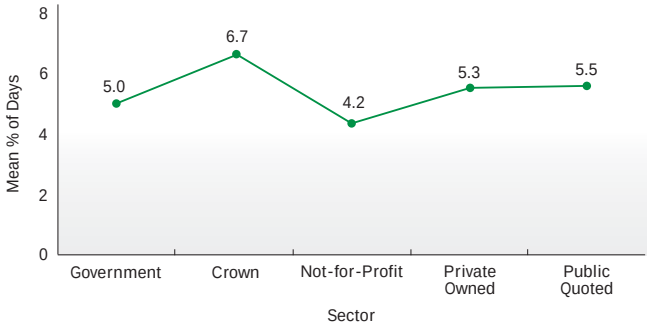



- The average number of vacation days is 20.9.
- The number of days is based on length of service.

The average number of vacation days is 20.9. There is no significant difference by type of employer or industry. Seniority plays a role but the most significant factor is obviously the tenure of in-house counsel. As length of service increase, so does the number of vacation days.

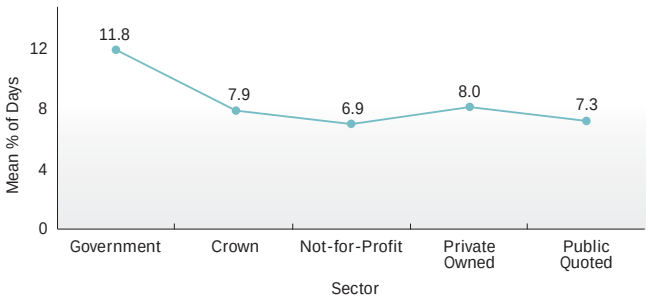
Personal time off days and flex days vary like vacation days to some degree; they also increase with tenure with the same organization. However, there are also interesting differences in the number of days offered depending on the sector.

## Paid Personal Time Off Days




- The average number of paid personal time off days is 5.5 days.
- Counsel in Alberta (7.9) and MB/SK (8.8) have the highest number of average personal time off days.

## Paid Flex Days




- The average number of flex days is 8.2 days.
- General Counsel at the Executive Level average 12.3 paid flex days compared to less than 10.5 for Assistant/ Associate General Counsel and below.

# Additional Benefits

Keeping the entire benefit package in mind, in-house counsel were asked for what additional items in their benefits or incentives package are not included that they would like to see offered.

The top benefits mentioned that in-house counsel do not have but would like to have are insurance and work arrangement/time off-related benefits.

Listed below are the specific benefits desired by in-house counsel:

- Insurance NET
  - Better (full) dental coverage
  - (Full) Vision/eye care
  - Extended medical coverage
  - Executive health plan/benefits
  - Better coverage (unspecified)
  - Prescription drug coverage
  - Enhanced life insurance coverage
  - Better disability benefits (unspecified)
  - Long-term disability (LTD)
  - Short-term disability benefit (STD)
- Work Arrangements/Time off NET
  - Flex days/time
  - Maternity leave salary (top up)
  - Sabbatical/leave of absence
  - Personal/sick days
  - Child care
  - Paternity leave salary (top up)
  - Vacation
- Health/Fitness NET
  - Fitness program/club membership
  - Extended health care plan (EHC)/better health care benefits
  - Health spending account
- Pension/Retirement NET
  - Better pension/retirement plan
  - Better post-retirement benefits plan
  - Supplemental executive retirement plan (SERP)
- Transportation/Travel NET
  - Car allowance
  - Parking allowance/reimbursement
  - Transit pass/ transportation allowance/ reimbursement
- Bonus/Incentive NET
  - Bonus/(performance) incentive plan
  - Flexible benefit plan (cafeteria plan)
  - Long-term incentive program (LTIP)
  - Flex credit (dollars)
  - Short-term incentive program (STIP)
- Investment/Share Options NET
  - Stock options
  - Profit sharing
- Education/Development NET
  - Educational/tuition support/reimbursement
  - Professional development assistance/support
- Other NET
  - Benefit for part-time workers/contract positions
  - Better salary pay out/increase

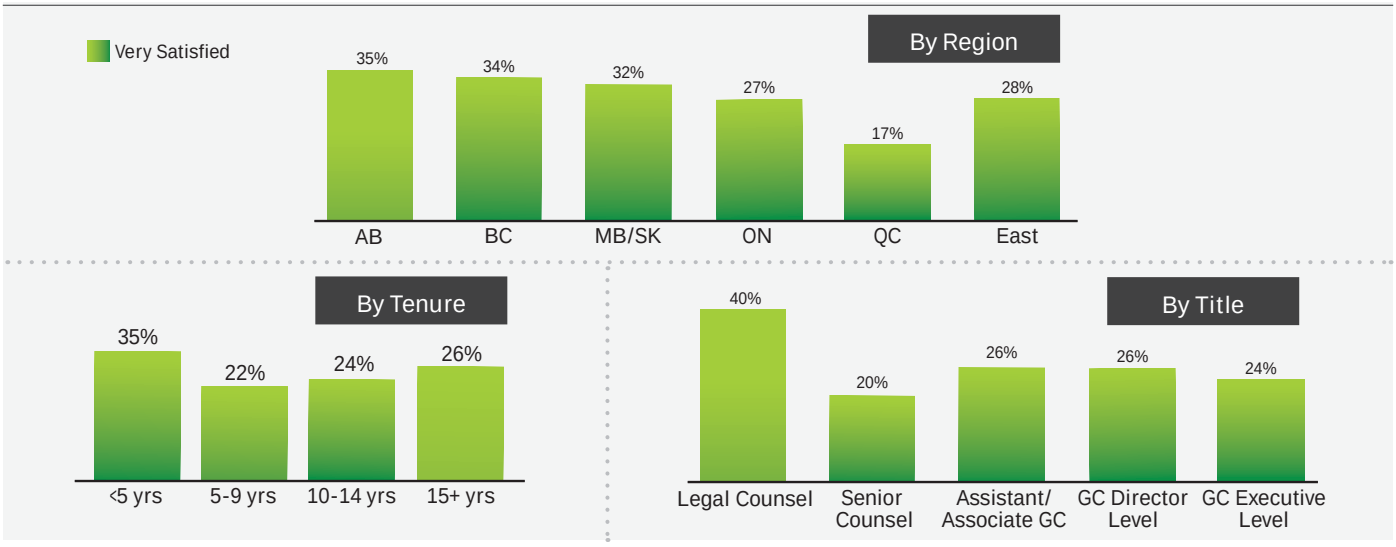


# Satisfaction with Work-Life Balance

Long working hours are associated with a lower than average satisfaction with work-life balance. 92% of in-house counsel working 40-44 hours per week are very or somewhat satisfied with their work-life balance, compared to only 38% of those who work more than 60 hours per week.

There are also other demographic and workplace factors that come into play in terms of work-life balance. 84% of in-house counsel under the age of 35 are satisfied with work-life balance, compared to less than 70% of their older colleagues. 79% of counsel in small companies (<1,000 employees) are satisfied compared to 66% of those in 5,000+ employee organizations.

## Satisfaction with Work-Life Balance

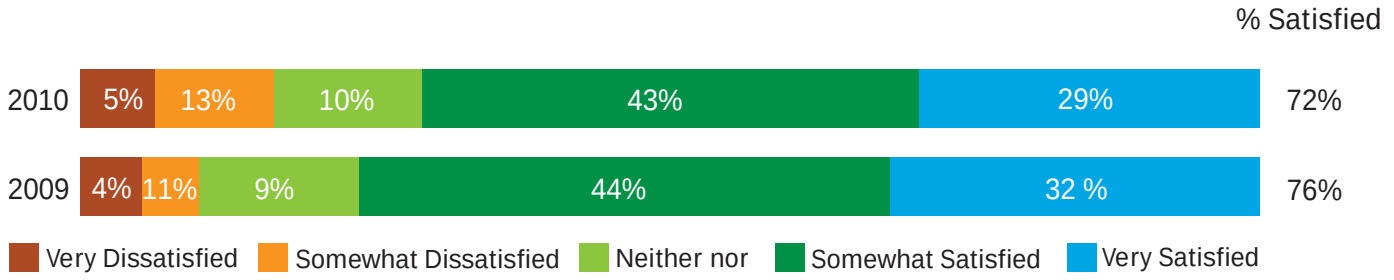


# Satisfaction with Work & Loyalty to Employer

## In-House Counsel Compensation & Career Survey 2010

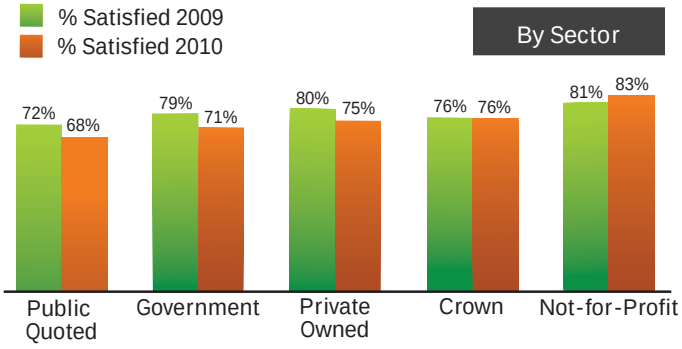
Compared to results in 2009, satisfaction with work-life balance has remained stable, with the percentage expressing "Somewhat" or "Very Satisfied" dropping slightly from 76% to 72%. This decline is particularly true for Legal and Senior Counsel and those in Government.

### Satisfaction with Work-Life Balance




- There is an inverse relationship between the hours worked per week and satisfaction with work-life balance.

### Satisfaction with Work-Life Balance



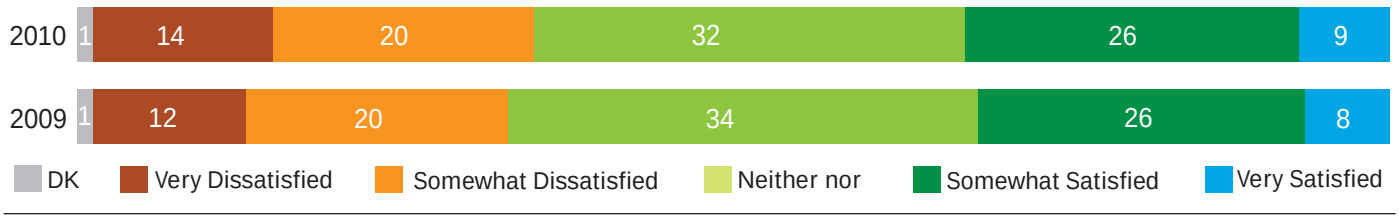

35% of in-house counsel are satisfied with career mobility. The level of satisfaction has remained very stable since 2009.

Counsel in privately-owned and publicly-quoted companies are the most satisfied with career mobility whereas those in not-for-profit are least satisfied (23% satisfied).

Counsel in oil & gas, resources/mining/forestry, retail/hospitality industries are most satisfied. Those in telecommunications are least satisfied.

Satisfaction with career mobility is not directly correlated to seniority of title. However, General Counsel at the Director Level are the most satisfied with career mobility (44% satisfied).

### Satisfaction with Career Mobility



When asked why they were dissatisfied with opportunities for mobility within their organization, a number of reasons were mentioned:

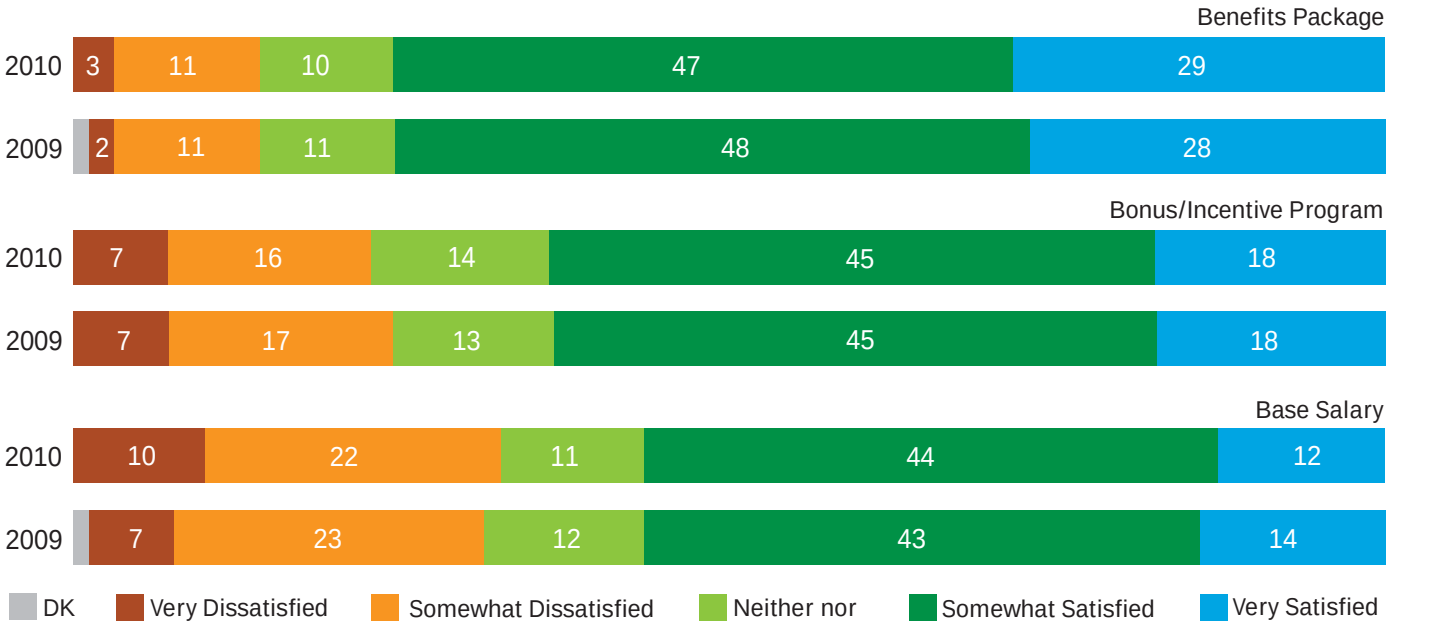
- Few/limited openings/positions at a higher level
- No career path/flat structure
- Higher positions are filled/someone would have to leave
- Small company/business/department
- Would require changing departments/job role
- Would require moving/relocating
- Education/experience requirements
- Already have reached the highest level/ position available
- Not enough information/transparency on how to advance
- Lack of recognition
- Outside hiring/don't promote internally
- Lack of support
- Budget cuts/downsizing
- Too much favouritism

# Satisfaction with Compensation

In-house counsel are most satisfied with their benefits (76%), followed by their incentive program (63%). 56% of them say that they are "Very" or "Somewhat Satisfied" with their base salary.

Satisfaction levels with all three components of compensation have remained very stable since 2009.

## Satisfaction with Compensation



In-house counsel in Government organizations are most satisfied with their base salary and benefits package.

In-house counsel in resource/mining/forestry companies are the most satisfied with their base salary while those in the financial and telecommunications industries are the least.

The highest satisfaction with benefits is found among in-house counsel in oil & gas, utilities and Government/Crown.

70% and 63% of General Counsel at the Executive Level and Director Level are satisfied with their base salary respectively, compared to less than 55% for in-house counsel of lower seniority.

When asked to evaluate whether their compensation package (salary and bonuses) reflects their performance, 41% of in-house counsel agree and 8% strongly agree that what they receive is fair.

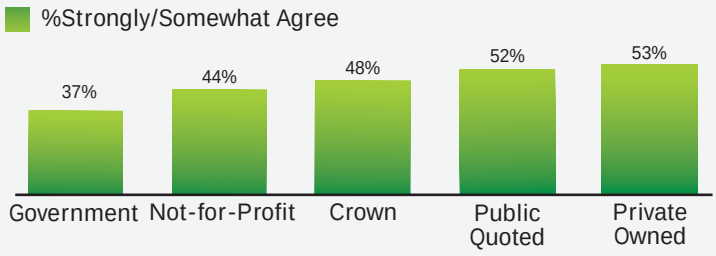
## Satisfaction with Compensation

| % Satisfied | Gov't | Crown | Not-for-Profit | Private Owned | Public Quoted |
|---|---|---|---|---|---|
| Benefits Package | 84 | 84 | 80 | 72 | 73 |
| Incentive Program | 46 | 65 | 71 | 66 | 63 |
| Base Salary | 65 | 54 | 56 | 61 | 52 |

| % Satisfied | Legal Counsel | Senior Counsel | Assistant/ Associate GC | GC Director Level | GC Executive Level |
|---|---|---|---|---|---|
| Benefits Package | 78 | 72 | 76 | 77 | 75 |
| Incentive Program | 63 | 58 | 62 | 70 | 62 |
| Base Salary | 52 | 45 | 54 | 63 | 70 |

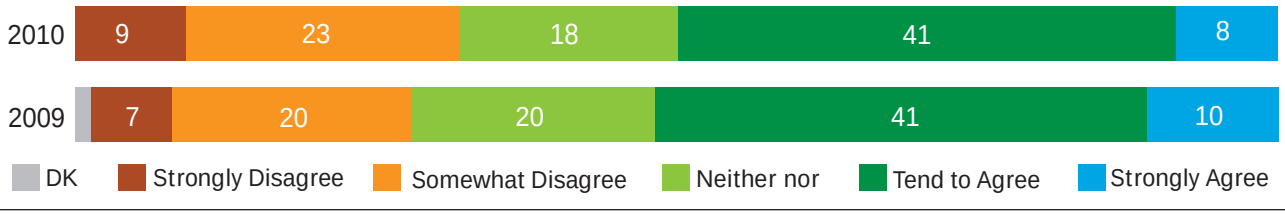
## How Compensation Reflects Performance

Q: Does your overall compensation package (salary, bonuses) reflect your performance?




## How Compensation Reflects Performance

Q: Does your overall compensation package (salary, bonuses) reflect your performance?



# Career Plans

45% of the survey respondents see themselves in the same role in the coming two years.

- 16% would like to have another role within the same organization
- 16% don't know
- 17% plan to work for another employer
- And 5% plan to pursue other objectives (retirement, sabbatical, private practice…)

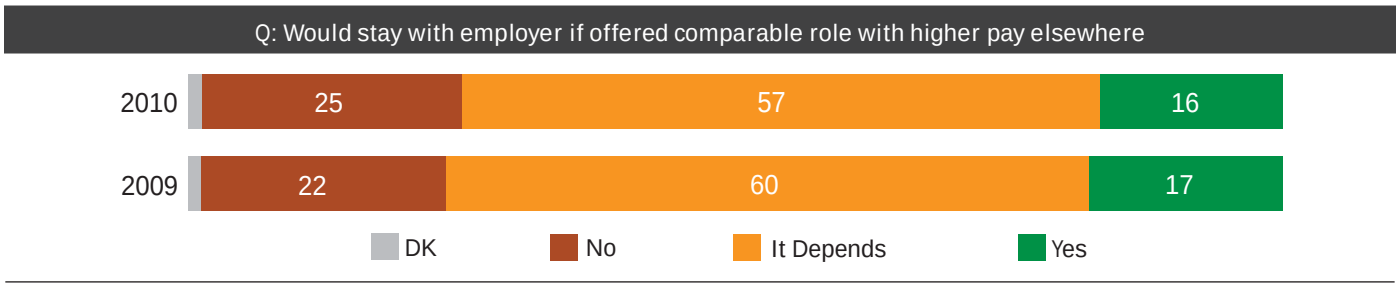
The idea of having another role in the same organization is highest for those in publicly-quoted companies. The sentiment to remain in the same role in the next two years is highest for counsel in Crown companies.

More than 35% of counsel in the telecommunications and media/gaming/entertainment industries are planning to work in a different organization in the near future.

# Loyalty to Employer

When asked if they would stay with their current employer if they were offered a comparable role with higher pay elsewhere, 3 out of 5 in-house counsel answer "It Depends." Slightly more counsel this year, compared to 2009, say that they would not stay with their employer if offered higher pay elsewhere. However, loyalty is still very stable between this year and last.

## Loyalty to Employer




Senior Counsel and Assistant/Associate General Counsel are the most inclined to leave (32% and 34%). However, the most loyal categories of in-house counsel are:

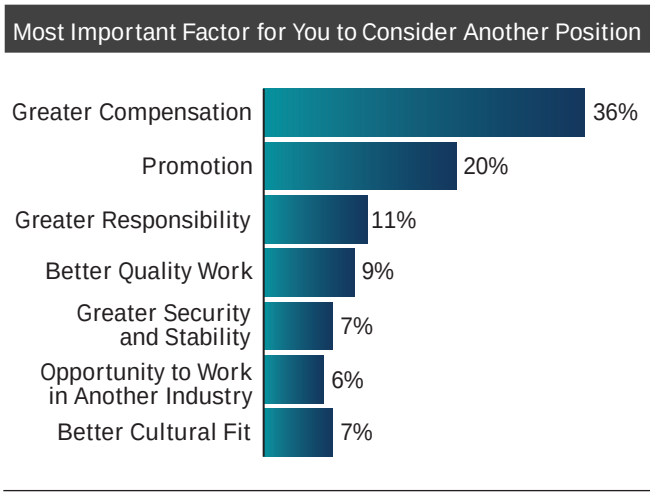
- General Counsel at the Director (20%) and Executive Level (23%)
- Counsel with 15+ years at the same company (24%)
- Counsel aged 55+ (25%)

# Career Moves

For the 57% of in-house counsel who could potentially leave their current employer, “hesitating counsel”, expectations in terms of salary increase if they accept another position are the following:

| Expected Salary Increase | |
|---|---|
| 1% to less than 5% | 2 |
| 5% to less than 10% | 8 |
| 10% to less than 15% | 18 |
| 15% to less than 20% | 26 |
| 20% to less than 25% | 21 |
| 25% or more | 24 |

## Factors for Career Move




Executives express the highest expectations of a salary increase of over 20% (51%) compared to Legal Counsel (40%).

There are many reasons that would cause in-house counsel to consider another position. The most important factor by far is “greater compensation” which is still the number one reason compared to 2009.

- The importance of greater compensation is the highest among financial industry counsel.
- The importance of better quality of work is highest in Government/Crown, utility and resource industries.

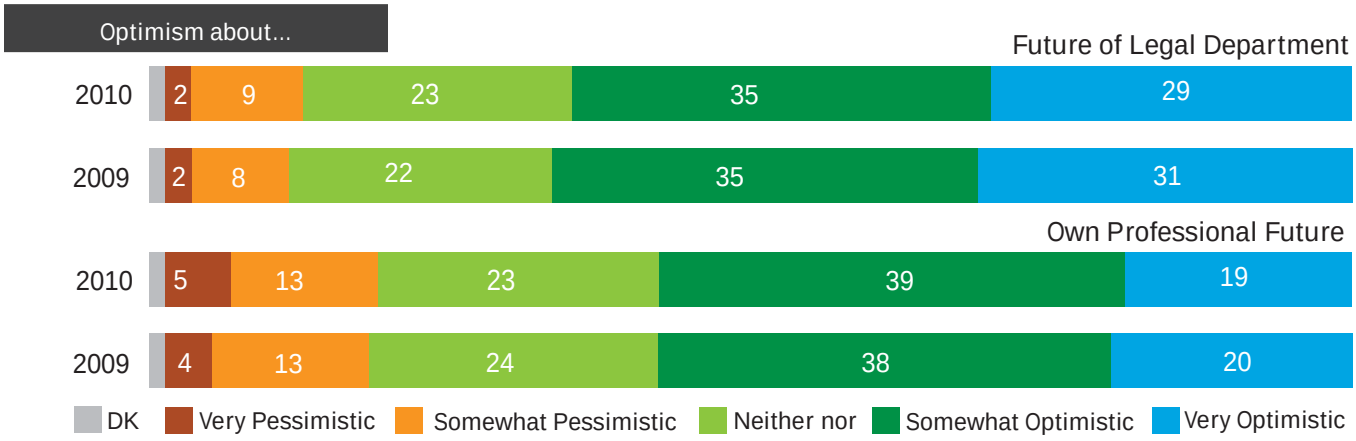
# Views Towards the Future

In-house counsel are more pessimistic about their own professional futures in their organization than about the future of their legal department.

General Counsel at the Executive Level are the most optimistic about their own professional futures (29% very optimistic vs. 19% overall) as well as about the future of the legal department (39% vs. 29% overall).

Optimism has remained fairly stable since 2009. However, optimism about the legal department has eroded slightly.

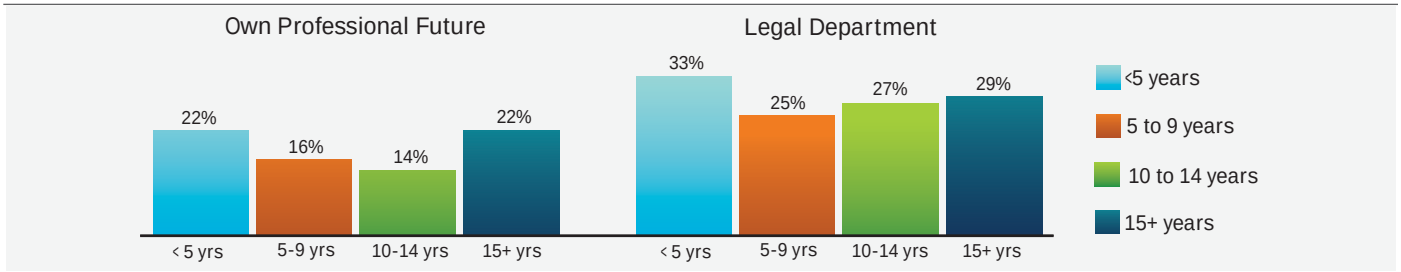
## Views Towards the Future




Counsel in publicly-quoted companies are the most pessimistic about their own professional future but when it comes to the future of the legal department, Government sector counsel are the most pessimistic.

There is also somewhat of a honeymoon effect with regards to optimism, but optimism does increase towards the latter end of a counsel's career. The 25-34 age group is also consistently the most optimistic about the future of the department and their careers.

## % Very Optimistic – by Tenure with Current Employer



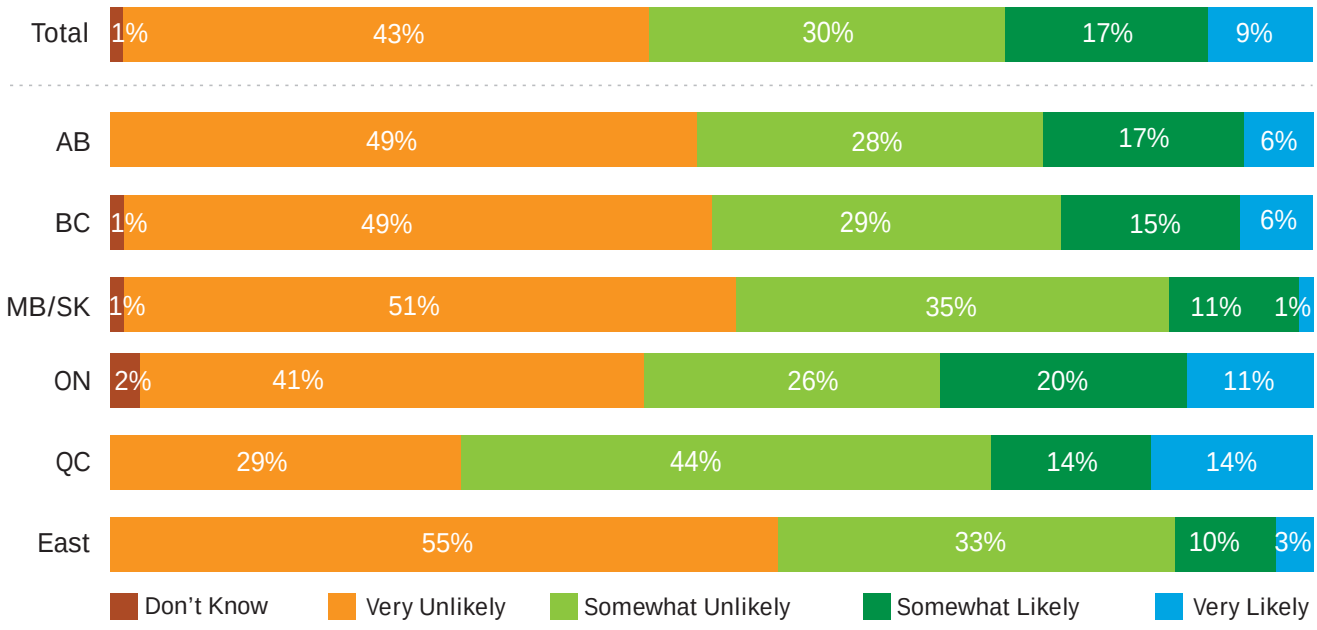
# Effect of Economic Climate on the Future

In light of the current economic climate, 26% say that they are likely to seek a position in another organization in the next six months. The other two thirds believe that this is unlikely. The most stable counsel are those in Government; 59% say they are very unlikely to move, compared to the 43% average. General Counsel at the Executive Level are also the most stable between job roles; 51% say they would be very unlikely to seek another position.

Between the various industries, those most likely to move are in the media/gaming/entertainment and telecommunications industries. Those who feel most stable are in the Government/Crown and retail/hospitality/food industries.

## Economic Climate Effect on Future

Q: In light of current economic climate - Likelihood to seek a position in another organization within 6 months



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- Advancing the Practice
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