

**Form 51-102F6**  
*Statement of Executive Compensation*

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**Form 51-102F6**  
*Statement of Executive Compensation*

**Item 1            General Instructions and Interpretation**

**1.1**     The purpose of this Form is to provide disclosure of all compensation earned by certain executive officers and directors in connection with office or employment by your company or a subsidiary of your company. Wherever this Form uses the word “company”, the term includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

**1.2**     You should prepare the Form in the prescribed format. You may omit a table or column of a table if it is not applicable.

**1.3**     Definitions. For the purposes of this Form

“Chief Executive Officer” or “CEO” means each individual who served as chief executive officer of your company or acted in a similar capacity during the most recently completed financial year;

“Chief Financial Officer” or “CFO” means each individual who served as chief financial officer of your company or acted in a similar capacity during the most recently completed financial year;

“long-term incentive plan” or “LTIP” means a plan providing compensation intended to motivate performance over a period greater than one financial year. LTIPs do not include option or SAR plans or plans for compensation through shares or units that are subject to restrictions on resale;

“measurement period” means the period beginning at the “measurement point” which is established by the market close on the last trading day before the beginning of your company’s fifth preceding financial year, through and including the end of your company’s most recently completed financial year. If the class or series of securities has been publicly traded for a shorter period of time, the period covered by the comparison may correspond to that time period;

“Named Executive Officers” or “NEOs” means the following individuals:

- (a)     each CEO;
- (b)     each CFO;
- (c)     each of your company’s three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000; and

- (d) any additional individuals for whom disclosure would have been provided under (c) except that the individual was not serving as an officer of your company at the end of the most recently completed financial year-end;

“normal retirement age” means normal retirement age as defined in a pension plan or, if not defined, the earliest time at which a plan participant may retire without any benefit reduction due to age;

“options” includes all options, share purchase warrants and rights granted by a company or its subsidiaries as compensation for employment services or office. An extension of an option or replacement grant is a grant of a new option. Also, options includes any grants made to a NEO by a third party or a non-subsidiary affiliate of your company in respect of services to your company or a subsidiary of your company;

“plan” includes, but is not limited to, any arrangement, whether or not set forth in any formal document and whether or not applicable to only one individual, under which cash, securities, options, SARs, phantom stock, warrants, convertible securities, shares or units that are subject to restrictions on resale, performance units and performance shares, or similar instruments may be received or purchased. It excludes the Canada Pension Plan, similar government plans and group life, health, hospitalization, medical reimbursement and relocation plans that are available generally to all salaried employees (for example, does not discriminate in scope, terms or operation in favour of executive officers or directors);

“replacement grant” means the grant of an option or SAR reasonably related to any prior or potential cancellation of an option or SAR;

“repricing” of an option or SAR means the adjustment or amendment of the exercise or base price of a previously awarded option or SAR. Any repricing occurring through the operation of a formula or mechanism in, or applicable to, the previously awarded option or SAR equally affecting all holders of the class of securities underlying the option or SAR is excluded; and

“stock appreciation right” or “SAR” means a right, granted by a company or any of its subsidiaries as compensation for employment services or office to receive cash or an issue or transfer of securities based wholly or in part on changes in the trading price of publicly traded securities.

If a term is used but not defined in this Form, refer to Part 1 of National Instrument 51-102 and to National Instrument 14-101 *Definitions*. If a term is used in this Form and is defined in both the securities statute of a local jurisdiction and in National Instrument 51-102, refer to section 1.4 of Companion Policy 51-102CP.

**1.4** In preparing this Form:

- (a) **Determination of Most Highly Compensated Executive Officers.** The determination of your company's most highly compensated executive officers is based on the total annual salary and bonus of each executive officer during your company's most recently completed financial year.
- (b) **Change in Status of a NEO During the Financial Year.** If the NEO served in that capacity during any part of a financial year for which disclosure is required, disclose all of his or her compensation for the full financial year.
- (c) **Exclusion Due to Unusual Compensation or Compensation for Foreign Assignment.** In limited circumstances, you can exclude disclosure of an individual, other than a CEO or CFO, who is one of the three most highly compensated executive officers. Factors to consider in determining to exclude an individual are
  - (i) a payment or accrual of an unusually large amount of cash compensation (such as bonus or commission) that is not part of a recurring arrangement and is unlikely to continue; or
  - (ii) the payment of additional amounts of cash compensation for increased living expenses due to an assignment outside of Canada.
- (d) **All Compensation Covered.** This Form requires disclosure of all plan and non-plan compensation for each NEO, and each director in accordance with Item 11. Except as expressly provided, no amount, benefit or right reported as compensation for a financial year need be reported as compensation for any subsequent fiscal year.
- (e) **Sources of Compensation.** Compensation to officers and directors must include compensation from the company and its subsidiaries. Also, any compensation under an understanding or agreement existing among any of the company, its subsidiaries or an officer or director of the company or its subsidiary and another entity, for the primary purpose of the other entity compensating the officer or director for employment services or office, must be included in the appropriate compensation category.
- (f) **Compensation Furnished to Associates.** Any compensation to an associate, under an understanding or agreement among any of the company, its subsidiaries or another entity and an officer or director of the company or its subsidiary for the primary purpose of the company, its subsidiary or the other entity compensating the officer or director for employment services or office, must be included in the appropriate compensation category.

## Item 2 Summary Compensation Table

### 2.1 Summary Compensation Table

NEO Name and Principal Position (a)	Year (b)	Annual Compensation			Long-Term Compensation			All Other Compensation (i)
		Salary (\$) (c)	Bonus (\$) (d)	Other Annual Compensation (\$) (e)	Awards		Payouts	
					Securities Under Options/SARs Granted (#) (f)	Shares or Units Subject to Resale Restrictions (\$) (g)	LTIP Payouts (\$) (h)	
CEO	XXX3 XXX2 XXX1							
CFO	XXX3 XXX2 XXX1							
A	XXX3 XXX2 XXX1							
B	XXX3 XXX2 XXX1							
C	XXX3 XXX2 XXX1							

- Complete this table for each of the NEOs for your company's three most recently completed financial years. Note the following:
  - Columns (c) and (d) – include any cash or non-cash base salary and bonus earned by the NEO. For non-cash compensation, disclose the fair market value of the compensation at the time the compensation is earned. Amounts deferred at the election of a NEO must be included in the financial year in which earned. If the amount of salary and/or bonus earned in a given financial year is not calculable, that fact must be disclosed in a footnote and the amount must be disclosed in the subsequent financial year in the column for the financial year in which earned.
  - Any salary or bonus earned in a covered year that was foregone, at the election of a NEO, under a program of your company under which non-cash compensation may be received in lieu of a portion of annual compensation, need not be included in the salary or bonus columns. Instead, you may disclose the non-cash compensation in the appropriate column for that year (i.e. columns (f), (g) and (i)). If the election was made under a LTIP and therefore is not reportable at the time of grant in this table, a footnote must be added to the salary or bonus column disclosing this fact and referring to the table in section 3.1.

- Commissions can be treated as salary or bonus. You can add a footnote to the table to indicate that such amounts are paid under a commission arrangement and disclose details of the arrangement in the compensation committee report (Item 9).
- Column (e) – disclose all other compensation of the NEO that is not properly categorized as salary or bonus, including
  - (a) Perquisites and other personal benefits, securities or property, unless the aggregate amount of such compensation is less than \$50,000 and 10 per cent of the total of the annual salary and bonus of the NEO for the financial year. Generally, a perquisite is the cost or value of a personal benefit provided to the NEO that is not available to all employees. Examples of things that could be perquisites are
    - Car allowance
    - Car lease
    - Cars
    - Corporate aircraft
    - Club membership
    - Financial assistance to provide education to children of the executives
    - Financial counselling
    - Parking
    - Tax return preparation

The following are not considered perquisites and thus need not be reported:

- Contributions to professional dues
- CPP
- Dental
- Employee relocation plans available to all employees
- Group life benefits available to all employees
- Long-term benefits available to all employees
- Medical

Each perquisite or other personal benefit exceeding 25 per cent of the total perquisites and other personal benefits reported for a NEO must be identified by type and amount in a footnote to column (e). Perquisites and other personal benefits must be valued on the basis of the aggregate incremental cost to your company and its subsidiaries;

- (b) The above-market portion of all interest, dividends or other amounts paid concerning securities, options, stock appreciation rights (SARs), loans, deferred compensation or other obligations issued to a NEO during the financial year or payable during that period but deferred at the election of the NEO. Above-market

or preferential means a rate greater than the rate ordinarily paid by the company or its subsidiary on securities or other obligations having the same or similar features issued to third parties. Any above-market portion not reported in column (e) should be reported in column (i);

- (c) Earnings on LTIP compensation or dividend equivalents paid during the financial year or payable during that period but deferred at the election of the NEO;
  - (d) Amounts reimbursed during the financial year for the payment of taxes;
  - (e) The difference between the price paid by a NEO for a security of your company or its subsidiaries that was purchased from your company or its subsidiaries and the fair market value of the security at the time of purchase, unless the discount was available generally, either to all securityholders or to all salaried employees of your company;
  - (f) The imputed interest benefits from loans provided to, or debts incurred on behalf of, the NEO by your company and its subsidiaries as computed in accordance with the *Income Tax Act* (Canada); and
  - (g) The amounts of loan or interest obligations of the NEO to your company, its subsidiaries or third parties that were serviced or settled by the company or its subsidiaries without the substitution of an obligation to repay the amount to the company or subsidiaries in its place.
- Column (f) - includes the number of securities under option (with or without SARs awarded with the options) and, separately, the number of securities subject to freestanding SARs. The figures in this column for the most recent fiscal year should equal those reported in the table in section 4.1, column (b). These figures are not cumulative.
  - If at any time during the most recently completed financial year your company repriced options or freestanding SARs previously awarded to a NEO, disclose the repriced options or SARs as new options or SARs grants in column (f).
  - Column (g) - includes the dollar value (net of consideration paid by the NEO) of any shares or units that are subject to restrictions on resale (calculated by multiplying the closing market price of your company's freely trading shares on the date of grant by the number of stock or stock units awarded).
  - In a footnote to column (g) disclose
    - the number and value of the aggregate holdings of shares and units that are subject to restrictions on resale at the end of the most recently completed financial year;

- for any shares or units that are subject to restrictions on resale that will vest, in whole or in part, in less than three years from the date of grant, the total number of securities awarded and the vesting schedule; and
  - whether dividends or dividend equivalents will be paid on the shares and units that are subject to restrictions on resale disclosed in the column.
- Column (h) – includes the dollar value of all payouts under LTIPs.
  - Awards of shares or units that are subject to restrictions on resale that are subject to performance-based conditions prior to vesting may be disclosed as LTIP awards under the table in section 3.1 instead of under column (g). If this approach is selected, once the share or unit vests, it must be reported as an LTIP payout in column (h).
  - If any specified performance target, goal or condition to payout was waived regarding any amount included in LTIP payouts, disclose this fact in a footnote to column (h).
  - Column (i) – must include, but is not limited to,
    - (a) The amount paid, payable or accrued to a NEO for
      - (i) the resignation, retirement or other termination of the NEO’s employment with your company or one of its subsidiaries; or
      - (ii) a change in control of your company or one of its subsidiaries or a change in the NEO’s responsibilities following such a change in control.
    - (b) The dollar value of the above-market portion of all interest, dividends or other amounts earned during the financial year, or calculated with respect to that period, excluding amounts that are paid during that period, or payable during that period at the election of the NEO that were reported as other annual compensation in column (e). See the description for column (e), point (b) for an explanation of the above market portion.
    - (c) The dollar value of amounts earned on LTIP compensation during the financial year, or calculated with respect to that period, and dividend equivalents earned during that period except that amounts paid during that period, or payable during that period at the election of the NEO must be reported as other annual compensation in column (e).
    - (d) Annual contributions or other allocations by the company or its subsidiaries to vested and unvested defined contribution plans or employee savings plans. These benefits are not considered to be perquisites due to their all-inclusive nature.



- (e) The dollar value of any insurance premium paid by, or on behalf of, your company or its subsidiaries during the financial year with respect to term life insurance for the benefit of a NEO. If there is an arrangement or understanding, whether formal or informal, that the NEO has received or will receive or be allocated an interest in any cash surrender value under the insurance policy, either
    - (i) the full dollar value of the remainder of the premiums paid by, or on behalf of, the company or its subsidiaries; or
    - (ii) if the premiums will be refunded to the company or its subsidiaries on termination of the policy, the dollar value of the benefit to the NEO of the remainder of the premium paid by, or on behalf of, the company or its subsidiaries during the financial year. This benefit must be determined for the period, projected on an actuarial basis, between payment of premium and the refund.
  - (f) If the NEO's compensation takes the form of a contribution to assist in the NEO's purchase of shares, the amount of the contribution, unless the contribution was available generally, either to all securityholders or to all salaried employees of the company.
- The same method of reporting under this paragraph must be used for each NEO. If your company changes methods of reporting from one year to the next, that fact and the reason for the change must be disclosed in a footnote to column (i).
  - The following need not be reported in column (i):
    - (i) LTIP awards and amounts received on exercise of options and SARs; and
    - (ii) information on defined benefit and actuarial plans.
1. The \$150,000 threshold only applies to the most recent fiscal year in determining the NEOs.
  2. If, during any of the financial years covered by the table, your company or its subsidiaries did not employ a NEO for the entire financial year, disclose this fact and the number of months the NEO was so employed during the year in a footnote to the table.
  3. If during any of the financial years covered by the table, a NEO was compensated by a non-subsidiary affiliate of your company, disclose in a note to the table
    - (a) the amount and nature of such compensation; and
    - (b) whether the compensation is included in the compensation reported in the table.

4. Information with respect to a financial year-end prior to the most recently completed financial year-end need not be provided if your company was not a reporting issuer at any time during such prior financial year.

**Item 3 LTIP Awards Table**

**3.1 LTIP—Awards In Most Recently Completed Financial Year**

NEO Name (a)	Securities, Units or Other Rights (#) (b)	Performance or Other Period Until Maturation or Payout (c)	Estimated Future Payouts Under Non-Securities-Price-Based Plans		
			Threshold (\$ or #) (d)	Target (\$ or #) (e)	Maximum (\$ or #) (f)
CEO					
CFO					
A					
B					
C					

1. Complete this table for each LTIP award made to the NEOs during the most recently completed financial year. Note the following:
  - Column (b) – Include the number of securities, units or other rights awarded under any LTIP and, if applicable, the number of securities underlying any such unit or right.
  - Columns (d) to (f) - For plans not based on stock price, the dollar value of the estimated payout or range estimated payouts under the award (threshold, target and maximum amount), whether such award is denominated in stock or cash.
    - Threshold is the minimum amount payable for a certain level of performance under the plan.
    - Target is the amount payable if the specified performance target(s) is reached. You should provide a representative amount based on the previous financial year’s performance if the target award is not determinable.
    - Maximum is the maximum payout possible under the plan.
2. Describe in a footnote to the table, the material terms of any award, including a general description of the formula or criteria applied in determining the amounts payable. You are not required to disclose confidential information that would adversely affect your company’s competitive position.

3. A grant of two instruments in conjunction with each other, only one of which is under an LTIP, need be reported only in the table applicable to the other instrument.

**Item 4 Options and SARs**

**4.1 Option/SAR Grants During The Most Recently Completed Financial Year**

NEO Name (a)	Securities, Under Options/SARs Granted (#) (b)	Percent of Total Options/SARs Granted to Employees in Financial Year (c)	Exercise or Base Price (\$/Security) (d)	Market Value of Securities Underlying Options/ SARs on the Date of Grant (\$/Security) (e)	Expiration Date (f)
CEO					
CFO					
A					
B					
C					

1. Complete this table for individual grants of options to purchase or acquire securities of your company or any of its subsidiaries (whether or not in conjunction with SARs) and freestanding SARs made during the most recently completed financial year to each of NEO. Note the following:
  - The information must be presented for each NEO in groups according to each issuer and class or series of security underlying the options or SARs granted and within these groups in reverse chronological order. For each grant, disclose in a footnote the issuer and the class or series of securities underlying the options or freestanding SARs granted.
  - If more than one grant of options or freestanding SARs was made to a NEO during the most recently completed financial year, a separate row must be used to provide the particulars of each grant. However, multiple grants during a single financial year to a NEO can be aggregated if each grant was made on the same terms (eg. exercise price, expiration date and vesting thresholds, if any).
  - A single grant of options or freestanding SARs must be reported as separate grants for each tranche with a different exercise or base price, expiration date or performance-vesting threshold.
  - Each material term of the grant, including but not limited to the date of exercisability, the number of SARs, dividend equivalents, performance units or other instruments granted in conjunction with options, a performance-based condition to exercisability,

a re-load feature or a tax-reimbursement feature must be disclosed in a footnote to the table.

- Options or freestanding SARs granted in an option repricing transaction must be disclosed.
- If the exercise or base price is adjustable over the term of an option or freestanding SAR in accordance with a prescribed standard or formula, include in a footnote to the table, a description of the standard or formula.
- If any provision of an option or SAR (other than an anti-dilution provision) could cause the exercise or base price to be lowered, a description of the provision and its potential consequences must be included in a footnote to the table.
- In determining the grant date market value of the securities underlying options or freestanding SARs, use either the closing market price or any other formula prescribed under the option or SAR plan. For options or SARs granted prior to the establishment of a trading market in the underlying securities, the initial offering price may be used.

**4.2 Aggregated Option/SAR Exercises During The Most Recently Completed Financial Year And Financial Year-End Option/SAR Values**

NEO Name (a)	Securities, Acquired on Exercise (#) (b)	Aggregate Value Realized (\$) (c)	Unexercised Options/SARs at FY-End (#) Exercisable/Unexercisable (d)	Value of Unexercised in-the-Money Options/SARs at FY-End (\$) Exercisable/Unexercisable (e)
CEO				
CFO				
A				
B				
C				

1. Complete this table for each exercise of options (or SARS awarded with the options) and freestanding SARs during the most recently completed financial year by each NEO and the financial year-end value of unexercised options and SARs, on an aggregated basis. Note the following:

- Column (c) - the aggregate dollar value realized upon exercise. The dollar value is equal to column (b) times the difference between the market value of the securities underlying the options or SARs at exercise or financial year-end, respectively, and the exercise or base price of the options or SARs.

- Column (d) - the total number of securities underlying unexercised options and SARs held at the end of the most recently completed financial year, separately identifying the exercisable and unexercisable options and SARs.
- Column (e) - the aggregate dollar value of in-the-money, unexercised options and SARs held at the end of the financial year, separately identifying the exercisable and unexercisable options and SARs. The dollar value is calculated the same way as in column (c). Options or freestanding SARs are in-the-money at financial year-end if the market value of the underlying securities on that date exceeds the exercise or base price of the option or SAR.

## Item 5 Option and SAR Repricings

### 5.1 Table of Option and SAR Repricings

NEO Name (a)	Date of Repricing (b)	Securities Under Options/SARs Repriced or Amended (#) (c)	Market Price of Securities at Time of Repricing or Amendment (\$/Security) (d)	Exercise Price at Time of Repricing or Amendment (\$/Security) (e)	New Exercise Price (\$/Security) (f)	Length of Original Option Term Remaining at Date of Repricing or Amendment (g)
CEO						
CFO						
A						
B						
C						

1. Complete this table if at any time during the most recently completed financial year, your company has repriced downward any options or freestanding SARs held by any NEO.
2. State the following information for all downward repricings of options or SARs held by any NEO during the shorter of
  - (a) the 10 year period ending on the date of this Form; and
  - (b) the period during which your company has been a reporting issuer.
3. Information about a replacement grant made during the financial year must be disclosed even if the corresponding original grant was cancelled in a prior year. If the replacement grant is not made at the current market value, describe this fact and the terms of the grant in a footnote to the table.

4. The information must be presented in groups according to issuer and class or series of security underlying options or SARs and within these groups in reverse chronological order.
5. In a narrative immediately before or after this table, explain in reasonable detail the basis for all downward repricings during the most recently completed financial year of options and SARs held by any of the NEOs.

**Item 6 Defined Benefit or Actuarial Plan Disclosure**

**6.1 Pension Plan Table**

Remuneration (\$)	Years of Service				
	15	20	25	30	35
125,000					
150,000					
175,000					
200,000					
225,000					
250,000					
300,000					
400,000					
[insert additional rows as appropriate for additional increments]					

1. Complete this table for defined benefit or actuarial plans under which benefits are determined primarily by final compensation (or average final compensation) and years of service. The estimated annual benefits payable upon retirement (including amounts attributable to any defined benefit supplementary or excess pension awards plan) for the specified compensation and years of service should be disclosed .
2. Immediately following the table disclose
  - (a) the compensation covered by the plan(s), including the relationship of the covered compensation to the compensation reported in the table in section 2.1;
  - (b) the current compensation covered by the plan for any NEO whose total compensation differs substantially (by more than 10 per cent) from that set out in the table in section 2.1;
  - (c) a statement as to the basis upon which benefits are computed (for example; straight-life annuity amounts), and whether or not the benefits listed in the table are subject to any deduction for social security or other offset amounts such as Canada Pension Plan or Québec Pension Plan amounts; and

- (d) the estimated credited years of service for each NEO.
- 3. Compensation disclosed in the table must allow for reasonable increases in existing compensation levels or, alternately, you may present, as the highest compensation level in the table, an amount equal to 120 per cent of the amount of covered compensation of the most highly compensated of the NEOs.
- 4. For defined benefit or actuarial plans which are not reported in the table in section 6.1 because the benefits are not determined primarily by final compensation (or average final compensation) or years of service, state in narrative form
  - (a) the formula by which benefits are determined; and
  - (b) the estimated annual benefits payable upon retirement at normal retirement age for each of the NEOs.

**Item 7 Termination of Employment, Change in Responsibilities and Employment Contracts**

- 7.1** Describe the terms and conditions, including dollar amounts, of each of the following contracts or arrangements which are in existence at the end of the most recently completed financial year:
- (a) any employment contract between your company or its subsidiaries and a NEO; and
  - (b) any compensatory plan, contract or arrangement, where a NEO is entitled to receive more than \$100,000 from the issuer or its subsidiaries, including periodic payments or instalments, in the event of
    - (i) the resignation, retirement or any other termination of the NEO's employment with your company and its subsidiaries;
    - (ii) a change of control of your company or any of its subsidiaries; or
    - (iii) a change in the NEO's responsibilities following a change in control.

- 7.2** A cross reference to disclosure already made of any payments, instalments or contributions to defined benefit pension plans under Items 2 or 6 is permitted.

**Item 8 Composition of the Compensation Committee**

- 8.1** If any compensation is reported in Items 2 to 6 for the most recently completed financial year, under the caption "Composition of the Compensation Committee", identify each member of your company's compensation committee (or other board committee performing equivalent functions or in the absence of any such committee, the entire board

of directors) during the most recently completed financial year. Also, indicate each committee member who

- (a) was, during the most recently completed financial year, an officer or employee of your company or any of its subsidiaries;
- (b) was formerly an officer of your company or any of its subsidiaries;
- (c) had or has any relationship that requires disclosure by your company under Form 51-102F5 *Information Circular*, Item 10 “Indebtedness of Directors and Executive Officers” and Item 11 “Interest of Informed Persons in Material Transactions”;
- (d) was an executive officer of your company and also served as a director or member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another issuer, one of whose executive officers served either
  - (i) on the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of the issuer; or
  - (ii) as a director of the issuer.

**8.2** If the composition of the compensation committee changed during the year or before the report in Item 9 “Report on Executive Compensation” is prepared, then disclose the change in membership as well as any of the relationships described in section 8.1, if any.

## **Item 9 Report on Executive Compensation**

**9.1** If any compensation is reported in Items 2 to 6 for the most recently completed financial year, describe under the caption “Report on Executive Compensation” the policies of the compensation committee or other board committee performing equivalent functions, or in the absence of any such committee then of the entire board of directors of your company, during the most recently completed financial year, for determining compensation of executive officers. Boilerplate language should be avoided.

**9.2** This report should include a discussion of

- (a) the relative emphasis of your company on cash compensation, options, SARs, securities purchase programs, shares or units that are subject to restrictions on resale and other incentive plans, and annual versus long-term compensation;
- (b) whether the amount and terms of outstanding options, SARs, shares and units subject to restrictions on resale were taken into account when determining whether and how many new option grants would be made;



- (c) the specific relationship of your company's performance to executive compensation, and, in particular, describing each measure of your company's performance, whether quantitative or qualitative, on which executive compensation was based and the weight assigned to each measure, e.g. percentage ranges; and
- (d) the waiver or adjustment of the relevant performance criteria and the bases for the decision if an award was made to a NEO under a performance-based plan despite failure to meet the relevant performance criteria. For example, you should explain how bonuses are earned and why they were awarded this period, if applicable.

**9.3** The report should state the following information about each CEO's compensation:

- (a) the bases for the CEO's compensation for the most recently completed financial year, including the factors and criteria upon which the CEO's compensation was based and the relative weight assigned to each factor;
- (b) the competitive rates, if compensation of the CEO was based on assessments of competitive rates, with whom the comparison was made, the nature of, and the basis for, selecting the group with which the comparison was made and at what level in the group the compensation was placed. Disclose if different competitive standards were used for different components of the CEO's compensation; and
- (c) the relationship of your company's performance to the CEO's compensation for the most recently completed financial year, describing each measure of your company's performance, whether quantitative or qualitative, on which the CEO's compensation was based and the weight assigned to each measure, for example, percentage ranges.

**9.4** Name each member of your company's compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors). If the board of directors modified or rejected in any material way any action or recommendation by the committee with respect to decisions in the most recently completed financial year, the report should indicate this fact, explain the reasons for the board's action and include the names of all of the members of the board.

**9.5** If a compensation committee member dissents concerning the content of the report, the report must identify the dissenting member and the reasons provided to the committee for the dissent.

**9.6** Disclosure of target levels with respect to specific quantitative or qualitative performance-related factors considered by the committee (or board), or any factors or criteria involving confidential information is not required.

**9.7** If compensation of executive officers is determined by different board committees, a joint report may be presented indicating the separate committee's responsibilities and members of each committee or alternatively separate reports may be prepared for each committee.

## **Item 10 Performance Graph**

**10.1** If any compensation is reported in response to Items 2 to 6 for the most recently completed financial year, immediately after Item 9, provide a line graph called "Performance Graph" comparing

- (a) the yearly percentage change in your company's cumulative total shareholder return on each class or series of equity securities that are publicly traded, as measured in accordance with section 10.2, with
- (b) the cumulative total return of a broad equity market index assuming reinvestment of dividends, that includes issuers whose securities are traded on the same exchange or are of comparable market capitalization, provided that, if your company is within the S&P/TSX Composite Index, you must use the total return index value of the S&P/TSX Composite Index.

**10.2** The yearly percentage change in your company's cumulative total shareholder return on a class or series of securities must be measured by dividing

- (a) the sum of
  - (i) the cumulative amount of dividends for the measurement period, assuming dividend reinvestment, and
  - (ii) the difference between the price for the securities of the class or series at the end and the beginning of the measurement period, by
- (b) the price for the securities of the class or series at the beginning of the measurement period.

At the measurement point, which is the beginning of the measurement period, the closing price must be converted into a fixed investment of \$100 in your company's securities (or in the securities represented by a given index), with cumulative returns for each subsequent financial year measured as a change from that investment.

**10.3** In preparing the required graphic comparisons,

- (a) use, to the extent feasible, comparable methods of presentation and assumptions for the total return calculations, provided that, if your company constructs its own peer group index under section 10.5(b), the same methodology must be used in calculating both your company's total return and that of the peer group index;

- (b) assume the reinvestment of dividends into additional securities of the same class or series at the frequency with which dividends are paid on the securities during the applicable financial year; and
  - (c) each financial year should be plotted with points showing the cumulative total return as of that point. The value of the investment as of each point plotted on a given return line is the number of securities held at that point multiplied by the then-prevailing security price.
- 10.4** You must present information for your company's last five most recently completed financial years, and may choose to graph a longer period but the \$100 measurement point remains the same. A period shorter than five years may be used if the class or series of securities forming the basis for the comparison has been publicly traded for a shorter time period.
- 10.5** You also may elect to include in the graph a line charting the cumulative total return, assuming reinvestment of dividends, of
- (a) a published industry or line-of-business index which is any index that is prepared by a party other than your company or its affiliate and is accessible to your company's securityholders, provided that, you may use an index prepared by your company or its affiliate if such index is widely recognized and used;
  - (b) peer issuer(s) selected in good faith. If you do not select your company's peer issuers on an industry or line-of-business basis, you must disclose the basis for your selection; or
  - (c) issuer(s) with similar market capitalization(s), but only if you do not use a published industry or line-of-business index and do not believe you can reasonably identify a peer group. If you use this alternative, the graph must be accompanied by a statement of the reasons for this selection.
- 10.6** If you use peer issuer comparisons or comparisons with issuers with similar market capitalizations, the identity of those issuers must be disclosed and the returns of each component issuer of the group must be weighted according to the respective issuer's market capitalization at the beginning of each period for which a return is indicated.
- 10.7** Any election to use an additional index under section 10.5 is considered to apply in respect of all subsequent financial years unless abandoned by your company in accordance with this section. To abandon the index, your company must have, in the information circular or AIF for the financial year immediately preceding the most recently completed financial year
- (a) stated its intention to abandon the index;
  - (b) explained the reason(s) for this change; and

(c) compared your company's total return with that of the elected additional index.

**10.8** You may include comparisons using performance measures in addition to total return, such as return on average common shareholders' equity, so long as your company's compensation committee (or other board committee performing equivalent functions or in the absence of any such committee the entire board of directors) describes the link between that measure and the level of executive compensation in the report required by Item 9.

## **Item 11 Compensation of Directors**

**11.1** Disclose the following under the "Compensation of Directors" heading:

- (a) any standard compensation arrangements, stating amounts, earned by directors of your company for their services as directors from your company and its subsidiaries during the most recently completed financial year, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangements, stating the amounts paid and the name of the director, under which directors were compensated for their services as directors from your company and its subsidiaries during the most recently completed financial year; and
- (c) any other arrangements, stating the amounts paid and the name of the director, under which directors of your company were compensated for services as consultants or experts, by your company and its subsidiaries during the most recently completed financial year.

**11.2** If information required by section 11.1 is provided in response to another item of this Form, a cross-reference to where the information is provided satisfies section 11.1.

## **Item 12 Unincorporated Issuers**

**12.1** Unincorporated issuers must report

- (a) a description of and amount of fees or other compensation paid by the issuer to individuals acting as directors or trustees of the issuer for the most recently completed financial year; and
- (b) a description of and amount of expenses reimbursed by the issuer to such individuals as directors or trustees during the most recently completed financial year.

**12.2** The information required by this Item may be disclosed in the issuer's annual financial statements instead.

**Item 13      Venture Issuers**

**13.2** A venture issuer may omit the disclosure required by Items 5, 6, 8, 9 and 10. A venture issuer must, in a narrative that accompanies the table required in section 4.1, disclose which grants of options or SARs result from repricing and explain in reasonable detail the basis for the repricing.

**Item 14      Issuers Reporting in the United States**

**14.1** Except as provided in section 14.2, SEC issuers may satisfy the requirements of this Form by providing the information required by Item 402 “Executive Compensation” of Regulation S-K under the 1934 Act.

**14.2** Section 14.1 is not available to an issuer that, as a foreign private issuer, satisfies Item 402 of Regulation S-K by providing the information required by Items 6.B “Compensation” and 6.E.2 “Share Ownership” of Form 20-F under the 1934 Act.