

Notice

Form 51-102F6
Statement of Executive Compensation
(in respect of financial years ending on or after December 31, 2008)
and
Consequential Amendments

Introduction

We, the Canadian Securities Administrators (CSA), are adopting

- Form 51-102F6 *Statement of Executive Compensation (in respect of financial years ending on or after December 31, 2008)* (the New Form); and
- consequential amendments (the Consequential Amendments) to National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102), Form 51-102F5 *Information Circular* (Form 51-102F5) of NI 51-102, and current Form 51-102F6 *Statement of Executive Compensation*, which came into force on March 30, 2004, as amended (the Old Form).

The New Form and the Consequential Amendments are collectively referred to as the Amendments.

Members of the CSA in the following jurisdictions have made, or expect to make, the Amendments as

- rules in each of British Columbia, Alberta, Manitoba, Ontario, Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland and Labrador, the Northwest Territories, Yukon and Nunavut;
- commission regulations in Saskatchewan; and
- a regulation in Québec.

In British Columbia and Ontario, the implementation of the Amendments is subject to ministerial approval.

In Ontario, in accordance with section 143.3 of the *Securities Act* (Ontario), the Amendments were delivered to the Minister of Finance (the Minister) on September 17, 2008. The Minister may approve or reject the Amendments or return them for further consideration. If the Minister approves the Amendments, or does not take any further action by November 16, 2008, the Amendments will come into force in Ontario on December 31, 2008.

In Québec, the Amendments are adopted as a regulation made under section 331.1 of *The Securities Act* (Québec) and must be approved, with or without amendment, by the Minister of Finance. The Amendments will come into force on the date of publication of the regulation in the *Gazette Officielle du Québec* or on any later date specified in the regulation.

Provided all necessary ministerial approvals are obtained, the Amendments will come into force on December 31, 2008.

We are also withdrawing the following notices, effective December 31, 2008,

- CSA Staff Notice 51-304 *Report on Staff's Review of Executive Compensation Disclosure*;
- except in British Columbia, CSA Staff Notice 51-314 *Retirement Benefits Disclosure*;
- CSA Notice 51-325 *Status of Proposed Repeal and Substitution of Form 51-102F6 Statement of Executive Compensation*; and
- in Ontario, Ontario Securities Commission Staff Notice 51-702 *Executive Compensation Disclosure for Debt-Only Issuers*.

Substance and purpose

The Amendments are an initiative of all members of the CSA to repeal and substitute the Old Form. The Old Form is substantially the same as executive compensation disclosure requirements introduced in 1994. Since 1994, compensation practices have evolved and become increasingly complex. Under the Old Form, investors are provided with fragmented compensation information, which makes it difficult for them to assess the total compensation paid to executive officers. The purpose of the Amendments is to improve the quality of executive compensation disclosure. Improved disclosure will result in better communication of what the board of directors intended to pay or award certain executive officers or directors and will allow users to assess how decisions about executive compensation are made. It will also provide insight into a key aspect of a company's overall stewardship and governance.

The Amendments require companies to disclose all compensation awarded to certain executive officers and directors and to provide this disclosure in a new format. Our intention is to create a document that will present executive compensation information in a consistent, meaningful way, and that will continue to provide a suitable framework for disclosure as compensation practices change over time.

Summary of written comments

On February 22, 2008, we published the Amendments for comment. The comment period ended on April 22, 2008. We received submissions from 20 commenters. We have considered the comments received and thank all the commenters. The names of the commenters are contained in Schedule 1 of Appendix A of this notice and a summary of their comments, together with our responses, are contained in Schedule 2 of Appendix A of this notice.

After considering the comments, we made some changes to the versions of the New Form (the 2008 Form) and the Consequential Amendments (with the 2008 Form, the 2008 Proposal) that were published for comment on February 22, 2008. We do not think these changes are material and are not republishing the Amendments for a further comment period. The notable changes are summarized in Appendix B of this notice.

Questions

Please refer your questions to any of the people listed below:

Andrew Richardson
Deputy Director, Corporate Finance
British Columbia Securities Commission
(604) 899-6730
(800) 373-6393 (toll free in B.C. and AB)
arichardson@bcsc.bc.ca

Alison Dempsey
Senior Legal Counsel, Corporate Finance
British Columbia Securities Commission
(604) 899-6638
(800) 373-6393 (toll free in B.C. and AB)
adempsey@bcsc.bc.ca

Tom Graham
Director, Corporate Finance
Alberta Securities Commission
(403) 297-5355
tom.graham@seccom.ab.ca

Deepali Kapur
Senior Accountant, Corporate Finance
Ontario Securities Commission
(416) 593-8256
dkapur@osc.gov.on.ca
(on leave from November 2008 through October 2009)

Michael Tang
Legal Counsel, Corporate Finance
Ontario Securities Commission
(416) 593-2330
mtang@osc.gov.on.ca

Mark Pinch
Senior Accountant
Ontario Securities Commission
(416) 593-8057
mpinch@osc.gov.on.ca

Frédéric Duguay
Legal Counsel, Corporate Finance
Ontario Securities Commission
(416) 593-3677
fduguay@osc.gov.on.ca

Lucie J. Roy
Conseillère en réglementation
Service de la réglementation
Surintendance aux marchés des valeurs
Autorité des marchés financiers
(514) 395-0337, ext. 4364
lucie.roy@lautorite.qc.ca

Pasquale Di Biasio
Analyste, Service de l'information financière
Direction des marchés des capitaux
Autorité des marchés financiers
(514) 395-0337, poste 4385
pasquale.dibiasio@lautorite.qc.ca

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