

## **APPENDIX C**

### **PROPOSED FORM 51-102F6 STATEMENT OF EXECUTIVE COMPENSATION**

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**FORM 51-102F6**  
**STATEMENT OF EXECUTIVE COMPENSATION**

**ITEM 1 – GENERAL PROVISIONS**

**1.1 Objective**

This form requires companies to disclose all direct and indirect compensation provided to certain executive officers and directors for the services they have provided to the company or a subsidiary of the company.

The objective of this disclosure is to communicate what the board of directors intended to pay or award certain executive officers and directors for the financial year. This disclosure will provide insight into a key aspect of a company's overall stewardship and governance and will help investors understand how decisions about executive compensation are made.

A company's executive compensation disclosure under this form must satisfy this objective.

**1.2 Format**

Companies should focus on substance over form when preparing this form. While companies must disclose the required information in accordance with this form, they may:

- (a) omit a table or column of a table if it does not apply, and
- (b) add tables and columns if they are needed to meet the objective in section 1.1.

**1.3 Definitions**

If a term is used in this form but is not defined in this section, refer to subsection 1.1(1) of the Instrument or to National Instrument 14-101 *Definitions*.

In this form,

**“CEO”** means each individual who served as chief executive officer of a company or acted in a similar capacity, whether or not directly employed by the company, for any part of the most recently completed financial year;

**“CFO”** means each individual who served as chief financial officer of a company or acted in a similar capacity, whether or not directly employed by the company, for any part of the most recently completed financial year;

**“closing market price”** means the price at which the company’s security was last sold, on the date that the price is determined,

- (a) in the security’s principal marketplace in Canada, or
- (b) if the security is not listed or quoted on a marketplace in Canada, in the security’s principal marketplace;

**“company”** includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

**“equity incentive plan”** means an incentive plan or portion of an incentive plan under which awards are granted that fall within the scope of Section 3870 of the Handbook;

**“external management company”** includes a subsidiary, affiliate or associate of the external management company;

**“grant date”** means the date determined for financial statement reporting purposes under Section 3870 of the Handbook;

**“incentive plan”** means any plan providing compensation that depends on achieving certain performance goals within a specified period, whether performance is measured by reference to the financial performance of the company or an affiliate, the company’s share price or any other performance measure;

**“incentive plan award”** means an award provided under an incentive plan;

**“NEO”** stands for named executive officer, which means each of the following individuals:

- (a) each CEO;
- (b) each CFO;
- (c) each of the 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 individual total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was not an executive officer of the company at the end of that financial year;

**“non-equity incentive plan”** means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

**“option award”** means an award of options under an equity incentive plan;

**“options”** include instruments such as share options, share appreciation rights and similar instruments with option-like features;

**“plan”** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received and whether for one or more persons, but excludes the Canada Pension Plan, similar government plans and group life, health, hospitalization, medical reimbursement and relocation plans that do not discriminate in scope, terms or operation and are generally available to all salaried employees;

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

**“repricing”** of an option means adjusting or amending the exercise or base price of a previously awarded option, but excludes any repricing that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the previously awarded option;

**“share award”** means an award of shares under an equity incentive plan;

**“shares”** include instruments such as common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, stock or any similar instruments that do not have option-like features.

## **1.4 Preparing the form**

### **(1) All compensation covered**

This form requires companies to disclose all plan and non-plan compensation for each NEO and each director.

This form contains specific requirements for how to disclose common types of compensation. To meet these requirements, companies must assess fully whether they have disclosed everything that a reasonable person would view as compensation.

This form does not specify every form of compensation arrangement. However, companies must disclose all compensation provided to NEOs and directors, regardless of how the compensation is structured or whether it fits into a column of a particular table.

### **(2) Information for full financial year**

If the CEO, CFO or any other NEO worked in that capacity for the company during part of a financial year that is being disclosed in the summary compensation table, provide

details of all of the compensation that an NEO received from the company for that financial year. This includes compensation the NEO earned in any other position with the company during the financial year.

Do not annualize compensation for any part of a year when an NEO was not employed by the company.

**(3) External management companies**

- (a) If the company does not have direct employees who act as executive officers and directors, disclose the individuals who performed the functions of executive officers or directors, whether or not they performed these functions under a written or unwritten contract or any other direct or indirect arrangement.
- (b) If an external management company employs or retains the company's executive officers and the company has entered into an understanding, arrangement or agreement with the external management company to provide executive management services to the company directly or indirectly, disclose any compensation that:
  - (i) the company paid directly to anyone employed or retained by the external management company and who is acting as an executive officer or director of the company; and
  - (ii) the external management company paid to these individuals that is attributable to the services they provided to the company directly or indirectly.
- (c) If an external management company provides the company's executive management services and provides management services to other companies, disclose:
  - (i) the portion of the compensation paid to the officer or director that the external management company attributes to services the external management company provided to the company; or
  - (ii) the entire compensation the external management company paid to the officer or director. If the management company allocates the compensation paid to the officer or director, disclose the basis or methodology used to allocate this compensation.

***Commentary***

1. *Executive officers may be employed by an external management company and provide their services to the company under a contract. In this case,*

*the CEO and CFO disclosed under this form are the individuals who performed similar functions to the CEO and CFO. They are generally the same individuals who signed and filed annual and interim certificates to comply with Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.*

**(4) Sources of compensation**

Disclose all compensation payable, directly or indirectly, to each director and NEO. Compensation to directors and NEOs must include all compensation from the company and its subsidiaries.

Disclose any compensation paid to an NEO or director by another entity under an understanding, arrangement or agreement between:

- (a) the company, its subsidiaries, or an NEO or director of the company or its subsidiaries; and
- (b) the other entity.

**(5) Determining NEOs**

- (a) When calculating the total compensation to determine who is an NEO in a company's most recently completed financial year under the definition of NEO in section 1.3,
  - (i) use the total compensation that would be reported under column (i) of the summary compensation table required by section 3.1 for each executive officer, as if that executive officer were an NEO for the company's most recently completed financial year, and
  - (ii) despite subparagraph (i), exclude from the calculation,
    - (A) any compensation that would be reported under column (g) of the summary compensation table required by section 3.1, and
    - (B) any cash compensation that relates to foreign assignments that is specifically intended to offset the impact of a higher cost of living in the foreign location, and is not otherwise related to the duties the executive officer performs for the company.
- (b) For the purposes of the definition of NEO in section 1.3, an executive officer includes an individual who acts in a capacity similar to an executive officer.

### ***Commentary***

1. *The \$150,000 threshold in paragraph (c) of the definition of NEO only applies when determining who is an NEO in a company's most recently completed financial year. If an individual is an NEO in the most recently completed financial year, disclosure of compensation in prior years must be provided if otherwise required by this form even if total compensation in a prior year is less than \$150,000 in that year.*

### **(6) Compensation to associates**

Disclose any compensation paid to an associate of an NEO or director under an understanding or agreement that compensates the NEO or director and is between

- (a) any of the company, its subsidiaries or another entity and
- (b) the NEO or director.

### **(7) New reporting issuers**

- (a) Do not provide information for completed financial years during which the company was not a reporting issuer at any time. Disclose information in the summary compensation table for up to the three most recently completed financial years since the company became a reporting issuer.
- (b) Despite paragraph (a), if the company was not a reporting issuer at any time during the most recently completed financial year and the company is completing the form because it is preparing a prospectus, discuss all significant elements of the compensation to be awarded to NEOs of the company once it becomes a reporting issuer, to the extent this has been determined.

### **(8) Issuers that comply with foreign GAAP**

This form includes many references to Section 3870 of the Handbook. A company may provide the information required by this form in accordance with the accounting principles it uses to prepare its financial statements, instead of the Handbook, as permitted by National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*.

### **(9) Use of the term “director”**

References to “director” in this form include an individual who acts in a capacity similar to a director.



## **ITEM 2 – COMPENSATION DISCUSSION AND ANALYSIS**

### **2.1 Compensation discussion and analysis**

- (1) Describe and explain all significant elements of compensation awarded to, earned by, or paid to NEOs for the most recently completed financial year. Include the following:

  - (a) the objectives of the compensation program;
  - (b) what the compensation program is designed to reward;
  - (c) each element of compensation;
  - (d) why the company chooses to pay each element;
  - (e) how the company determines the amount (and, where applicable, the formula) for each element; and
  - (f) how each element of compensation and the company's decisions about that element fit into the company's overall compensation objectives and affect decisions about other elements.
- (2) Where applicable, describe any new actions, decisions or policies that were made after the end of the most recently completed financial year that could affect a reasonable understanding of an NEO's compensation for the most recently completed financial year.
- (3) Where applicable, clearly state the benchmark and explain its components, including companies included in the benchmark and selection criteria. Where relevant, explain how the peer group sample was formed and why certain companies were included in the group.
- (4) Where applicable, disclose targets that are based on objective, identifiable measures, such as the company's share price or earnings per share. If targets are subjective, the company may describe the target without providing specific measures.

The company may exclude target levels that relate to specific quantitative or qualitative performance factors or criteria if disclosing them would seriously prejudice the company's interests. Companies do not qualify for this exemption if they have publicly disclosed a performance target level, or other factor or criteria, in a document filed on SEDAR or elsewhere.

If the company does not disclose specific target levels or criteria, state what percentage of the NEO's total compensation relates to this undisclosed information and how difficult it could be for the NEO, or how likely it will be for the company, to achieve the undisclosed target levels or criteria.

If the company discloses targets that are non-GAAP financial measures, explain how the company calculates these targets from its financial statements.

### ***Commentary***

1. *The information disclosed under section 2.1 will depend on the facts and the company's circumstances. Provide enough analysis to allow a reader to understand the disclosure elsewhere in this form. Describe the significant principles underlying policies and explain the decisions relating to compensation provided to an NEO. Disclosure that merely describes the process for determining compensation or compensation already awarded, earned or paid is not adequate. The information contained in this section should give readers a sense of how compensation is tied to the NEO's performance. Avoid boilerplate language.*
2. *If the company's process for determining executive compensation is very simple, for example, the company relies solely on board discussion without any formal objectives, criteria and analysis, then make this clear in the discussion.*
3. *The following are examples of items that will usually be significant elements of compensation:*
  - *contractual or non-contractual arrangements, plans, process changes or any other matters that might cause the amounts disclosed for the most recently completed financial year to be misleading if used as an indicator of expected compensation levels in future periods;*
  - *the process for determining perquisites and personal benefits;*
  - *policies and decisions about the adjustment or recovery of awards or payments if the performance measures on which they are based are restated or adjusted to reduce the payment or award;*
  - *the basis for selecting events that trigger payment for any arrangement that provides for payment at, following or in connection with any termination or change of control;*
  - *whether the company used any benchmarking in determining compensation or any element of compensation;*

- *any waiver or change to any specified performance target, goal or condition to payout for any amount, including whether the waiver or change applied to one or more specified NEOs or to all compensation subject to the target, goal or condition;*
- *the role of executive officers in determining executive compensation; and*
- *target levels for specific quantitative or qualitative performance-related factors for NEOs.*

## **2.2 Performance graph**

- (a) This section does not apply to
- (i) venture issuers,
  - (ii) companies that have distributed only debt securities to the public, and
  - (iii) companies, including any predecessor companies, that were not reporting issuers in a jurisdiction in Canada for at least 12 calendar months before the date of this form.
- (b) Provide a line graph showing the company's cumulative total shareholder return over the five most recently completed financial years. Assume that \$100 was invested on the first day of the five-year period. If the company has been a reporting issuer for less than five years, use the period that the company has been a reporting issuer.

Compare this to the cumulative total return of at least one broad equity market index that is an appropriate reference point for the company's return. If the company is included in the S&P/TSX Composite Total Return Index, use that index. In all cases, assume that dividends are reinvested.

Discuss how the trend shown by this graph compares to the trend in the company's compensation to executive officers reported under this form over the same period.

### ***Commentary***

1. *For section 2.2, companies may also include other relevant performance measures.*

## 2.3 Option awards

Describe the process the company uses to grant options to executive officers. Include the role of the compensation committee and executive officers in setting or amending any option program. State whether previous grants of options are taken into account when considering new grants.

## ITEM 3 – SUMMARY COMPENSATION TABLE

### 3.1 Summary compensation table

- (1) For each NEO in the most recently completed financial year, complete this table for each of the company's three most recently completed financial years that end on or after **[December 31, 2008]**.

Name and principal position (a)	Year (b)	Salary (\$) (c)	Share awards (\$) (d)	Option awards (\$) (e)	Non-equity incentive plan compensation (\$) (f)		Pension value (\$) (g)	All other compensation (\$) (h)	Total compensation (\$) (i)
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
CEO	____ ____								
CFO	____ ____								
A	____ ____								
B	____ ____								
C	____ ____								

*Commentary*

1. *A company may have less than three financial years completed on or after [December 31, 2008] until about [December 31, 2010]. During this transition period, a company is not required to present summary compensation table disclosure under Form 51-102F6 Statement of Executive Compensation, as it existed on [December 30, 2008].*
- (2) Include in column (c) the dollar value of cash and non-cash base salary an NEO earned during a financial year covered in the table (a covered financial year).
  - (a) If the company cannot calculate the amount of salary earned in a financial year, disclose this in a footnote, along with the reason why it cannot be determined. Restate the salary figure the next time the company prepares this form, and explain what portion of the restated figure represents an amount that the company could not previously calculate.
  - (b) If an NEO elected to forego any salary or other compensation earned in a financial year under a program that allows an executive officer to receive shares, options or other forms of non-cash compensation instead of a portion of annual compensation, include this amount in the salary column. State in a footnote any form of non-cash compensation substituted for salary or other compensation earned.
- (3) For share awards disclosed in column (d), disclose the dollar amount based on the grant date fair value for a covered financial year.
- (4) For option awards disclosed in column (e), with or without tandem share appreciation rights, disclose the dollar amount based on the grant date fair value of the award for a covered financial year.
- (5) For an award disclosed in column (d) or (e), in a footnote to the table or in a narrative after the table,
  - (a) if the grant date fair value is different from the fair value determined in accordance with Section 3870 of the Handbook (accounting fair value), state the amount of the difference and explain the difference, and
  - (b) describe the methodology used to calculate the grant date fair value, disclose the key assumptions and estimates used for each calculation, and explain why the company chose that methodology.

### ***Commentary***

1. *This commentary applies to subsections (3), (4) and (5).*

2. *The value disclosed in columns (d) and (e) of the summary compensation table should reflect what the board of directors intended to award as compensation (grant date fair value) as set out in comment 3, below.*
3. *While compensation practices vary, there are generally two approaches that boards of directors use when setting compensation. A board of directors may decide the value of securities of the company it intends to award as compensation. Alternatively, a board of directors may decide the portion of the potential ownership of the company it intends to transfer as compensation. A fair value ascribed to the award will normally result from these approaches.*

*A company may calculate this value either in accordance with a valuation methodology identified in Section 3870 of the Handbook or in accordance with another methodology as set out in comment 5, below.*

4. *In some cases, the grant date fair value disclosed in columns (d) and (e) may differ from the accounting fair value. For financial statement purposes, the accounting fair value amount is amortized over the service period to obtain an accounting cost (accounting compensation expense), adjusted at year end as required.*
  5. *While the most commonly used methodologies for calculating the value of most types of awards are the Black-Scholes-Merton model and the binomial lattice model, companies may choose to use another valuation methodology if it produces a more meaningful and reasonable estimate of fair value.*
  6. *Under Section 3870 of the Handbook, a company does not recognize any accounting compensation expense at grant date for awards that call only for settlement in cash and if the exercise price is not equal to fair market value. The amount disclosed in the table should reflect the grant date fair value following the principles described under comments 2 and 3, above.*
  7. *Column (d) includes instruments such as restricted shares, restricted share units, phantom share or units, common share equivalent or any similar instruments that do not have option-like features.*
- (6) In column (e), include the incremental fair value, computed as of the repricing or modification date in accordance with Section 3870 of the Handbook, if at any time during the covered financial year, the company has adjusted, amended, cancelled, replaced or significantly modified the exercise price of options previously awarded to an NEO.

This requirement does not apply to any repricing that equally affects all holders of the class of securities underlying the options and that occurs through a pre-

- existing formula or mechanism in the plan or award that results in the periodic adjustment of the option exercise or base price, an antidilution provision in a plan or award, or a recapitalization or similar transaction.
- (7) Include a footnote to the table quantifying the incremental fair value of any adjusted, amended, cancelled, replaced or significantly modified options that are included in the table.
- (8) In column (f), include the dollar value of all amounts earned for services performed during the covered financial year that are related to awards under non-equity incentive plans and all earnings on any outstanding awards and bonus amounts.
- (a) If the relevant performance measure was satisfied during a covered financial year (including for a single year in a plan with a multi-year performance measure), report the amounts earned for that financial year, even if they are payable at a later date. The company is not required to report these amounts again when they are actually paid to an NEO.
- (b) Include a footnote describing and quantifying all amounts earned on non-equity incentive plan compensation, whether they were paid during the financial year, were payable but deferred at the election of an NEO, or are payable by their terms at a later date.
- (c) Include any discretionary cash awards that were not based on pre-determined performance criteria that were communicated to an NEO. Report any performance plan awards that include pre-determined performance conditions in column (f).
- (d) If an NEO elected to forego any annual cash compensation (such as a bonus) earned in a covered financial year under a program that allows an executive officer to receive shares, options or other forms of non-cash compensation instead of a portion of annual compensation, include this amount in the salary column. Describe and quantify in a footnote to the table any form of non-cash compensation substituted for annual cash compensation (such as bonus) earned.
- (e) In column (f1), include annual non-equity incentive plan compensation, such as bonus and discretionary amounts. For column (f1), bonuses relate only to a single financial year. In column (f2), include all non-equity incentive plan compensation related to a period longer than one year.
- (9) In column (g), include all compensatory items for defined benefit and defined contribution plans. These include service cost plus other compensatory items such as plan changes and earnings that are different from the estimated earnings for defined benefit plans and above-market earnings for defined contribution plans.

This disclosure relates to all plans that provide for the payment of retirement benefits. Use the same amounts included in column (e) of the defined benefit plan table required by Item 5 for the covered financial year and the amounts included in column (c) of the defined contribution plan table as required by Item 5 for the covered financial year.

**(10)** In column (h), include all other compensation not reported in any other column of this table. Include each compensation item that cannot be properly reported in columns (c) through (g). Column (h) must include, but is not limited to:

(a) perquisites, including property or other personal benefits provided to an NEO that are not generally available to all employees, and that in aggregate are \$50,000 or more, or are 10% or more of an NEO's total salary for the financial year. Value these items on the basis of the aggregate incremental cost to the company and its subsidiaries. Describe in a footnote the methodology used for computing the aggregate incremental cost to the company.

State the type and amount of each perquisite that exceeds 25% of the total perquisites reported for an NEO in a footnote to the table. Provide the footnote information for the most recently completed financial year only;

- (b) other post-retirement benefits such as health insurance or life insurance after retirement;
- (c) all "gross-ups" or other amounts reimbursed during the covered financial year for the payment of taxes;
- (d) the amounts paid or payable as a result of an event that occurred before the end of the covered financial year to an NEO in the scenarios listed in section 6.1;
- (e) the dollar value of any insurance premiums paid by, or on behalf of, the company during the covered financial year for personal insurance for an NEO if the estate of the NEO is the beneficiary;
- (f) the dollar value of any dividends or other earnings paid on share or options awards that were not factored into the grant date fair value required to be reported in columns (d) and (e);
- (g) any compensation cost for any security that the NEO bought from the company or its subsidiaries at a discount from the market price of the security (through deferral of salary, bonus or otherwise). Calculate this cost at the date of purchase in accordance with Section 3870 of the Handbook;



- (h) above-market or preferential earnings on compensation that is deferred on a basis that is not tax exempt other than for defined contribution plans covered in the defined contribution plan table in Item 5. Above-market or preferential applies to non-registered plans and 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; and
- (i) payments received related to retirement during the covered financial year;
  - (i) report non-equity incentive plan awards and earnings, and earnings on shares and options, except as specified in paragraph (f), in the columns of the table that relate to these forms of compensation. Do not report them in column (h); and
  - (ii) report benefits under defined benefit plans and defined contribution plans in column (h) when they have been accelerated as a result of any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the company or a change in an NEO's responsibilities. Report information other than accelerated payments for these plans in column (g) and under Item 5.

### ***Commentary***

1. *In general, an item is not a perquisite if it is integrally and directly related to the performance of an executive officer's duties. This concept is narrowly defined. If something is necessary for a person to do his or her job, it is integrally and directly related to the job and is not a perquisite, even if it also provides some amount of personal benefit.*

*If the company concludes that an item is not integrally and directly related to performing the job, consider whether the item provides an NEO with any direct or indirect personal benefit. If it does, the item is a perquisite, whether or not it is provided for a business reason or for the company's convenience, unless it is available on a non-discriminatory basis to all employees.*

*Companies must conduct their own analysis of whether a particular item is a perquisite. The following are examples of things that are often considered perquisites or personal benefits. This list is not exhaustive:*

- *Cars, car lease and car allowance;*
- *Corporate aircraft or personal travel financed by the company;*

- *Jewellery;*
- *Clothing;*
- *Artwork ;*
- *Housekeeping services;*
- *Club membership;*
- *Theatre tickets;*
- *Financial assistance to provide education to children of executive officers;*
- *Parking;*
- *Personal financial or tax advice;*
- *Security at personal residence or during personal travel; and*
- *Reimbursements of taxes owed with respect to perquisites or other personal benefit.*

**(11)** In column (i), include the dollar value of total compensation for the covered financial year. For each NEO, this is the sum of the amounts reported in columns (c) through (h).

**(12)** Any deferred amounts must be included in the appropriate column for the covered financial year in which they are earned.

### **3.2 Narrative discussion**

Describe and explain any significant factors necessary to understand the information disclosed in the summary compensation table required by section 3.1.

#### ***Commentary***

1. *The significant factors included in section 3.2 will vary depending on the circumstances of each award, but may include:*

- *the significant terms of each NEO's employment agreement or arrangement;*

- *any repricing or other significant changes to the terms of any equity-based award program during the most recently completed financial year; and*
- *the significant terms of any award reported in the summary compensation table, including a general description of the formula or criteria to be applied in determining the amounts payable and the vesting schedule. For example, if dividends will be paid on shares, states this, the applicable dividend rate and whether that rate is preferential.*

### **3.3 Currencies**

Report amounts in this form using the same currency that the company uses in its financial statements. If an NEO was paid or received compensation in a currency other than the reporting currency, state in a footnote the currency in which the NEO was paid, disclose the translation rate and describe the methodology used to translate the compensation into the reporting currency.

### **3.4 Officers who also act as directors**

If an NEO is also a director who receives compensation for services as a director, include that compensation in the summary compensation table and include a footnote explaining which amounts relate to the director role. Do not provide disclosure for that NEO under Item 7.

## **ITEM 4 – INCENTIVE PLAN AWARDS**

### **4.1 Outstanding share awards and option awards**

- (1) Complete this table for each NEO for all awards outstanding at the end of the most recently completed financial year. This includes awards granted before the most recently completed financial year. For all awards in this table, disclose the awards that have been transferred at other than fair market value.

Name	Option Awards				Share Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
CEO						
CFO						
A						
B						
C						

- (2) In column (b), for each award, disclose the number of securities underlying unexercised options.
- (3) In column (c), disclose the exercise or base price for each award reported in column (b).
- (4) In column (d), disclose the expiration date for each award reported in column (b).
- (5) In column (e), disclose the aggregate dollar amount of in-the-money unexercised options held at the end of the year. Calculate this amount based on the difference between the market value of the securities underlying the instruments at the end of the year, and the exercise or base price of the option.
- (6) In column (f), disclose the total number of shares or other units that have not vested.
- (7) In column (g), disclose the aggregate market value or payout value of share awards that have not vested. Assume for this calculation that an NEO achieved the threshold performance goals (the minimum amount payable for a certain level of performance).

However, if the NEO's performance for the previous financial year exceeded the threshold, base the disclosure on the performance measure that the NEO achieved that year. If the award provides only for a single estimated payout, report that amount. If the company cannot determine an amount to report, include a representative amount based on the previous financial year's performance.

#### 4.2 Value on pay-out or vesting of incentive plan awards

- (1) Complete this table for each NEO for the most recently completed financial year.

Name	Option awards – Value during the year on vesting (\$)	Share awards – Value during the year on vesting (\$)	Non-equity incentive plan compensation – Pay-out during the year (\$)
(a)	(b)	(c)	(d)
CEO			
CFO			
A			
B			
C			

- (2) In column (b), disclose the aggregate dollar value realized upon the exercise of options, or on the transfer of an award for value. Compute the dollar value realized by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options. Do not include the value of any related payment or other consideration provided (or to be provided) by the company to or on behalf of an NEO.
- (3) In column (c), disclose the aggregate dollar value realized on share vesting, or upon the transfer of an award for value. Compute the dollar value realized by multiplying the number of shares or units by the market value of the underlying shares on the vesting date. For any amount realized upon exercise or vesting for which receipt has been deferred, include a footnote that states the amount and the terms of the deferral.

### 4.3 Narrative discussion

Describe and explain the significant terms of all plan-based awards, including non-equity incentive plan awards, issued, exercised or vested during the year, or outstanding at the year end, to the extent not already discussed under section 3.2. The company may aggregate information for different awards, if separate disclosure of each award is not necessary to communicate their significant terms.

#### *Commentary*

1. *The items included in the narrative required by section 4.3 will vary depending on the terms of each plan, but may include:*
  - *the number of securities underlying each award or received on vesting or exercise;*
  - *general descriptions of formulae or criteria that are used to determine amounts payable;*
  - *exercise prices and expiry dates;*

- *dividend rates on share awards;*
- *whether awards are vested or unvested;*
- *performance-based or other significant conditions;*
- *information on estimated future payouts for non-equity incentive plan awards (threshold, target and maximum amounts); and*
- *the closing market price on the grant date, if the exercise or base price is less than the closing market price of the underlying security on the grant date.*

## ITEM 5 – RETIREMENT PLAN BENEFITS

### 5.1 Defined benefit plans

- (1) Complete this table for all plans that provide for payments or benefits at, following, or in connection with retirement, excluding defined contribution plans. For all disclosure in this table, use the same assumptions and methods used for financial statement reporting purposes under the issuer’s GAAP.

Name  (a)	Number of years credited service (#)  (b)	Annual benefits payable (\$)  (c)		Accrued obligation at start of year (\$)  (d)	Compensatory (\$)  (e)	Non-compensatory (\$)  (f)	Accrued obligation at year end (\$)  (g)
		At year end  (c1)	At age 65  (c2)				
CEO							
CFO							
A							
B							
C							

- (2) For all disclosure in the table, use the pension plan measurement date used in the company’s audited financial statements for the most recently completed financial year.

- (3) In column (b), disclose the number of years of service credited to an NEO under the plan. If the number of years of credited service in any plan is different from the NEO's number of actual years of service with the company, include a footnote that states the amount of the difference and any resulting benefit augmentation, such as the number of additional years the NEO received.
- (4) In column (c), disclose the annual benefit payable at age 65 in column (c2) and at the end of the most recently completed financial year in column (c1) based on years of credited service and pensionable earnings at the end of the most recently completed financial year.
- (5) In column (d), disclose the accrued obligation at the start of the most recently completed financial year.
- (6) In column (e), disclose the compensatory change in the accrued obligation for the most recently completed financial year. This includes service cost net of employee contributions plus plan changes and differences between actual and estimated earnings, and any additional changes that have retroactive impact.

Disclose the valuation method and all significant assumptions the company applied in quantifying the accrued obligation at the end of the most recently completed financial year. The company may satisfy all or part of this disclosure by referring to the disclosure of assumptions in its financial statements, footnotes to the financial statements or discussion in its management's discussion and analysis.

- (7) In column (f), disclose the non-compensatory changes in the accrued obligation for the company's most recently completed financial year. Include all items that are not compensatory, such as changes in assumptions.
- (8) In column (g), disclose the accrued obligation at the end of the most recently completed financial year.

## 5.2 Defined contribution plans

- (1) Complete this table for all plans that provide for payments or benefits at, following or in connection with retirement, excluding defined benefit plans. For all disclosure in this table, use the same assumptions and methods used for financial statement reporting purposes under the issuer's GAAP.

Name	Accumulated value at start of year	Compensatory (\$)	Non-compensatory (\$)	Accumulated value at year end (\$)
(a)	(b)	(c)	(d)	(e)
CEO				

CFO				
A				
B				
C				

- (2) In column (c), disclose the employer contribution and above-market or preferential earnings credited on employer and employee contributions. Above-market or preferential applies to non-registered plans and 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.
- (3) In column (d), disclose the non-compensatory amount, including employee contributions and regular investment earnings on employer and employee contributions. Regular investment earnings means all investment earnings in registered defined contribution plans and earnings that are not above market or preferential in other defined contribution plans.
- (4) In column (e), disclose the accrued obligation at the end of the most recently completed financial year.

### 5.3 Narrative discussion

Describe and explain for each retirement plan in which an NEO participates, any significant factors necessary to understand the information disclosed in the defined benefit plan table in section 5.1 and the defined contribution plan table in section 5.2.

#### *Commentary*

1. *Significant factors included in the narrative required by sections 5.3 will vary, but may include:*
  - *the significant terms and conditions of payments and benefits available under the plan, including the plan's normal and early retirement payment, benefit formula, contribution formula, calculation of interest credited under the defined contribution plan determined and eligibility standards;*
  - *provisions for early retirement, if applicable, including the name of the NEO and the plan, the early retirement payment and benefit formula and eligibility standards. Early retirement means retirement before the normal retirement age as defined in the plan or otherwise available under the plan;*
  - *the specific elements of compensation (e.g., salary, bonus) included in applying the payment and benefit formula. If a*



*company provides this information, identify each element separately; and*

- *company policies on topics such as granting extra years of credited service, including an explanation of who these arrangements relate to and why they are considered appropriate.*

#### **5.4 Deferred compensation plans**

Describe the significant terms of any deferred compensation plan relating to each NEO, including:

- (a) the types of compensation that can be deferred and any limitations on the extent to which deferral is permitted (by percentage of compensation or otherwise);
- (b) significant terms of payouts, withdrawals and other distributions; and
- (c) measures for calculating interest or other earnings, how and when these measures may be changed, and whether an NEO or the company chose these measures. Quantify these measures wherever possible.

### **ITEM 6 – TERMINATION AND CHANGE OF CONTROL BENEFITS**

#### **6.1 Termination and change of control benefits**

- (1) For each contract, agreement, plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the company or a change in an NEO's responsibilities, describe, explain, and where appropriate, quantify the following items:
  - (a) the circumstances that trigger payments or the provision of other benefits, including perquisites;
  - (b) the estimated incremental payments and benefits that are provided in each circumstance, including timing, duration and who provides the payments and benefits;
  - (c) how the payment and benefit levels are determined under the various circumstances that trigger payments or provision of benefits;
  - (d) any significant conditions or obligations that apply to receiving payments or benefits. This includes but is not limited to, non-compete, non-



(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
A							
B							
C							
D							
E							

- (2) All forms of compensation must be included in this table.
- (3) Complete each column in the same manner required for the corresponding column in the summary compensation table in section 3.1, in accordance with the requirements of Item 3, as supplemented by the Commentary to Item 3, except as follows:
- (a) In column (a), do not include a director who is also an NEO if his or her compensation for service as a director is fully reflected in the summary compensation table and elsewhere in this form. If an NEO is also a director who receives compensation for his or her services as a director, reflect the director compensation in the summary compensation table required by section 3.1 and provide a footnote to this table indicating that the relevant disclosure has been provided under section 3.4.
  - (b) In column (b), include all fees earned or paid in cash for services as a director, including annual retainer fees, committee, chair, and meeting fees.
  - (c) In column (g), include compensation from any other arrangement under which the company directly or indirectly compensated the director for services provided to the company in any capacity. In a footnote to the table, disclose these amounts and describe the nature of the services provided by the director that are associated with these amounts.
  - (d) In column (g), include programs where the company agrees to make donations to one or more charitable institutions in a director's name, payable currently or upon a designated event such as the retirement or death of the director. Include a footnote to the table disclosing the total dollar amount payable under the program.

## 7.2 Narrative discussion

Describe and explain any factors necessary to understand the director compensation disclosed in section 7.1.

### *Commentary*

1. *While significant factors included in the narrative discussion required by section 7.2 will vary depending on the facts, they may include:*
  - *disclosure for each director who served in that capacity for any part of the most recently completed financial year;*
  - *standard compensation arrangements, such as fees for retainer, committee service, service as chair of the board or a committee, and meeting attendance;*
  - *any compensation arrangements for a director that are different from the standard arrangements, including the name of the director and a description of the terms of the arrangement; and*
  - *any matters discussed in the compensation discussion and analysis that do not apply to directors in the same way that they apply to NEOs, for example, practices for issuing share options.*

### **7.3 Share awards, option awards and non-equity incentive plan compensation**

Provide the same disclosure for directors that is required under Item 4 for NEOs.

## **ITEM 8 – COMPANIES REPORTING IN THE UNITED STATES**

### **8.1 Companies reporting in the United States**

- (1) Except as provided in subsection (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.
- (2) Subsection (1) does not apply to companies that, as a foreign private issuer, satisfy 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.

## **ITEM 9 – EFFECTIVE DATE AND REPEAL**

### **9.1 Effective date**

This form, as amended and substituted, comes into force on [**December 31, 2008**] and applies to companies with financial years ending on or after [**December 31, 2008**].

### **9.2 Repeal**

Form 51-102F6 *Statement of Executive Compensation*, which came into force on March 30, 2004, is repealed on **[December 30, 2008]**.