

April 2014

Welcome to Spring!



It seems like a terribly long time since I last wrote for our newsletter. I'm sure I'm not alone in welcoming Spring with open arms. Even for winter sports enthusiasts, it has been a challenging season.

In spite of the weather, we continue to be an engaged, active chapter. Our goal of 100 members has not yet been met, but we still have three months to go and I know we can get there with your help! While we continue to explore a variety of marketing options; you, our committed members & sponsors are our best source of advertising! I joined the chapter many years ago after an invitation from a professional colleague to accompany her to a dinner meeting. I encourage each of you to reach out to colleagues, suppliers & business partners and have a potential member join you for one of our dinner meetings or FE Eye Opener sessions.

Our Chapter twitter feed & followers continue to grow. At our recent SME event on March 3rd, we projected live twitter feeds throughout the day, fostering further engagement with the audience. Please follow our chapter at: @finexecs_SGH.

I want to take this opportunity to remind you of the Chapter Challenge for National Conference participation. At the time of this writing, we are in 2nd place! We are the host chapter; we should easily have the highest participation rate. The Early Bird deadline has now passed, but you can still save \$150 if you register by April 30th, after which the full registration fee will apply. Please be sure to visit the website and get registered. And, please don't forget about golf! We had many SGH'ers at the prize table last year, something we'd love to see

repeated this year. It's going to be a terrific event that you don't want to miss!

We're also looking forward to hosting our 3rd WFEN event next Thursday, April 17th. We are offering a different format, with a panel discussion, and look forward to hosting many Women business leaders and showing them all that FEI SGH has to offer.

We have an update on the re-branding initiative of FEI Canada. Unfortunately, several obstacles were encountered in obtaining regulatory and trademark approval for the planned change of name & logo. As the cost to obtain approval would be a lengthy and expensive undertaking, it has been decided not to move ahead with the logo and name change. The rest of the rebranding initiative will be deployed; integrating our new tagline "**Leadership beyond Finance**" into our brand image. This decision will allow National to complete the website redesign and they are expecting to launch the redesigned site under the current FEI Canada name & logo in May.

I personally love the new tagline. It so clearly articulates that we are more than just 'numbers people' and, as Finance leaders, play a pivotal role in leading the execution of business strategy in our organizations.

On that note I will leave you with a couple great quotes on leadership:

Leadership is a potent combination of strategy and character. But if you must be without one, be without the strategy.

- Norman Schwarzkopf

Leadership is the art of getting someone else to do something you want done because he wants to do it.

- Dwight Eisenhower

See you in Niagara!

~ Chapter President, Elysia Estee

Women's Financial Executives Network Event

April 17, 2014

Watch out for an exclusive reception of our Women's Financial Executive Network. This special event will address the importance for corporate Canada of increasing the number of women on boards and will be held on April 17, 2014 at the Burlington Golf and Country Club. It features Maureen Jensen, Executive Director and CAO of the Ontario Securities Commission (OSC) and

a group of distinguished panellists with diverse board experiences. Maureen will provide an update on the OSC's proposed disclosure requirements for TSX-listed companies.

*Line Trudeau
WFEN Chair*

Annual Conference 2014 Leadership Beyond Finance

The National Conference in Niagara Falls is just a few months away. Because it is in our region this year, it is up to the SGH Chapter to make our presence known, and in turn, to win the Chapter Challenge. The National office is running a campaign whereby the Chapter with the most Conference attendee's (based on chapter size of course) has an opportunity for one of its members to win a free registration to the 2015 Conference. There is also a \$2500 gift certificate up for grabs.

Let's go SGH Chapter. Sign up today!



Financial Executives International
Canada 2014 Annual Conference
Niagara Falls, ON June 4-6, 2014

Please save the date! The 2014 FEI Canada Conference will be held June 4th - 6th, 2014 at the Marriott Gateway on the Falls, located in Niagara Falls, Ontario.

Scan the code for more information!



New Hires - How much time is enough to look over an employment contract?



We are often asked the question: *how much time should be given to a prospective employee to look over an employment contract?* While there is no hard and fast rule, three business days is generally accepted as a fair and reasonable amount of time.

There are a few purposes served by giving a potential employee time to review an employment contract. First, and perhaps fundamentally, it's the fair thing to do. However, it is also wise to do so from a business perspective. Canadian courts have long recognized the relationship between an employer and prospective employee is typically not one of equal bargaining power. As such, if an employer seeks to rely on the terms of a written employment contract - often at the time of termination - the employer must demonstrate the contract is lawful and that the employee entered into it freely, voluntarily and with an understanding of its meaning, having had time to seek advice as to its meaning.

Allowing an employee time to carefully review a contract can be critical to demonstrating the employee either understood the contract or had the chance to obtain advice as to its meaning. This is why it is also often prudent to include in the contract a statement that the employee was afforded the opportunity to and was encouraged to seek independent legal advice.

At a minimum, three business days is a reasonable time frame for a potential employee to avail him or herself of the benefit of a contract review (whether by the employee and/or with independent counsel). Should an employee wish to sign the contract immediately, without the benefit of a review period, the employer should resist this and consider ways to encourage slowing down the process. In appropriate circumstances, this might include making a financial contribution towards the employee having the contract reviewed by independent counsel. Particularly where the potential liability would be significant if the employer was later unable to rely on the contract language. A financial contribution might be a small price to pay

toward solidifying the enforceability of the contract.

Finally, it is important to have the contract signed by the new employee *before* the employee commences his or her first day at work. If the contract is signed *after* work has already commenced it is possible the employee could later argue he or she was not given anything identifiable in exchange for signing the contract (*i.e.*, 'consideration') since the employee was already in possession of the job before signing the contract. As such, execution of the contract prior to the commencement of work is an important element of ensuring it is later enforceable for the employer.

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CFOs did you know? Critical challenges facing directors in 2014

Deloitte.

A variety of factors - regulatory reforms, economic turmoil, globalization, shifting social norms and perceptions and, most significantly, continuing technological advances - have created an environment of digital disruption that is blurring category boundaries, disrupting supply chains and rendering many long-standing business models obsolete. While not all industries are experiencing digital disruption to the same degree and at the same time, all will eventually be affected. The challenge for organizations is to recognize when disruptive change is occurring and act quickly and decisively when it does.

For boards of directors, greater oversight is required to effectively address all of the disruptive changes that surround and affect them, as well as, expanding their scope to include activities and areas that were not traditionally part of their mandate.

The 2014 edition of [Directors' Alert, Greater Oversight, Deeper Insight: Boardroom strategies in an era of disruptive change](#), looks at areas where boards are extending their oversight to new activities while, at the same time, reviewing them and their traditional areas of responsibility in greater depth. Some of these issues include cyber security, productivity, innovation, regulatory change, leadership development, tax strategies and more. Each topic was developed with input from specialists from Deloitte member firms around the world and includes selected questions directors may ask to further explore the issues within their own organizations.

Audit Committees

With most organizations taking steps to improve their longer-term competitive ability, the role and responsibilities of the audit committee has increased significantly beyond overseeing financial reporting and other regulatory disclosures, and will continue to expand in the years ahead. What isn't chang-

ing is the amount of time audit committee members have to carry out their growing duties. Audit committees must, therefore, ensure that they work as effectively as possible.

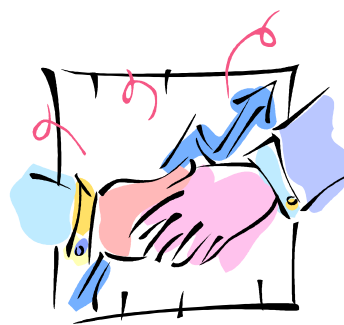
Given the range, complexity and volatility of the issues audit committees must address, audit committees need to implement a strong education plan to keep their members up-to-date and fully apprised of key developments affecting them, their organization and their responsibilities.

Inside the premiere issue of [Succeeding amid change and uncertainty: Action plans for Audit Committees](#), Deloitte's panel of Audit Committee experts bring into focus the top trends and emerging business issues that keep Audit Committee members up at night.

These issues include: protecting brand and reputation, strengthening investor confidence, paying a "fair share" of tax, making financial reporting more relevant to stakeholders and "riding the technology wave". [Succeeding amid change and uncertainty](#) is the new must-read companion guide for all Audit Committee members.

For more information, and to obtain your complimentary copies of each of the above publications and subject matter expert interview transcripts, please contact directorseries@deloitte.ca.

...the role and responsibilities of the audit committee has increased significantly...



Seven questions to ask a potential financial advisor



RBC Wealth Management
Dominion Securities

The Dool Team of RBC Dominion Securities
www.doolteam.ca

As senior financial officers you take great care in selecting your corporate pension management and financial advisors. Do you apply the same rigour in selecting your personal financial advisors?

Are you satisfied that you are getting the answers you need? If not, it may be time for a change.

Choosing a financial advisor is one of the most important financial decisions you will ever make. Before entering into any partnership, ask the following questions, and make sure you are comfortable with the answers.

1. How are you accredited or registered?

Ask your prospective financial advisor how they are registered, and the range of services, products and advice they are qualified to provide. The investment firm they are employed by should be a member of the Investment Industry Regulatory Organization of Canada (IIROC), which regulates all investment dealers in Canada. IIROC monitors and enforces rules regarding the proficiency, business and financial conduct of these firms and their advisors. Visit www.iiroc.ca to learn more.

2. How are you compensated?

Many advisors are paid by commission for the products they recommend, while others receive a salary or a flat fee. Find out how your advisor is compensated, how much the services will cost, what choices you have to pay them and what you can expect to receive in return.

3. What is your experience?

Your advisor should be forthcoming about their industry experience, professional qualifications, memberships and education. Also, fewer years as an advisor may not necessarily mean less expertise. Many advisors enter the profession after many years of working with the people who would later become clients, for example as consultants to business owners who later specialize in business owners' investment portfolios.

4. What kinds of products and services can you provide?

Ask if your advisor is limited to certain investments: proprietary products offered by their firm, GICs or mutual funds, or if you can draw on a greater range of investment products. Make sure you ask about your advisor's access to investment research, portfo-

lio strategy teams, and risk management groups. Find out if your advisor focuses on investment solutions only, or can also provide additional services that may help you achieve your financial goals, such as financial, tax, retirement, and estate planning services.

5. What clients do you serve?

Ask whether your potential advisor specializes in any particular client group, such as business owners, medical professionals or retirees. Don't be shy about asking for references either; your advisor is in many ways applying for the job.

6. How will you help me reach my goals?

Your advisor should ask you to outline what you hope to gain - for example, preserving income, building wealth, retiring comfortably - and can guide you if your expectations are unrealistic. Your advisor may also draw on value-added services such as financial, tax or estates planning to ensure that your ongoing wealth needs (in addition to investments) are in sync with the rest of your affairs.

Ask about your advisor's investment process, and how they create and manage your portfolio. Is each portfolio custom-crafted, or is the advisor following a set of established models? Confirm that you are comfortable with this process.

7. What kind of service will I receive?

Your advisor should clarify at the outset the level of service you can expect. This includes how often you will meet to review your progress; how your advisor will update you on portfolio performance; and what sort of contact you can expect from your advisor or support staff.

As you search for the right financial advisor, don't hesitate to ask any questions that help you feel more confident in the management of your wealth. For more information, please visit www.iiroc.ca and www.doolteam.ca or contact me today at (905)332-2582 or by email to paul.speziali@rbc.com.

This article is supplied by Paul Speziali, CFP, CIM, FCSI, Financial Planner and Associate Advisor with RBC Dominion Securities Inc. Member-Canadian Investor Protection Fund.

Before entering into any partnership, ask these questions...

Your office/industrial lease - Option to renew



Near the end of the lease term, nearly all commercial tenants have to decide if they wish to exercise their option to renew their lease.

From our point of view, an option to renew is something that a tenant probably should not exercise. Why? Exercising your option to renew should really be viewed as an option of last resort. It should be used only in cases where your Landlord may not want to renew your lease and it is prohibitively expensive, too inconvenient or too disruptive for your company to move.

Exercising your option to renew is a defensive move which might have some potential negative elements and costs, such as:

1. **Establishing the Rental Rate** - To exercise a renewal right, the tenant formally notifies the landlord of its intention to do so. Essentially the tenant is guaranteeing that they will stay for another term and then tries to negotiate the best market rental rate. It is like walking into a car dealership and guaranteeing you will buy a car that day and then trying to negotiate the best price. There may be an arbitration process to assist tenants in determining a market rate, but this can be an expensive and time consuming process.
2. **Timing** - Further, the timing of determining that rate is often chosen by the landlord, usually to its benefit. The option may be exercised today, but if rates are rising, the landlord may not agree to determine what the market rate is for another 9-12 months.
3. **No further options** - Unless your existing lease has multiple options, the tenant does not usually have a further option to renew.
4. **Inducements** - The tenant cannot negotiate to include any inducements: no free rent, no tenant improvement allowance and no landlord work to be performed in the premises.
5. **Length of renewal** - The tenant cannot negotiate the length of the lease term. Whatever is stated in the lease is the length of the new lease term. Even if

your business plans indicate that it is better to have some flexibility with respect to your lease term by selecting a shorter term lease, you don't have the ability to customize your lease.

6. **Size of Premises** - The tenant can only renew on its existing premises. If it wishes to reduce or expand the premises, then an option to renew cannot be invoked.

While having an option to renew should be viewed to be of some benefit by a tenant, our view is that an option to renew has limited value. It's should be viewed to be more of an insurance policy.....one you don't want to activate unless you are forced into that situation.

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*Before entering
 into any
 partnership,
 ask these
 questions...*



“We’ve been hacked!” Now what? Cyber Insurance Post Loss Services



It seems that every day we hear that a business has been hacked and that customer information may have fallen into the wrong hands. There are, of course, insurance strategies that can be put in place to address this risk including: stand-alone Cyber Liability; Professional Liability with cyber coverage built into the policy; and contingent cyber coverage. You should ask your insurance broker which of these is most appropriate in your circumstances. One thing to remember is that the post loss services that accompany Cyber Liability coverage are as important as the indemnity a company may receive from losses and expenses incurred.

As CFO, one of your worst calls or emails may be, “We’ve been hacked!”. The call will not come at a convenient time and almost certainly not during regular business hours. If you have discussed potential loss scenarios with your cyber insurance provider and put a procedure in place for handling a breach of your computer systems, you will know what to do next. If you have not done so, you should contact your insurance representative immediately to develop a procedure. Some insurance companies have in-house services to assist clients in the event of a breach. Others use third parties experienced in cyber breaches led by a Breach Coach.

So what should you expect from your cyber risk provider if (and only if) you have a comprehensive cyber program in place?

When you get that chilling call or email from your IT Department, your first call should be to your Breach Coach who may be an insurance company employee or a third party provider. The Breach Coach will ask several questions and try to understand the nature of the breach. What was breached? When? What was lost? Has the breach been closed? The Breach Coach will try to get as much information as possible quickly. Time is of the essence.

The Breach Coach will then make a determination regarding the services that must be

employed. These professional services are provided by the insurance company as part of the cyber coverage that you purchased. There is no additional charge.

One of the services that the Breach Coach may employ is a forensic IT company, essentially “boots on the ground” to work with your IT Department to discover the nature of the breach, possibly the source and, most importantly, to be certain that breach has been closed.

The Breach Coach will also determine who needs to be notified. Strong legislation in certain provinces and states make notification mandatory and the penalties for non-compliance severe. Do the individuals or companies affected require notification and credit monitoring? The expense of that service should be covered in your program. Check for personal notification and be certain the coverage limits are sufficient.

Other issues that may arise, and can be addressed by the Breach Coach include:

1. Do you require a crisis management team?
2. Are you offering a reward for information?
3. Will a public relations consultant be required?
4. Are you at risk for reputational damage?
5. Is a law firm with expertise in cyber-crime required?
6. Perhaps you have suffered an e-threat. Do you have coverage for a professional negotiator and coverage for the payment of a ransom fee?
7. Perhaps there is e-vandalism. Do you have coverage for damages done to repair or re-set your website?

We work with one large client that has a significant cyber exposure. As their account executive, I have the Breach Coach’s cell phone number readily available in my contact list.

As CFO, one of your worst calls or emails may be, “We’ve been hacked!”.

Continued on page 8

“We’ve been hacked!” Now what? Cyber Insurance Post Loss Services

cont’d



I have discussed with the Breach Coach the procedure to follow in the event my client’s systems are infiltrated. My client has been introduced to the Breach Coach and also understands exactly what to expect and do should a breach occur. In addition, our client took advantage of a meeting with the Breach Coach paid for by the insurance company as part of their coverage. It was an hour well spent. The client also has the Breach Coach’s cell number in their contact list along with back up contacts, for ‘belt and suspenders’ support.

In the event of a breach, the Breach Coach, the client and I are ready. The Breach Coach knows my client’s business, my client knows what to expect from the Breach Coach, in-

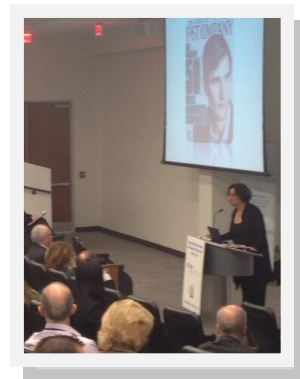
cluding his promised response time. I know my client will be well served by an expert. In the event of an incident, there will be no surprises, no panic.

As you can imagine there can be many moving parts when managing a cyber breach. Understanding what assistance you have available will ensure you are equipped to manage them all. Contact your insurance provider. Ask them, what should we do if we hear the words “we’ve been hacked”?

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...if the transfer of the property is not structured correctly, disharmony amongst family members can occur.

SME Day 2014 - Innovation Beyond Finance



Thank you to all who volunteered their time to make this day a success.



Toronto Entrepreneurs Conference

Mississauga Convention Centre

May 14, 2014



To give the SGH Chapter of FEI Canada more exposure in the entrepreneurial community, your SGH Board has decided to participate in the Toronto Entrepreneurs conference that will be held on May 14th, 2014 at **MISSISSAUGA CONVENTION CENTRE**, 75 Derry Road West, Mississauga, ON L5W 1G3. We will have a booth at this event and hope that some of you come out to support us in this venture and to also network and participate in some of the great events.

New for 2014

A few of the many new happenings at this year's Conference include:

- Robert Deluce, President & CEO of Porter Airlines, will be this year's keynote speaker on the main stage at 10:00 a.m.
- Mississauga Board of Trade will be hosting their Good Morning Mississauga breakfast at this year's conference (over 150 attendees for this session alone).
- We have a new room called "Doing Business in the U.S." for attendees to get information about expanding their businesses into the U.S.
- There will be 17 speakers in 3 rooms at this year's event, covering areas such as Marketing, IT, Finance, HR and many more!
- The "Entrepreneur Most Deserving of Help" Contest! Last year there were several hundred people that participated in this event and this is a great day to meet other people, listen to great speakers and also walk through the exhibition hall and view all of the exhibitors.

If you would like additional information about this event please go to www.torontoentrepreneurs.ca.

You can get free access to the event by doing the following:

Complimentary Tickets

Feel free to give your clients, prospects and any other business owners' **complimentary general admission tickets**.

You can register by:

- Visiting the link <http://events.constantcontact.com/register/event?llr=6da7sqeab&oeidk=a07e8qw1r0l13b8fd54>
- Click "Register Now" and select General Admission Tickets
- Use the promo code "TOJOBS" and click apply to have the discount

For the meals you will have to pay on top of this entry ticket.



Upcoming Chapter Events

SGH Chapter WFEN Event - April 17, 2014

Women on Boards - Great Leadership Generates Results

Speaker: Maureen Jensen, Executive Director of the Ontario Securities Commission and a panel of distinguished guests

Burlington Golf and Country Club

SGH Chapter Dinner - April 17, 2014
Managing the Risk of Corporate Acquisitions

Speaker: Howard Johnson, Veracap M&A International

Burlington Golf and Country Club

SGH Chapter Dinner - May 8, 2014
Change Management

Speaker: Catherine Daw, SPM Group Ltd.

Oakville Conference Centre

FEI Canada National Conference - June 4-6, 2014

Niagara Falls

And stay tuned for more information on these events:

SGH Chapter Dinner - September 16, 2014

International Business & Tax Strategies

Speaker: Gilles Gosselin, SG Global Consulting Inc.

SGH Chapter Dinner - October 16, 2014

Self-marketing - Building your visibility professionally

Speaker: Jane Southren, Lerner's LLP

SGH Chapter Dinner - November 12, 2014

Disruptive Leadership

SGH Chapter Dinner - December 4, 2014

Economic Outlook

Speaker: Eric Lascelles, Chief Economist, RBC Global Asset Management

SGH Chapter Dinner - January 21, 2015

SGH Chapter Dinner - February 19, 2015

**To receive notification of these events via email, contact Rosemary Petrossi at sgh.chapter@financialexecutives.ca*

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The SGH Chapter appreciates the support of a variety of sponsors. All members benefit from the contributions of our sponsors, awareness of their products, services, and subject matter expertise, and additional networking opportunities. We encourage our members to take advantage of our relationship with these great companies. Please visit the [Member Resource](#) section of our website for sponsor-driven articles and videos there for your learning and benefit.

About our Organization

Welcome to the Southern Golden Horseshoe Chapter of Financial Executives International Canada.

Our chapter provides a great forum for peer networking by CFOs and other senior financial executives who want to meet quality people and share with others solutions to the crucial issues that confront them daily. Our FEI dinner meetings, professional development seminars and informal outings focus on the highest quality speakers and entertainment to facilitate the flow of new ideas, perspectives as well as sound career and business decisions.



southern golden
horseshoe chapter

Financial Executives International—Canada's pre-eminent association connecting financial executives through networking, knowledge exchange, advocacy and ethical leadership.

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