APPENDIX A

Schedule 1

List of Commenters

1. Aon Consulting
2. Blake, Cassels & Graydon LLP
3. British Columbia Investment Management
4. Canada Pension Plan Investment Board
5. Canadian Bankers Association
6. Canadian Coalition for Good Governance
7. Canadian Society of Corporate Secretaries
8. Frederic W. Cook & Co. Inc.
9. Hermes Equity Ownership Services Limited
10. Hugessen Consulting Inc.
11. Issues Central, Inc.
12. Mercer Human Resources
13. Nexen
14. Ontario Teachers Pension Plan
15. Osler Hoskin & Harcourt LLP
16. Joan Reekie
17. Shareholders Association for Research and Education
18. Torstar Corporation
19. Towers Perrin
20. Watson Wyatt Worldwide

Schedule 2

Summary of Comments and CSA Responses

Item	Summary of comments	CSA response
GENERAL COMMENTS		
1.1	**General awareness of the New Form** One commenter suggests that we initiate additional communication with companies to promote greater awareness, focus and diligence with respect to the new requirements. The 2008 Proposal poses a coordination and readiness challenge for most companies' disclosure mechanisms.	As part of the rulemaking process, we closely monitor new rules in the first year after implementation to ensure that they are working as intended. We may consider additional communication with companies to address any issues that arise as a result of this monitoring process. We also have an ongoing commitment to conduct general continuous disclosure reviews. These reviews typically include consideration of a company's executive compensation disclosure. Though we do not generally disclose the results of individual reviews, we may publish additional guidance in the form of a staff notice if we find recurring deficiencies or themes in the disclosure that we believe will be of interest to other companies.
1.2	**Costs and benefits** One commenter estimates its costs of compliance with the new requirements to be in the range of 1200-1800 hours. This cost relates to legal, governance, human resources and accounting professionals as well as senior management. Reference to monetary costs and hours of work required form a foundational element in the assessment of cost versus benefit and is an important consideration for the Canadian marketplace. Each stakeholder should have a well-informed understanding of the full impact of the proposed changes.	We acknowledge the commenter's cost estimates. When proposing rule amendments, we must consider our mandate of promoting fair and efficient markets while protecting investors. To fulfil this mandate, we must consider the cost of new regulation imposed on issuers and whether those costs are justified by the likely outcomes. The anticipated costs and benefits of implementing the New Form were previously outlined in the paper that was published with the version of the New Form published for comment on March 29, 2007 (the **2007 Proposal**). Compared to the 2007 Proposal, the changes in the 2008 Proposal do not impose any significant additional requirements upon companies. We believe that there are no material changes in the New Form from the 2008 Proposal. Thus, we believe that the benefits of the New Form continue to outweigh the costs.
1.3	**Exemptions for certain reporting issuers** One commenter suggests that we specify that the requirements in proposed section 11.6 of NI 51-102 do not apply to: • Companies that only issue asset backed securities, as they do not have directors and officers and are typically administered by a financial institution or other third party administrator. • Companies that only issue capital trust securities, as they are typically trusts established and controlled by federally-regulated financial institutions and have received broad exemptions from the continuous disclosure obligations under	We have not made the suggested change. In keeping with existing prospectus and continuous disclosure requirements for executive compensation, we continue to believe that executive compensation disclosure is relevant for all companies. Thus, we do not believe that specific statutory exemptions should be provided for these companies. We would be prepared, however, to consider the merits of applications for exemptive relief on a case-by-case basis.

Item	Summary of comments	CSA response
	NI 51-102 on the basis that they have no directors or officers.	
1.4	**Certification of Compensation Discussion & Analysis (CD&A)** Two commenters suggest that we require the compensation committee to review and approve the CD&A in order to make it clear that the compensation committee is responsible for compensation decisions. The CD&A should also disclose the names of each member of the compensation committee.	We have not made the suggested change. Form 52-109F1 *Certification of Annual Filings* of Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* requires that a non-venture issuer attest that it has designed disclosure controls and procedures over financial reporting and evaluated the effectiveness of controls procedures. These controls and procedures should cover the executive compensation disclosure. Disclosure regarding the compensation committee is generally prescribed by National Instrument 58-101 *Disclosure of Corporate Governance Practices* (**NI 58-101**). We acknowledge that NI 58-101 does not currently require companies to disclose the names of each member of the compensation committee. On September 28, 2007, CSA staff published CSA Staff Notice 58-304 *Review of NI 58-101 Disclosure of Corporate Governance Practices and NP 58-201 Corporate Governance Guidelines* (**CSA Staff Notice 58-304**) announcing their plan to undertake a broad review of NI 58-101 and National Policy 58-201 *Corporate Governance Guidelines* (**NP 58-201**) and to publish any proposed amendments for comment in 2008.
1.5	**Disclosure of compensation advisors** Six commenters suggest that we include a requirement to disclose information about compensation advisors retained by the company, including a description of the advisor's mandate, any conflicts of interest and a breakdown of the fees paid to compensation advisors for each service provided. This additional information will assist readers in assessing the independence of compensation committees and whether a potential for a conflict of interest exists.	We have not made the suggested change. Disclosure regarding compensation committees is generally prescribed by NI 58-101. We acknowledge that NI 58-101 does not currently require companies to disclose the fees paid to the compensation consultant for advice provided to the compensation committee. On September 28, 2007, CSA staff published CSA Staff Notice 58-304 announcing their plan to undertake a broad review of NI 58-101 and NP 58-201 and to publish any proposed amendments for comment in 2008.
1.6	**Compensation committee report** Two commenters suggest that we include a requirement to provide a compensation committee report, similar to the audit committee report, as is the case in the U.S. The report should state the name of each member of the compensation committee, whether the compensation committee has reviewed and discussed the CD&A with management and whether the compensation committee recommended to the board that the CD&A be included in the management information circular. The role of the compensation committee in the development of executive compensation policies is crucial to effective accountability.	We have not made the suggested change. Disclosure of compensation committee practices are generally prescribed by NI 58-101. We acknowledge that NI 58-101 does not currently require companies to provide a compensation committee report. Under Form 58-101F1 *Corporate Governance Disclosure*, companies that are not venture issuers are currently required to disclose, among other things: • The process by which the board determines the compensation for the company's directors and officers. • Whether or not the board has a compensation committee composed entirely of independent directors and, if not, what steps the board takes to ensure an objective process for determining

Item	Summary of comments	CSA response
		compensation. • If the board has a compensation committee, the responsibilities, powers and operation of the compensation committee. • If an independent compensation consultant or advisor has been retained during the issuer's most recently completed financial year, the identity of consultant or advisor and a brief summary of the mandate for which they have been retained. Under Form 58-101F2 *Corporate Governance Disclosure (Venture Issuers)*, companies that are venture issuers must disclose what steps, if any, are taken to determine compensation for the directors and CEO, including: • who determines compensation, and • the process of determining compensation. On September 28, 2007, CSA staff published CSA Staff Notice 58-304 announcing their plan to undertake a broad review of NI 58-101 and NP 58-201 and to publish any proposed amendments for comment in 2008.
1.7	**XBRL** Two commenters suggest that we implement a requirement to add XBRL tags to compensation data in electronic SEDAR filings.	Implementing a requirement to add XBRL tags to compensation data is beyond the scope of this initiative. We have forwarded this comment to the CSA committee responsible for the XBRL voluntary filing program.
1.8	**Advisory shareholder vote** Two commenters suggest that we consider legislating an annual advisory vote for shareholders on executive compensation for the following reasons: • There has been a dramatic increase in the level and quality of transparency between compensation committees and investors. • An advisory vote does not usurp the boards' responsibility for setting executive compensation and will encourage companies to communicate what the board intended to pay or award NEOs in a clear and comprehensive manner.	Consideration of legislation for an annual advisory shareholder vote on executive compensation is beyond the scope of this initiative. However, we are monitoring developments relating to advisory shareholder votes on executive compensation.
1.9	**Minimum shareholding requirements** Two commenters suggest that we adopt a requirement to disclose the company's minimum shareholding requirements and the attainment of shares against these levels by each NEO because readers want to know this information. This information could be required by Item 4 to be provided in a separate table that would show how each NEO's equity stake compares to the company's equity ownership guidelines. Alternatively, the outstanding vested deferred share units (**DSU**) and	We have not made the suggested changes. We note, however, that when a company's executive compensation decisions are based on aligning these interests, disclosure of equity ownership guidelines and levels must be provided if necessary to satisfy the objective of executive compensation disclosure set out in section 1.1 of the New Form. We also note that such disclosure may be required to be included in the CD&A under subsection 2.1(1) of the New Form if necessary to describe or explain the objectives of any

Item	Summary of comments	CSA response
	other share awards could be captured in an additional column in the tables in sections 4.1 and 4.2. One commenter also suggests that we adopt these requirements for directors.	compensation program or strategy, or how each element of compensation and the company's decisions about that element fit into the company's overall compensation objectives.
1.10	**Disclosure of funding status of pension plans, including supplemental employee retirement plans (SERPs)** Two commenters suggest that we include a requirement for companies to disclose the funding status of pension obligations relating to SERPs and whether they are fully, partially or not funded by the company. Information on the funding of pension plan obligations is included in the notes to the company's financial statements. However, it is often difficult to determine the funding status of SERPs. One commenter suggests that we include a requirement to disclose the funding status of the defined benefit and actuarial plans noted in the summary compensation table (**SCT**).	We understand that the funding status of a company's total pension obligations are required to be disclosed in the notes to the financial statements. Thus, we understand that the commenters suggest requiring funding status disclosure on a plan by plan basis. We have not made the suggested change. If funding status of a particular plan is substantially different from the funding status of the company's total pension obligations disclosed in the financial statements, we believe that companies should consider whether disclosure of the funding status of that particular plan would be useful for users. A company must disclose the funding status of a particular plan (including SERPs) if necessary to satisfy the objective of executive compensation disclosure set out in section 1.1 of the New Form.
1.11	**Pay for performance table** One commenter suggests that we include a pay for performance table as recommended by the Canadian Coalition for Good Governance (**CCGG**) in their working paper *Good Governance Guidelines for Principled Executive Compensation*. While the SCT and the table in section 4.2 contain useful information, they do not assist readers in determining the effectiveness of the compensation process.	We have not made the suggested change. We understand that the pay for performance table recommended by CCGG is intended to facilitate back testing the linkage of pay to performance. In this regard, we note that paragraph 2.2(b) of the New Form requires companies to include a performance graph in their executive compensation disclosure and discuss how trends in the performance graph compares with trends in the company's executive compensation to executive officers reported under the New Form over the same period. The Commentary to section 2.2 of the New Form provides that companies may also include other relevant performance goals or similar conditions.
1.12	**Claw backs** One commenter suggests that we add a requirement for company's to disclose their policy regarding claw backs in the event of a financial restatement.	We have not made the suggested change. Companies must determine whether disclosure of a policy or of the absence of a policy on claw backs is necessary to satisfy the requirement in subsection 2.1(1) of the New Form that the CD&A discusses all significant principles underlying policies in place and decisions made in respect to compensation provided to NEOs for the most recently completed financial year. Though there are some cases when a company would have to provide the suggested disclosure to satisfy this requirement, there may be some cases when subsection 2.1(1) of the New Form would not require this disclosure.
1.13	**Public disclosure of comment letters to companies** One commenter suggests that we adopt a formal process similar to the U.S. Securities and Exchange Commission (**SEC**) regarding the release of comment letters and company responses relating to disclosure filings reviewed by CSA staff. The commenter believes that the public disclosure of SEC correspondence with companies has been widely reviewed by companies,	Implementing a formal process regarding the release of comment letters and company responses is beyond the scope of this initiative. While we have an ongoing commitment to conduct general continuous disclosure reviews, we do not generally disclose the results of individual reviews. However, if we find recurring deficiencies or themes in the disclosure as a result of our continuous disclosure reviews that we believe will

Item	Summary of comments	CSA response
	their advisors and the media, and has proven very useful in attempts to draft meaningful disclosure for 2008.	be of interest to other companies, we may publish additional guidance in the form of a staff notice. We believe our past publications of additional guidance on other matters has also been proven useful.
1.14	**Restatement of amounts** One commenter suggests we provide guidance on how to handle restatements of amounts for prior years (e.g. 2005 and 2006), which may be required due to changes in the requirements.	We have not made the suggested change. Under subsection 3.1(1) of the New Form, SCT disclosure under the New Form is only required for financial years that end on or after December 31, 2008. Comparative disclosure for prior years is not generally required under any other requirement in the New Form. We believe it is clear that executive compensation disclosure for 2005 and 2006 is not required under the New Form. Thus, restatement of executive compensation disclosure for those prior years is not required.
1.15	**Voluntary early adoption** One commenter suggests that we allow companies whose current financial years end before December 31, 2008 to comply with the requirements of the New Form this year, rather than the Old Form, if they wish.	We added subsection 9.2(2) of the New Form to permit issuers with a financial year ended before December 31, 2008 that are required to file executive compensation disclosure on or after December 31, 2008 to comply with the New Form rather than the Old Form.
COMMENTS ON ITEM 1 OF THE 2008 FORM (GENERAL PROVISIONS)		
2.1	**Section 1.1 of the 2008 Form (objective)** Two commenters disagree with the objective of executive compensation disclosure set out in section 1.1 of the 2008 Form. In particular the commenters suggest: • The objective should be to put a value on compensation, and not assessing executive compensation decisions. It is not possible to evaluate compensation without first knowing its value. • The objective should be to measure the true cost of option awards. Since option awards are realized over time with no reference to intent, by measuring intent rather than fact, the true cost of option awards is hidden. The true cost of management's stock options can be easily measured by multiplying the dilution percentage of outstanding options by the normal P/E ratio of the stock. • Clarify that the objective of executive compensation disclosure is to disclose "intended" amounts rather than actual amounts. The last sentence in section 1.1 of the 2008 Form compounds the ambiguity by requiring executive compensation disclosure to satisfy the objective. This sentence should be deleted.	Though we agree that it is not possible to evaluate compensation decisions without first putting a value to compensation, we do not agree that putting a value on compensation is the ultimate objective: Rather, it is only a necessary step in achieving the ultimate goal of providing users with sufficient information to evaluate executive compensation decisions. Moreover, evaluating a company's methodology for putting a value on compensation is an integral part of evaluating executive compensation decisions as a whole. Though compensation, under an equity incentive plan, actually realized may exceed the value a company intended to award at the time of grant, the New Form does not generally require disclosure of the ultimate dilutive effect of option-based awards at payout. To the extent that users want this information, users can determine the potential dilutive effect of an option-based award based on the disclosure required to be reported in the New Form in the financial year the award is granted. The second sentence of section 1.1 of the New Form clearly states that the objective of executive compensation disclosure is to communicate the compensation the board of directors intended the company to pay, make payable, award, grant, give or otherwise provide to each NEO and director for the financial year. We do not believe the last sentence of section 1.1 of the New Form creates any ambiguity with respect to the objective of executive compensation disclosure.

Item	Summary of comments	CSA response
2.2	**Section 1.1 of the 2008 Form (objective – external management companies)** One commenter suggests that we change the objective set out in section 1.1 of the 2008 Form in light of the approach taken with respect to external management companies. Change the second paragraph in section 1.1 of the 2008 Form by adding the following to the end of the first sentence in the second paragraph: "or what portion of the compensation received by such individuals is reasonably attributable to their service to the company"	We have not made the suggested change. If a company pays for the services of an external management company, we believe that the objective of executive compensation disclosure must still be to communicate the compensation the board of directors intended the company to pay, make payable, award, grant, give or otherwise provide to an employee of the external management company who is acting in the capacity of an NEO, or of a director, of the company. We acknowledge that this would generally be the same as the objective of communicating what portion of the compensation received by these individuals is reasonably attributable to their service to the company.
2.3	**Section 1.3 of the 2008 Form (definition of "shares")** One commenter suggests that we replace the defined term "shares" with "share-based awards". The term "shares" is confusing as it refers to compensation awards that include both securities and non-securities.	We omitted the definitions of "options" and "shares" from section 1.2 of the New Form. We also replaced the definitions of "option award" and "share award" in section 1.3 of the 2008 Form with definitions of "option-based awards" and "share-based awards" in section 1.2 of the New Form.
2.4	**Section 1.3 of the 2008 Form (definition of "equity incentive plan")** One commenter suggests that we clarify in the definition of "equity incentive plan" in section 1.3 of the 2008 Form whether performance cash plans are excluded from being considered as equity incentive plans regardless of the performance measures used. The summary of comments published with the 2008 Proposal states that "equity incentive plan generally does not include awards of cash for which the performance condition is based on a threshold price of the company's stock." This interpretation would seem to exclude performance cash plans which have a market-based performance measure such as total shareholder return (**TSR**) from being disclosed in the share award column in the SCT or in the "Outstanding share awards and option awards" table.	We understand that the underlying purpose of section 3870 of the Handbook is to provide guidance on the accounting treatment for stock-based compensation plans that may not have been, prior to the adoption of section 3870 of the Handbook, recorded as an accounting expense in a company's financial statements. This underlying purpose is unrelated to the determination of whether an incentive plan that has a performance condition based on the threshold price of a company's stock is an equity incentive plan under the New Form. For plans that may not necessarily fall within the scope of section 3870 of the Handbook, but for which the principles of that section are used to value the plan for accounting purposes, we believe a company may disclose the type of plan as either an equity incentive plan or a non-equity incentive plan in the SCT, with an appropriate explanatory footnote. The company should also disclose that plan under Item 4 of the New Form as the same type of plan that it was disclosed as under the SCT. Though we believe the preceding paragraph applies to the plans identified by the commenter, we have not provided the suggested clarification at this time. We note, however, that as part of the rulemaking process we closely monitor new rules in the first year after implementation to ensure that they are working as intended. We will consider proposing amendments to address any substantive issues that arise as a result of this monitoring process.
2.5	**Section 1.3 of the 2008 Form (definition of "plan")** One commenter suggests that we draft the exclusion for non-discriminatory plans from disclosure requirements as a "stand-alone" exclusion from all of the requirements under the New Form. This avoids the difficulty in interpreting and applying the exclusion	We omitted the references to non-discriminatory plans from the definition of "plan" in section 1.2 of the New Form. We also added paragraph 1.3(1)(b) of the New Form to clarify that contributions or premiums paid by the company under these plans and receipts by an NEO or by a director under these plans are not

Item	Summary of comments	CSA response
	where the word "plan" is not used in the actual provision setting forth the requirement.	required to be disclosed as compensation under the New Form.
2.6	**Subsection 1.4(1) of the 2008 Form (compensation paid by the company or a subsidiary of the company)** One commenter suggests that we clarify that the instruction to disclose any compensation paid to an NEO or director by another entity under an understanding, arrangement or agreement between, for example, the NEO and another entity, relate to his office or position with, or services for, the company and its subsidiaries. Otherwise, the instructions on their face appear to require an inquiry into all sources of the NEO's compensation, unrelated to the issuer for whom disclosure is required.	We changed the first sentence in paragraph 1.3(1)(a) of the New Form to read: "When completing this form, the company must disclose all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the company, or a subsidiary of the company, to each NEO and director, in any capacity."
2.7	**Subsection 1.4(5) of the 2008 Form (determining NEOs – termination payments)** Six commenters suggest that we exclude one time payments paid or payable as a result of termination (such as severance and other related payments) from the total compensation calculation for the purposes of determining who is an NEO in a given year. The following one-time compensation awards should be excluded: • Signing bonuses or equity replacement awards to new hires. • Dividend equivalent payments, as these are not annual compensation but typically represent earnings on compensation awarded in previous years. • Termination payments which are severance related and do not represent annual salary or performance compensation. • Accelerated pension payments that would be included in column (h) of the SCT. The commenters note the following reasons for this suggestion: • Including items such as equity replacements awards and termination payments may result in more frequent year-over-year changes in the NEO group, making it more difficult for readers to track changes in compensation levels. • This requirement expands the number of executive officers for who individual disclosure will be required simply by virtue of the fact that the executive officer's employment was terminated during the year. This would also require SCT disclosure be prepared for two comparative years, as well as the other supplemental disclosure, including CD&A, required by the 2008 Form. • An executive officer for whom it was not	We have added subparagraph 1.3(6)(b)(ii) of the New Form to exclude from the calculation, any incremental payments, payables, and benefits to an executive officer that are triggered by, or result from, a scenario listed in section 6.1 of the New Form that occurred during the most recently completed financial year. With respect to the suggestion to exclude all other compensation amounts reported under column (h) of the SCT, we believe such amounts are an important element of compensation. We believe that the cost of calculating all other compensation of every executive officer is not onerous. In contrast, the cost of calculating pension benefits of every executive officer, especially if the executive officer is not ultimately an NEO, may be significant. With respect to the suggestion that we ignore the accounting obligation to expense the full grant when an executive becomes eligible to retire, we note that paragraph 1.3(6)(a) of the New Form requires that total compensation, including equity award values, for the purposes of determining who is an NEO be calculated in accordance with the requirements in section 3.1 of the New Form.

Item	Summary of comments	CSA response
	historically necessary to provide executive compensation disclosure could be deemed to be an NEO following his or her termination of employment solely because of receiving such post-termination amounts. • Disclosure of termination policies and arrangements is most appropriately captured in section 6.1 of the 2008 Form and should not form a step in the process of determining who will be an NEO. • The pension value reported under column (g) of the SCT is excluded from the total compensation calculation for the purposes of determining NEOs. One commenter suggests that we use only salary, bonus, annual incentive and equity awards value in calculating total compensation for determining NEOs. For determining equity award values, the commenter suggests ignoring the accounting obligation to expense the full grant when an executive becomes eligible to retire and providing the flexibility to ignore special grants made in certain circumstances.	
2.8	**Clause 1.4(5)(a)(ii)(B) of the 2008 Form (determining NEOs – foreign assignments)** Two commenters suggest that we clarify the exclusion due to foreign assignments, especially in regards to payments paid to offset the impact of higher Canadian taxes (which the commenter believes should not even be disclosed). Tax equalization or other expatriate payments should be excluded from the total compensation calculation to make the comparisons more consistent.	We have not made the suggested change. We believe that all payments (including those to offset the impact of higher Canadian taxes) should be included. Under subparagraph 1.3(6)(b)(iii) of the New Form, when calculating total compensation to determine who is an NEO, companies may exclude any cash compensation that: (a) relates to foreign assignments; (b) is specifically intended to offset the impact of a higher cost of living; and (c) is not otherwise related to the duties the executive officer performs for the company. If tax equalization or other expatriate payments satisfy these three conditions, they may be excluded from the calculation of total compensation to determine who is an NEO.
2.9	**Subparagraph 1.4(5)(a)(i) of the 2008 Form (determining NEOs – total compensation)** One commenter suggests that we replace the words "as if" in subparagraph 1.4(5)(a)(i) of the 2008 Form with a reference to "all compensation provided". The words "as if" appear to contemplate the disclosure of hypothetical compensation figures. This is inconsistent with the requirement not to "annualize", and preserve comparability among issuers (who may make different "as if" calculations).	We have not made the suggested change. We intend the words "as if" in paragraph 1.3(6)(a) of the New Form to mean that total compensation should be calculated in accordance with the requirements in section 3.1 of the New Form. Deleting those words may have the effect of excluding the requirements for reporting total compensation as set out in section 3.1 of the New Form. We note that section 3.1 of the New Form is subject to the requirement not to "annualize" compensation under subsection 1.3(3) of the New Form. We believe the effect of these provisions should be that compensation for terminated executive officers will not be annualized when determining whether an executive officer is an NEO.
2.10	**Paragraph 1.4(7)(b) of the 2008 Form (new reporting issuers)** One commenter suggests that we delete the words "despite paragraph (a)," in paragraph 1.4(7)(b) of the	We omitted the words "Despite paragraph (a)," from paragraph 1.3(8)(c) of the New Form.

Item	Summary of comments	CSA response
	2008 Form. Paragraphs (a) and (b) do not overlap since paragraph (a) deals with historical compensation disclosure while paragraph (b) deals with future compensation disclosure. It is not necessary to include the phrase "despite paragraph (a)" and it is confusing to do so since it appears to imply that where disclosure is being provided in a prospectus it is necessary to include historical executive compensation disclosure.	
COMMENTS ON ITEM 2 OF THE 2008 FORM (COMPENSATION DISCUSSION AND ANALYSIS)		
3.1	**Section 2.1 of the 2008 Form (CD&A)** One commenter suggests that we implement a tracking, grading and reporting mechanism for compliance in order to facilitate guidance on establishing a meaningful CD&A.	We have an ongoing commitment to conduct general continuous disclosure reviews. These reviews typically include consideration of a company's executive compensation disclosure. Though we do not generally disclose the results of individual reviews, we may publish additional guidance in the form of a staff notice if we find recurring deficiencies or themes in the disclosure that we believe will be of interest to other companies. If warranted, such a staff notice may provide additional guidance on establishing meaningful CD&A.
3.2	**Section 2.1 of the 2008 Form (material compensation policies)** One commenter suggests that we include a requirement to disclose the absence of policies which are "deemed material" by the 2008 Form.	We have not made the suggested change. We believe that companies must determine which of their compensation policies are significant and disclose these policies if necessary to satisfy the objective set in section 1.1 of the New Form.
3.3	**Subsection 2.1(3) of the 2008 Form (benchmarks)** Two commenters suggest that we make the following changes to subsection 2.1(3) of the 2008 Form: • Remove the word "certain" in the second sentence of subsection 2.1(3) of the 2008 Form. All companies included in the benchmark and selection criteria should be included in the CD&A. • Delete the second sentence in subsection 2.1(3) of the 2008 Form as it is redundant.	We omitted the second sentence of subsection 2.1(3) of the 2008 Form from subsection 2.1(3) of the New Form because it is redundant.
3.4	**Subsection 2.1(3) of the 2008 Form (benchmarks – companies included in the benchmark group)** One commenter suggests that we replace "including companies included in the benchmark" with "including selection criteria for companies included in the benchmark" in subsection 2.1(3) of the 2008 Form. Including the entire list of companies included in the benchmarking process could in some instances include many companies and would not provide meaningful disclosure to the readers. It should be sufficient to provide the selection criteria used for selecting companies included in the benchmark.	We have not made the suggested change. We believe that a complete list of the benchmark group should be disclosed because the complete list would be meaningful to users even if the list is extensive.
3.5	**Subsection 2.1(4) of the 2008 Form (performance goals or similar conditions)** One commenter suggests that we only require companies to disclose in general terms how targets	We have not made the suggested change. We do not believe that a requirement to only disclose how performance goals or similar conditions are set and level of performance achieved compared to the target

Item	Summary of comments	CSA response
	are set and the level of performance achieved compared to the target.	satisfies the needs of users.
3.6	**Subsection 2.1(4) of the 2008 Form (do not require disclosure of forward-looking performance targets)** Four commenters suggest that we do not require disclosure of forward-looking performance targets, for the following reasons: • Disclosure would put companies at a competitive disadvantage and will risk causing competitive harm despite the "serious prejudice" exemption. • Disclosure may raise forecasting concerns and prevent companies from setting "stretch" targets. • Disclosure may create incentive for companies to move away from business or industry-specific performance measures and, instead, revert to so-called "plain vanilla" measures, such as earnings-per-share, which would ultimately lead to "one-size-fits-all'" incentive plans that are poorly aligned with each company's unique business strategy. • Some of the performance targets may prove difficult for investors to understand.	Though these comments may be justified in some cases, we do not believe that they support a general exclusion for the disclosure of forward-looking performance goals or similar conditions. In this regard, we believe that the "serious prejudice" exemption strikes an appropriate balance between the interests of users in receiving this disclosure and the concerns of companies. We note that we closely monitor new rules in the first year after implementation to ensure that they are working as intended. The requirement to disclose forward-looking performance goals or similar conditions and the use of the exemption for disclosure that would seriously prejudice a company's interests will be a prominent part of this monitoring process. We also note that we have an ongoing commitment to conduct continuous disclosure reviews. These reviews typically include consideration of a company's executive compensation disclosure. Though we do not generally disclose the results of individual reviews, we may publish additional guidance in the form of a staff notice if we find recurring deficiencies or themes in the disclosure that we believe will be of interest to other companies. If warranted, such a staff notice may provide additional guidance on the disclosure of forward-looking performance goals or similar conditions and the use of the "serious prejudice" exemption.
3.7	**Subsection 2.1(4) of the 2008 Form (forward-looking performance targets – specified number of years)** One commenter suggests that we clarify whether the 2008 Form would require disclosure for each forward-looking year unless doing so would seriously prejudice the company's interest, in circumstances where long term incentive plans have forward-looking targets for a specified number of years.	We believe that subsection 2.1(4) of the New Form requires, for a long term incentive plan, disclosure of objective forward-looking performance goals, or similar conditions, that apply to each year covered by the plan unless doing so for a particular year would seriously prejudice the company's interests.
3.8	**Subsection 2.1(4) of the 2008 Form (serious prejudice to the company's interests exemption – meaning)** Five commenters do not support the "serious prejudice" exemption. They make the following suggestions: • Two commenters suggest using the competitive harm standard in lieu of the serious prejudice standard, or clarifying the meaning of the serious prejudice standard. The "serious prejudice to the company's interest" standard may be more difficult to interpret and apply consistently since it appears to be broader than the competitive harm standard and could encompass consequences that are not related to business competition.	We have not made the suggested changes. We changed the "competitive harm" exemption in the 2007 Proposal to the "serious prejudice" exemption in the 2008 Proposal to harmonize with the language in Part 12 of NI 51-102 in respect of the omission or redaction of material contracts. We believe that the "serious prejudice" exemption strikes an appropriate balance between the interests of companies and users. Though we have not provided additional guidance at this time, we note that we closely monitor new rules in the first year after implementation to ensure that they are working as intended. The use of the "serious prejudice" exemption will be a prominent part of this monitoring process.

Item	Summary of comments	CSA response
	• One commenter would like to confirm whether it is acceptable for companies to distinguish between disclosure of certain types of targets based on their interpretation of the risk of serious prejudice. • One commenter suggests that the 2008 Form should contain strict limits on the ability of companies to use the "serious prejudice to the company's interest" exemption as the reason for not disclosing performance targets. • Two commenters suggest that the CSA regulate and enforce the disclosure of performance measures, weights and targets consistently and closely monitor the use of the "serious prejudice to the company's interest" exemption.	
3.9	**Subsection 2.1(4) of the 2008 Form (Commentary)** One commenter suggests that we change the language in Commentary 3 as the bulleted items are not "elements of compensation". They are examples of items that may be significant elements of disclosure concerning or relating to compensation.	We added the words "disclosure concerning" after "significant elements of" in Commentary 3 to section 2.1 of the New Form.
3.10	**Section 2.2 of the 2008 Form (performance graph – remove requirement)** Two commenters suggest that we remove the requirement to include a performance graph. The performance graph does not provide any meaningful information to readers. Alternatively, the commenters suggested that: • We should permit supplemental tables or graphs to the stock performance graph that compares 5-year CEO pay trend line to other relevant performance metric(s). • The performance graph should be limited to a three-year period to be consistent with the disclosure set forth in the SCT.	We have not made the suggested changes. We believe that information provided by the performance graph is generally meaningful. The Commentary to section 2.2 of the New Form provides that companies may also include other relevant performance goals or similar conditions in the performance graph. If the company also believes that other relevant measures of performances are more meaningful than the link with share price, the company may include supplemental tables or graphs and explain why those supplemental tables or graphs are more meaningful. The decision to require three year historical disclosure in the SCT is not related to the decision to require five year historical performance graph disclosure. Specifically, the three year historical disclosure in the SCT is required to facilitate year-to-year comparisons whereas the five year historical performance graph disclosure is required to facilitate trend analysis. We also note that the historical information in both the SCT and the performance graph would typically be available in prior year filings and do not believe there are significant costs to companies to provide this historical information.
3.11	**Section 2.2 of the 2008 Form (performance graph – other pertinent performance metrics)** One commenter suggests that we not neglect other pertinent performance metrics in the analysis of the link between pay and performance. Performance metrics vary by industry and linking pay to performance should be specific to the company and industry. One commenter suggests that we change the last paragraph of section 2.2 of the 2008 Form, which	We consider share performance to be a universal metric that can easily be applied by all companies. However, we agree that there may be other pertinent performance metrics depending on the company's specific circumstances. Apart from the requirement to include a share performance graph comparing total share performance with compensation trends, the New Form does not require companies to use a single performance metric in isolation. Companies may use any performance metric they see fit to describe and

Item	Summary of comments	CSA response
	requires a comparison between the trend in share performance to the trend in total compensation to executives. By requiring such analysis with the performance graph, the requirements implicitly endorse TSR as the best available measure of performance and may result in the unintended consequence of some companies gearing compensation decisions towards short-term stock performance, rather than NEO performance.	justify their compensation policies, provided that these performance metrics do not detract from the provision of meaningful and accessible disclosure of compensation information. We note that companies must disclose other pertinent performance metrics, if necessary to satisfy the objective of executive compensation disclosure set out in section 1.1 of the New Form. At this time, we do not believe that the unintended consequence described by the commenter represents a substantial risk. We note, however, that we closely monitor new rules in the first year after implementation to ensure that they are working as intended. If the risk of this unintended consequence appears to be greater than we currently believe, we may consider proposing amendments to the New Form to mitigate that risk.
3.12	**Subparagraph 2.2(a)(ii) of the 2008 Form (performance graph – exemption for debt-only issuers)** One commenter suggests that we change subparagraph 2.2(a)(ii) of the 2008 Form, for consistency with other instruments, to read: "companies that have distributed only debt securities or non-convertible, non-participating preferred securities to the public, and".	We added the words "or non-convertible, non-participating preferred securities" after "debt securities" in subparagraph 2.2(a)(ii) of the New Form.
3.13	**Section 2.3 of the 2008 Form (option awards)** One commenter suggests that we extend the requirement to describe the process used to grant options to executive officer in section 2.3 of the 2008 Form to other types of equity awards.	We have not made the suggested change at this time. We note, however, that as part of the rulemaking process, we closely monitor new rules in the first year after implementation to ensure that they are working as intended. We will consider proposing amendments to address any substantive issues that arise as a result of this monitoring process, including amendments that would address the inconsistency identified by the commenter.
COMMENTS ON ITEM 3 OF THE 2008 FORM (SUMMARY COMPENSATION TABLE)		
4.1	**Section 3.1 of the 2008 Form (grant date fair value of option awards)** Many commenters support the decision to require reporting of option awards at grant date fair value. One commenter, however, does not support this decision for the following reasons: • All options issued before the change in rules are ignored. They are not part of any measured liability on the balance sheet but they exist and are a liability. • Revaluation of options is wrongfully ignored at subsequent balance sheet dates. Again, at exercise they are not revalued. Obviously they do in fact change in value as the stock price changes. • The total value of an option to management is its	We acknowledge and thank the commenters for their support of the decision to require reporting at grant date fair value. With respect to the points raised by the commenter who does not support this decision, we note the following: • An options-based award that was granted in a financial year before a financial year ended December 31, 2008 is not required to be reported in the SCT. However, Item 4 of the New Form requires certain disclosure for such an option-based award. • The revaluation of an option-based award is generally not required to be disclosed in the SCT. However, section 4.2 of the New Form requires disclosure of the aggregate dollar value that would be realized if the option-based award were exercised on the date of vesting. We believe that

Item	Summary of comments	CSA response
	intrinsic value at the exercise date. This by necessity is the cost to the company. The total of all expenses recognized over the life of the option should equal the final intrinsic value. • The use of the Black-Scholes value at the time of issue is irrelevant. There has been no economic event – only a decision made. The argument that they have value results from the presumption that they can be sold or used as collateral for a derivative position to offset their risk. Since the whole point of options is to force stock risk upon management, there should be regulations preventing their sale or use as collateral. The valuation should still be the intrinsic value.	changes to the value of an option-based award after an NEO becomes entitled to receive it are not in the nature of compensation. • We agree that the total value at the exercise date of an option-based award to an NEO is the option's intrinsic value. However, we believe that the part of that total value that accrued after the NEO became entitled to receive the option-based award is in the nature of an investment gain rather than compensation. Item 4 of the New Form requires disclosure of the value on vesting. • The Black-Scholes-Merton model and the binomial lattice model are regarded as two established methodologies in determining the fair prices of options. Disclosure based on intrinsic value (the difference between the market value of the underlying security and the exercise price) would understate the value of an option-based award at grant date because it would ignore other variables such as the time to expiry and the volatility of the underlying security.
4.2	**Subsection 3.1(1) of the 2008 Form (format)** Two commenters suggest that we move column (f), "Non-equity incentive plan compensation", to appear immediately to the right of column (c), "Salary" in the SCT. This change will group cash awards together and improve readability of the SCT as the progression of columns from salary to cash awards to equity awards to pension and other compensation, more closely tracks how people view compensation.	We have not made the suggested change. We believe that the distinction between cash and non-cash awards suggested by the commenter may be one of form over substance.
4.3	**Subsection 3.1(1) of the 2008 Form (three year comparative disclosure)** One commenter suggests that we clarify whether subsection 3.1(1) requires SCT disclosure be completed for each financial year ending after December 31, 2008, even if three financial years are not yet available. One commenter suggests that we clarify whether comparative disclosure under the Old Form is required for the first two years after implementation.	We have not made the suggested change. Under subsection 3.1(1) of the New Form, a company is required to complete the SCT for each of the company's three most recently completed financial years that end on or after December 31, 2008. We have replaced Commentary 1 to subsection 3.1(1) of the 2008 Form with the Commentary to subsection 3.1(1) of the New Form to clarify that, under subsection 3.1(1) of the New Form, a company is not required to disclose comparative period disclosure in accordance with the requirements of either the Old Form or the New Form, in respect of a financial year ended before December 31, 2008. Also, see our response in item 4.4 below.
4.4	**Subsection 3.1(1) of the 2008 Form (transition)** Three commenters suggest that we do not implement a three-year transition of executive compensation disclosure in the SCT. Year-over-year comparability of NEO compensation for a given company will be limited during this transition period.	We have kept the transition as proposed. We acknowledge that the transition period may limit year-over-year comparability of NEO compensation for at least two financial years following the effective date of the New Form. However, our decision was based on balancing this benefit to users against the costs of requiring issuers to restate, for comparative purposes, SCT disclosure for financial years ended before December 31, 2008.
4.5	**Paragraphs 3.1(2)(b) and 3.1(8)(d) of the 2008 Form (exchanged compensation)**	The requirements in paragraphs 3.1(2)(b) and 3.1(8)(d) of the 2008 Form were intended to clarify

Item	Summary of comments	CSA response
	Four commenters suggest that we change the requirements in paragraph 3.1(2)(b) and 3.1(8)(d) of the 2008 Form. • Two commenters suggest that the exchanged compensation should be included in the same column in which it would otherwise be reportable and a footnote should be used to explain the exchange. • One commenter suggests changing the requirement so that any voluntary deferral of amounts earned under non-equity incentive plans in a financial year into shares, options or other forms of non-cash compensation would be disclosed in the SCT in column (f1) under the heading "Non-equity incentive plan compensation" rather than in the Salary column (c), with a footnote describing and quantifying the form of non-cash compensation substituted. • One commenter suggests rewording subsection 3.1(8)(d) to read: "be included in the annual incentive plans column" in the case of bonus deferrals.	how to report compensation in one form that has been exchanged for compensation in another form. To this end, these two paragraphs should have required that exchanged compensation be included in the column in the SCT in which it would have originally been required to be reported. We agree that these two paragraphs in the 2008 Form were not clear in this regard. Thus, we have replaced paragraphs 3.1(2)(b) and 3.1(8)(d) of the 2008 Form with subsection 3.1(13) of the New Form.
4.6	**Paragraph 3.1(5)(a) of the 2008 Form (reconciliation of grant date fair value to accounting fair value)** One commenter suggests that we remove the requirement in subsection 3.1(5)(a) of the 2008 Form to reconcile and describe the difference between the grant date fair value disclosed in the SCT and the fair value determined based on Canadian GAAP. Alternatively, the commenter suggests that we clarify that the accounting amount to be disclosed in the footnote is the accounting fair value at the grant date (before amortization) of the particular grant disclosed in the SCT column and not any other accounting expense amount.	We have not made the suggested changes. The purpose of the reconciliation to the fair value based on Canadian GAAP is to provide an acceptable benchmark and also to allow for greater comparability between companies. We believe that the requirement is clear. Paragraph 3.1(5)(a) of the New Form specifically requires reconciliation to the accounting fair value. Commentary 4 to subsection 3.1(5) of the New Form states that 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.
4.7	**Commentary 6 to subsection 3.1(5) of the 2008 Form (accounting compensation expense)** Two commenters suggest that we change Commentary 6 to subsection 3.1(5) of the 2008 Form to read: "if the exercise price is equal to or exceeds the fair market value of the shares on the grant date."	We have replaced Commentary 6 to subsection 3.1(5) of the 2008 Form with Commentary 6 to subsection 3.1(5) in the New Form to clarify that the SCT requires disclosure of an amount even it the accounting compensation expense is zero.
4.8	**Section 3.1(8) of the 2008 Form (long-term non-equity incentive plans)** Five commenters suggest that we base long-term non-equity incentive plans disclosed in column (f2) of the SCT based on the grant date fair value of such awards, rather than the amount realized by the NEO at the year of vesting or payout. The commenters made the following additional comments:	We have not made the suggested change at this time. We note, however, that as part of the rulemaking process, we closely monitor new rules in the first year after implementation to ensure that they are working as intended. We will consider proposing amendments to address any substantive issues that arise as a result of this monitoring process. If a company believes that disclosing non-equity incentive plans based on the grant date fair value of such awards is appropriate in terms of satisfying the

Item	Summary of comments	CSA response
	• This change will lead to a more accurate picture of the intended value of compensation granted in any particular year and will make year over year comparisons more meaningful. • The proposed delayed disclosure of such plans in the SCT could have the unintended consequence of encouraging the use of such plans more widely in the future. • The SCT should be adjusted to reflect best practices in this area.	objective of executive compensation disclosure set out in section 1.1 of the New Form, the company may include supplemental disclosure of the grant date fair value of such awards.
4.9	**Subsection 3.1(8) of the 2008 Form (non-equity incentive plan awards)** One commenter suggests that we clarify that the opening words of subsection 3.1(8) refer to non-equity incentive plans by adding the word "such" before the word "outstanding award", as dividends or other earnings paid on share or option awards are disclosed in column (h) pursuant to subsection 3.1(10).	We added the word "such" before "outstanding awards" in subsection 3.1(8) of the New Form.
4.10	**Paragraph 3.1(8)(a) of the 2008 Form (non-equity incentive plan awards)** Two commenters suggest that we change the last sentence in paragraph 3.1(8)(a) of the 2008 Form to clarify that subsequent payout of non-equity incentive plan compensation is not required to be reported again in the SCT.	We added the words "in the summary compensation table" after "these amounts again" in the last sentence in paragraph 3.1(8)(a) of the New Form.
4.11	**Paragraph 3.1(8)(e) of the 2008 Form (bonuses)** One commenter suggests that we replace the word "bonus" with "annual non-equity incentive plan award" in subsection 3.1(8) of the 2008 Form. Use of the term "bonus" is confusing.	We replaced the word "bonuses" with "annual non-equity incentive plan compensation" in the second sentence of paragraph 3.1(8)(d) of the New Form. We did not change the word "bonuses" in the first sentence of paragraph 3.1(8)(d) of the New Form because we intend that reference to clarify that annual bonuses may be awarded under an incentive plan.
4.12	**Subsection 3.1(9) of the 2008 Form (pension value – breakdown between service cost and other compensatory items)** One commenter suggests that we split column (g) of the SCT into (g1) "service cost" and (g2) "other compensatory items". The requirement under subsection 3.1(9) of the 2008 Form to aggregate these values does not provide transparency for readers. Providing this breakdown will allow readers to differentiate between the general ongoing service cost of the current pension liabilities (i.e. service cost) from the costs incurred by the issuer as a result of promotions, increases in salary and/or incentive pay, plan amendments and service awards (i.e. other compensatory items).	We have not made the suggested change. We do not believe that the further breakdown suggested would be of significant value to users.
4.13	**Subsection 3.1(9) of the 2008 Form (service costs)** One commenter suggests that we not require disclosure of services costs in the SCT. Service costs should only be disclosed under Item 5.	We have not made the suggested change. We believe that all compensatory values should be disclosed in the pension value column of the SCT. This value will be comprised of the service cost and other compensatory amounts.

Item	Summary of comments	CSA response
4.14	**Paragraph 3.1(10)(a) of the 2008 Form (perquisites)** Two commenters suggest that we change the threshold for perquisites in paragraph 3.1(10)(a) of the 2008 Form to a single dollar amount of $50,000 or a percentage based on total direct compensation. This would be more equitable for all companies while still ensuring readers are provided with appropriate perquisite disclosure. The threshold of 10% of salary or $50,000 will have the effect of reducing the threshold for NEOs earning less than $500,000.	We have not made the suggested change. We believe the threshold of 10% of salary or $50,000 will not result in a significant increase of items required to be reported as a perquisite. We believe that these thresholds are appropriate.
4.15	**Paragraph 3.1(10)(b) of the 2008 Form (post-retirement benefits – non-discriminatory plans)** Three commenters suggest that we clarify that post-retirement benefits (like retiree health/life insurance) qualify for the exemption from the definition of "plan" (and hence reporting) if the plan's terms are non-discriminatory and generally available to retirees from the salaried employee group.	See our response to item 2.5, above. We also added paragraph 1.3(1)(c) of the New Form to clarify that the plans described under paragraph 1.3(1)(b) of the New Form include plans that provide for such benefits after retirement.
4.16	**Paragraph 3.1(10)(b) of the 2008 Form (post-retirement benefits – valuation methodology)** Three commenters suggest that we provide further guidance with respect to other post-retirement benefits which must be included in the SCT. • Clarify the valuation methodology that should be applied. • It is not clear whether the intent is to include these compensation amounts only if the executive officer retired during the year and actually received such compensation or if the intent is to include an accounting cost each year similar to a pension plan service cost. • For disclosure of non-pension post-retirement benefits in the SCT's all other compensation column, clarify if the compensatory value used for this reporting is to reflect the same measurement principles as apply to pension benefits – notably, service cost and plan amendment impacts as determined for the company's GAAP reporting purposes.	We have not made the suggested change. We do not believe that further guidance in the New Form is necessary. Certain post-retirement benefits that do not discriminate in scope, terms or operation and are generally available to all salaried employees, do not have to be reported as compensation under paragraphs 1.3(1)(b) and (c) of the New Form. See our responses to items 2.5 and 4.15, above. For disclosure of other post-retirement benefits under the New Form, the compensatory value reported should reflect the same principles as apply to pension benefits – notably service cost and the cost of any amendment that is made in the year, as determined under the accounting principles used to prepare the company's financial statements, as permitted by National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*.
4.17	**Paragraph 3.1(10)(b) of the 2008 Form (post-retirement benefits – exemption for benefits below a certain threshold)** One commenter suggests that we clarify that the requirement to disclose post-retirement benefits be waived if the service cost of these benefits is less than a certain threshold.	We have not made the suggested change. We believe that the full value of these benefits should be reported in the SCT.
4.18	**Paragraph 3.1(10)(d) of the 2008 Form (termination and change of control benefits)** One commenter suggests that we require companies to report each executive's shareholdings, both real shares and notional vested holdings each year (e.g. RSUs, PSUs and DSUs), in a separate table under	We changed paragraph 3.1(10)(d) of the New Form to require inclusion in column (h) of the SCT, incremental payments, payables, and benefits to an NEO that are triggered by, or result from, a scenario listed in section 6.1 of the New Form that occurred before the end of the covered financial year.

Item	Summary of comments	CSA response
	Item 4 of the New Form. The incremental value of previously reported share awards, including DSUs, that have vested should not be required to be reported again in the SCT in the year they are settled. If the incremental value of DSUs on termination is to be included in SCT column (h), the result would be double counting as the grant date compensation value of DSUs would have previously been reportable in the SCT, either as a share award in the year of grant (as DSUs are subject to Section 3870 accounting) or as a deferral of base salary or bonus into DSUs.	We also added Commentary 1 to subsection 3.1(10) of the New Form to provide guidance regarding the reporting of these incremental amounts that are triggered by, or result from, a scenario listed in section 6.1 of the New Form that occurred before the end of the covered financial year. We note that this guidance is substantially the same as the guidance we added in Commentary 3 to section 6.1 of the New Form.
4.19	**Paragraph 3.1(10)(f) of the 2008 Form (dividends or other earnings)** One commenter suggests that we clarify the requirement to disclose dividends paid on share or option awards under column (h), as it is unclear under what circumstances dividends would or would not be considered to have been incorporated into the grant date fair value, particularly where the value of share or option awards are based on the market price of a company's securities.	While a valuation model based on the market price of a company's securities will likely have factored in future dividend payments, there may be valuation models for reporting grant date fair value of share-based or option-based awards that do not factor in future dividend payments. Under paragraph 3.1(10)(f) of the New Form, if a company used the latter kind of valuation model to report grant date fair value, the value of any dividends or other earnings paid on share-based or option-based awards must be reported in the SCT when the dividend is paid.
4.20	**Paragraph 3.1(10)(i) of the 2008 Form (payments related to retirement during the covered year)** Two commenters suggest that we clarify that the exception provided in subparagraph 3.1(10)(i)(ii) of the 2008 Form applies to all of subsection 3.1(10), not just paragraph 3.1(10)(i). The intention of subsection 3.1(10)(i)(ii) is to make it clear that pension payments are not to be included under the "all other compensation" column of the SCT unless there has been an acceleration of a pension annuity otherwise payable due to a specific event such as a change of control. However, the introduction to subsection 3.1(10) includes all amounts other than those reported elsewhere in the SCT, which could be read as including amounts reported in Item 5. In addition, paragraph 3.1(10)(d) purportedly includes all amounts paid or payable as a result of the scenarios listed in section 6.1, thereby duplicating the requirement in paragraph 3.1(10)(i) but without the exception provided in subparagraph 3.1(10)(i)(ii). Two commenters suggest that we add commentary outlining what is considered an "accelerated benefit" under paragraph 3.1(10)(i) of the 2008 Form. It is extremely rare for pension programs to pay any benefit prior to termination of employment; this is something that simply doesn't occur unless employment is continuing beyond age 65. Yet, the situations identified as warranting this reporting in SCT column (h) "all other compensation" would seem to cover all potential circumstances of an NEO's termination of employment. In the circumstances, it is not apparent what the CSA intends by the term "accelerated benefit".	We omitted subparagraph 3.1(10)(i)(i) of the 2008 Form from the New Form. We also moved subparagraph 3.1(10)(i)(ii) of the 2008 Form to paragraph 3.1(10)(d) of the New Form and clarified that the requirement is to report the incremental payments, payables, and benefits to an NEO that are triggered by, or results from, a scenario listed in section 6.1 that occurred before the end of the covered financial year. We also added Commentary 1 to subsection 3.1(10) of the New Form to provide guidance regarding the reporting of these incremental amounts that are triggered by, or result from, a scenario listed in section 6.1 of the New Form that occurred before the end of the covered financial year. We note that this guidance is substantially the same as the guidance we added in Commentary 3 to section 6.1 of the New Form.
4.21	**Commentary 1 to subsection 3.1(10) of the 2008 Form (perquisites)**	We added the word "generally" before "available on a non-discriminatory basis" in Commentary 2 to

Item	Summary of comments	CSA response
	One commenter suggests that we change Commentary 1 by adding the word "generally" as follows: "… unless it is generally available on a non-discriminatory basis to all employees."	subsection 3.1(10) of the New Form.
4.22	**Commentary 1 to subsection 3.1(10) of the 2008 Form (perquisites – further examples)** One commenter suggests that we expand the list of compensation items in the commentary to include: • Employer contributions to a registered retirement saving plan since it is not a pension plan and employers cannot necessarily control or track changes in the account balance to report it as a defined contribution pension plan. • Employer matching contributions to stock savings plans.	We have not made the suggested changes. Though the examples provided by the commenter may be perquisites, we have decided not to include every possible example in the list: The list of items in Commentary 2 to subsection 3.1(10) of the New Form are examples only and the list is not exhaustive. Companies should use their judgement to determine what should be disclosed with reference to the objective for executive compensation disclosure set out in section 1.1 of the New Form. Also, subsection 3.1(10) requires that column (h) of the SCT include all other compensation not reported in any other column.
4.23	**Item 3 of the 2008 Form (grants of plan-based awards table)** Two commenters suggest that we amend the 2008 Form to require a "grants of plan-based awards" table, as is required under the SEC rules, showing the estimated future payouts at threshold, target and maximum for existing plan-based awards. While narrative disclosure of this information in the CD&A is valuable, a concise tabular form makes the data much easier to transmit.	We have not made the suggested change. We do not believe that including this level of detail will yield significant benefits to users. We note, however, that companies must provide this information if necessary to satisfy the objective of executive compensation disclosure set out in section 1.1 of the New Form.
4.24	**Section 3.3 of the 2008 Form (currencies)** Two commenters suggest that we allow companies to report compensation in the currency of their choice in order to avoid artificial changes from year to year due to currency fluctuations.	We have not made the suggested change. We believe it is important for comparability purposes that executive compensation disclosure be in the same currency as the financial statements. If translation adjustments have an atypical impact, a company should provide footnote or CD&A disclosure if necessary to satisfy the objective of executive compensation disclosure set out in section 1.1 of the New Form.
COMMENTS ON ITEM 4 OF THE 2008 FORM (INCENTIVE PLAN AWARDS)		
5.1	**Item 4 of the 2008 Form (incentive plan award tables – format)** One commenter suggests that we split the disclosure of share awards and option awards into two separate tables in sections 4.1 and 4.2. In particular: • The Share Award Table would have columns for: start-of-year unvested shares and values; shares vested during year and values at vesting; shares forfeited/terminated during year; and end-of-year unvested shares and values. • The Option Award Table would have columns for: start-of-year shares and in-the-money option values (broken out between vested and unvested); shares and values realized by option exercises during the year; shares forfeited during	We have not made the suggested change. We do not believe reformatting the tables in Item 4 of the New Form will yield significant benefits to users.

Item	Summary of comments	CSA response
	year; and end-of-year shares and in-the-money option values (broken out between vested and unvested).	
5.2	**Subsection 4.1(1) of the 2008 Form (option awards – disclosure of each outstanding award)** One commenter suggests that we change column (c) of the outstanding share awards and option awards table under subsection 4.1(1) of the 2008 Form to only require disclosure of the lowest and highest option exercise price for the unexercised grant. The commenter also suggests that we change column (d) to only require disclosure of the range of applicable option expiry dates. The requirement to disclose each separate award would likely result in an unnecessarily voluminous table. The range of option exercise prices and option expiry dates is the only relevant information for investors.	We have not made the suggested changes. We believe that disclosure of each separate award will be useful because it will allow users to place a value on the outstanding awards. Though the required disclosure may be voluminous, the suggested alternative of disclosing a range of exercise prices and expiry dates will yield significantly fewer benefits to users.
5.3	**Subsection 4.1(6) of the 2008 Form (share awards – disclosure of each outstanding award)** One commenter suggests that we clarify the meaning of the term "vested" in column (f) of the outstanding share awards and option awards table under subsection 4.1(1) of the 2008 Form. The commenter also suggests that column (f) require that share awards be detailed on an award-by-award basis.	We have not made the suggested changes. We believe that shares or other units have vested under a share-based award when the NEO has an unconditional right to receive the shares or other units (or a cash equivalent) under the share-based award. Thus, further clarification is unnecessary. We believe that the outstanding share-based awards and option-based awards table should allow users to calculate the expected value of these outstanding awards. For option-based awards, users would require disclosure of the option exercise price and the expiration date on an award-by-award basis to make this calculation. In contrast, users do not need award-by-award disclosure of share-based awards to calculate their expected value.
5.4	**Subsection 4.1(7) of the 2008 Form (market or payout value of share awards that have not vested)** Three commenters suggest that we change subsection 4.1(7) of the 2008 Form: • It would be more appropriate to report the shares or units based on the target payout level, along with a footnote to describe the potential variability in the final payout level. This would result in a more stable picture of ongoing holdings, while still providing full disclosure on the range of potential outcomes. • Companies should be required to assume that their target performance goals will be achieved if the actual performance is not readily determinable at the year end. This approach would be consistent with how companies typically account for these plans in their financial statements, (i.e. they initially accrue assuming target performance and then adjust their accruals upwards or downwards towards the end of the performance period based on the likelihood of the expected	We changed subsection 4.1(7) of the New Form to read: If the share-based award provides only for a single payout on vesting, calculate this value based on that payout. If the share-based award provides for different payouts depending on the achievement of different performance goals or similar conditions, calculate this value based on the minimum payout. However, if the NEO achieved a performance goal or similar condition in a financial year covered by the share-based award that on vesting could provide for a payout greater than the minimum payout, calculate this value based on the payout expected as a result of the NEO achieving this performance goal or similar condition.

Item	Summary of comments	CSA response
	results). • Clarify the treatment of DSU and the reporting of column (g) in the "Outstanding equity based table" in Item 4 of the 2008 Form.	
5.5	**Subsection 4.1(1) of the 2008 Form (disclosure of share awards that have vested but have not yet been paid out)** One commenter suggests that we also require disclosure of vested share awards that have not yet been paid out or distributed under subsection 4.1(1) of the 2008 Form. This would be consistent with the disclosure required for option awards under the same table (which includes all "unexercised in-the-money options").	We have not made the suggested change at this time.
5.6	**Subsection 4.2(1) of the 2008 Form (disclosure of non-equity incentive plan compensation)** Four commenters suggest that we change column (d) of the table required by subsection 4.2(1) of the 2008 Form: • There is no need to disclose the amounts earned and the subsequent pay-outs (which are generally the same) of non-equity incentives in two consecutive executive compensation statements and suspects this will confuse readers. Instead, the only requirement should be that the non-equity incentive (both annual and mid-term) amount earned be shown in the SCT in the respective column, with appropriate footnotes regarding the timing of the payout, and not once again under Item 4 in the year of payment. • The rationale for the addition of column (d) in the February 2008 Form is not clear. If a company pays an annual bonus which is properly disclosed in column (f1) of the SCT for the last completed financial year, the proposed column appears to require that amount to be duplicated. • It is not clear what is intended to be included in column (d) and requests that the CSA provide clarifying comments similar to those currently provided for columns (b) and (c).	We replaced "Pay-out during the year" with "Value earned during the year" in subsection 4.2(1) of the New Form. We acknowledge that this will be the same value that is currently required to be disclosed in the SCT under subsection 3.1(8) of the New Form. Also, see our responses to items 2.4 and 4.8, above.
5.7	**Section 4.2 of the 2008 Form (title)** Five commenters suggest that we change the heading of this table to "Value on exercise of incentive plan awards".	We changed the title of section 4.2 of the New Form to read: "Incentive plan awards – value vested or earned during the year".
5.8	**Section 4.3 of the 2008 Form (narrative discussion)** Two commenters suggest that we change section 4.3 of the 2008 Form to require disclosure in tabular form, with specified requirements showing the estimated future payouts at threshold, target and maximum. While narrative disclosure of existing plan-based awards in the CD&A is valuable, a concise table would improve consistency and comparability of this disclosure across companies.	Companies should present this information in the clearest manner possible. We believe that narrative disclosure is generally best suited to providing the details associated with these matters. However, companies may also summarize the information required by section 4.3 of the New Form in tabular format (in addition to the required narrative) if they believe that this will provide more meaningful disclosure.

Item	Summary of comments	CSA response
5.9	**Section 4.3 of the 2008 Form (narrative discussion)** One commenter suggests that we change the requirements in section 4.3 of the 2008 to only require disclosure of plan-based awards that were issued or awarded during the most recently completed financial year. Although there is a carve-out for matters already disclosed under section 3.2, there is no carve out for all outstanding awards which are required to be disclosed in sections 4.1 and 4.2. Plan-based awards that were issued during prior years would accordingly be subject to disclosure in the information circulars of those years, and to the extent that awards are still outstanding or were exercised or vested, they will be disclosed pursuant to sections 4.1 or 4.2 as appropriate.	We have not made the suggested change. Section 4.3 of the New Form requires narrative discussion of all plan-based awards, including those for which disclosure was provided under sections 4.1 and 4.2 of the New Form. We note that the carve-out for matters already disclosed under section 3.2 of the New Form is appropriate because the information is included in the current year's disclosure. Disclosure regarding outstanding plan-based awards that were awarded in prior years, and for which disclosure was included in executive compensation disclosure for a prior year, should, nevertheless, be included in the current year disclosure to facilitate review by users.
COMMENTS ON ITEM 5 OF THE 2008 FORM (RETIREMENT PLAN BENEFITS)		
6.1	**Subsection 5.1(1) of the 2008 Form (disclose both service cost and other compensatory items)** One commenter suggests that we split column (e) of the defined benefit plans table in subsection 5.1(1) of the 2008 Form into two columns to include service costs (e1) and other compensatory items (e2). This would be consistent with how companies disclose these amounts in their annual reports and the approach voluntarily taken by large banks in previous executive compensation disclosures.	We have not made the suggested change. We believe that, in most cases, the additional benefit to users of splitting column (e) of the defined benefit plans table in subsection 5.1(1) of the New Form into service costs and other compensatory items would be negligible. Companies may voluntarily disclose this split if the additional information may be useful to their users. Companies must disclose this split if necessary to satisfy the objective of executive compensation disclosure set out in section 1.1 of the New Form.
6.2	**Subsection 5.1(1) of the 2008 Form (reporting of non-pension post-retirement benefits)** One commenter suggests that we clarify that non-pension benefits, such as post-retirement health/life insurance, are not required to be disclosed under Item 5 of the 2008 Form. The pension tables should focus on pension entitlements and pension values disclosed in the SCT should align with amounts reported in the defined benefit plans and defined contribution plans tables.	We changed the title of Item 5 of the New Form to "Pension Plan Benefits". We also added the word "pension" before "plans that provide for payments" in subsections 5.1(1) and 5.2(1) of the New Form. Non-pension post-retirement benefit plans must be disclosed in column (h) of the SCT under paragraph 3.1(10)(b) of the New Form, unless the exemption in paragraph 1.3(1)(b) of the New Form applies.
6.3	**Subsection 5.1(1) of the 2008 Form (GAAP accounting assumptions)** One commenter suggests that we accommodate the reporting of negative pension compensation in certain situations. The requirement in 2008 Form to use GAAP accounting assumptions infers that pensionable earnings be projected for purposes of the calculations. When actual pay changes differ from those assumed, this difference will give rise to pension compensation in the year the experience emerges. As such, this experience could be either positive or negative – and the overall amount of pension compensation in any year (including service cost and amendment impacts) may well be negative.	We have not made the suggested change. While there is a possibility of negative pension compensation, we believe that this will occur infrequently and, thus, there is no need to specifically accommodate it. Negative pension compensation, when it occurs, should be reported in column (g) of the SCT and under Item 5.
6.4	**Subsections 5.1(1) and 5.2(1) of the 2008 Form (benefit payments)** One commenter suggests that we add columns to the	We have not made the suggested change. While there is a possibility that pension benefits will be paid in a given year, we believe that this will occur infrequently

Item	Summary of comments	CSA response
	defined benefit plans and the defined contribution plans tables under subsections 5.1(1) and (2) of the 2008 Form to reflect that payments may be made from the retirement arrangements in a given year that would reduce the value at year end. In the absence of such a column, any benefit payments would be included in the non-compensatory column (f).	and, thus, there is no need to specifically accommodate it. These payments, when they occur, should be reported in column (f) of the defined benefit plans table or column (d) of the defined contribution plans table, as applicable, with a footnote if appropriate.
6.5	**Subsection 5.1(2) of the 2008 Form (pension plan measurement date)** One commenter suggests that we replace subsection 5.1(2) of the 2008 Form with the following: "For accrued obligations and compensatory and non-compensatory disclosures in the table, use the assumptions used in the company's audited financial statements for the most recently completed financial year." The wording in the 2008 Form is ambiguous and implies that employers that use an early measurement date for financial reporting purposes should disclose credited service and benefits payable based on service to an early measurement date rather than financial year end.	We changed subsection 5.1(2) of the New Form to read: "In columns (b) and (c), the disclosure must be as of the end of the company's most recently completed financial year. In columns (d) through (g), the disclosure must be as of the plan measurement date used in the company's audited financial statements for the most recently completed financial year."
6.6	**Subsection 5.1(3) of the 2008 Form (number of years credited service)** One commenter suggests that we split column (b) to show (b1) credited service at year end and (b2) credited service at age 65 for consistency with the annual benefit payable columns (c1) and (c2).	We have not made the suggested change. We believe that, in most cases, the additional benefit to users of splitting column (b) of the defined benefit plans table in subsection 5.1(1) of the New Form into credited service at year end and credited service at age 65 would be negligible. Companies may voluntarily disclose this split if the additional information may be useful to their users. Companies must disclose this split if necessary to satisfy the objective of executive compensation disclosure set out in section 1.1 of the New Form.
6.7	**Subsection 5.1(4) of the 2008 Form (earliest unreduced retirement age)** Three commenters suggest that we give companies the choice to report annual benefits payable at the earliest unreduced retirement age (i.e., the earliest age at which an unreduced pension could be received), rather than at age 65 in column (c2) of the defined benefit plan table under subsection 5.1(4) of the 2008 Form. • The proposed age 65 is an arbitrary age that may not align with the company's pension plan. • This approach would allow companies to maintain consistency with the retirement age specified by the company's pension plan. • Companies should have the choice of using the plan's normal retirement age or the plan's earliest unreduced retirement age, with appropriate disclosure.	We have not made the suggested changes. The added value of a plan with an earlier unreduced retirement age will be reflected in the applicable columns of the defined benefit plans table. Disclosure of the earliest unreduced retirement age will also be required if necessary to satisfy the objective of executive compensation disclosure set out in section 1.1 of the New Form.
6.8	**Subsection 5.1(4) of the 2008 Form (annual benefits payable – lifetime benefits)** One commenter suggests that we clarify in subsection 5.1(4) of the 2008 Form whether columns (c1) and	We added the word "lifetime" before "benefit payable" in paragraphs 5.1(4)(a) and (b) of the New Form.

Item	Summary of comments	CSA response
	(c2) of the defined benefit plans table are to report a lifetime benefit and a "bridge" benefit payable until age 65. Pension programs often include both types of benefits. Columns (c1) and (c2) should only report lifetime entitlements.	
6.9	**Subsection 5.1(4) of the 2008 Form (annual benefits payable – pensionable earnings)** One commenter suggests that we change subsection 5.1(4) of the 2008 Form to clearly describe that the annual benefits payable at both year end and age 65 are based on pensionable earnings at the end of the most recently completed financial year by replacing the phrase "years of credited service and pensionable earnings" with "years of credited service as at each date and pensionable earnings".	We changed subsection 5.1(4) of the New Form to clarify that the annual benefit payable at the end of the most recently completed financial year in column (c1) must be based on years of credited service reported in column (b) and actual pensionable earnings as at the end of the most recently completed financial year**.**
6.10	**Subsection 5.1(4) of the 2008 Form (annual benefits payable at age 65)** One commenter suggests that we clarify in subsection 5.1(4) of the 2008 Form what compensation base we intend column (c2) of the defined benefit plans table to reflect. The compensation base could reflect: • Actual compensation history through to the end of the end of the financial year, as per column (c1). • A presumption that compensation in all future years will equal that for the year just ended. • A presumption that compensation in all future years will equal the upcoming year's target pay level. • A presumption that compensation will increase in future years in line with the assumptions used for the company's GAAP pension accounting.	We changed subsection 5.1(4) of the New Form to clarify that the annual lifetime benefit payable at age 65 in column (c2) must be based on years of credited service as of age 65 and actual pensionable earnings through the end of the most recently completed financial year, as in column (c1).
6.11	**Subsection 5.1(5) of the 2008 Form (accrued obligation at start of year)** One commenter suggests that we clarify the approach to be taken for hybrid plans (i.e., plans providing the maximum of the value of a defined benefit pension and the accumulated value of a defined contribution component). In most cases, it would be more appropriate to disclose the global value of these plans in the defined benefit plans table.	We understand that there are two types of hybrid plans: those that provide the maximum of the defined benefit and defined contribution components and those that pay the sum of the defined benefit and defined contribution components. We added Commentary to sections 5.1 and 5.2 of the New Form to clarify that for disclosure of hybrid plans providing the maximum of: (i) the value of a defined benefit pension; and (ii) the accumulated value of a defined contribution pension, the global value should be disclosed in the defined benefit plans table. For hybrid plans providing the sum of both components, disclosure should be split into their respective components: The defined benefit component should be reported in the defined benefit plans table and the defined contribution component should be reported in the defined contribution plans table.
6.12	**Subsection 5.1(6) of the 2008 Form (compensatory changes)** One commenter suggests that we clarify in the 2008 Form that the following should be reported as	We agree with the first comment and added the words ", including, for greater certainty, a change in valuation assumptions as a consequence of an amendment to benefit terms" after "retroactive impact" in subsection

Item	Summary of comments	CSA response
	compensatory changes in the defined benefit plans table: • The impact of a valuation assumption change as a consequence of an amendment to benefit terms because the assumption change is part of the program amendment. • The impact of a change in the assumption regarding future pay increases to ensure consistency between the treatment of pay-related experience on pension obligations and the assumptions by reference to which pay-related experience is determined. The commenter presumes that the intention is for assumption changes (other than a change in the future pay assumption or an assumption change that arises as a consequence of a plan amendment) to be non-compensatory in nature. On the understanding that all other assumption changes are non-compensatory in nature, the commenter presumes that experience from all other factors would also be non-compensatory – otherwise experience would be treated differently to the assumption by reference to which it is determined.	5.1(6) of the New Form. We have not made the second suggested change. We believe that all changes in assumptions, as well as experience gains and losses relative to all assumptions other than the pay increase assumption, should be treated as non-compensatory items.
6.13	**Subsection 5.1(7) of the 2008 Form (employee contributions and interest on accumulated value)** One commenter suggests that we clarify that changes in assumptions be included in the non-compensatory changes in the accrued value of benefits in column (f) of the defined benefit plans table. The requirements should explicitly include the following items in column (f): • Employee contributions. • Interest on the accumulated value at the start of year (column (d)).	We added the words “other than those already included in column (e) because they were made as a consequence of an amendment to benefit terms, employee contributions and interest on the accrued obligation at the start of the year” after ”changes in assumptions” in subsection 5.1(7) of the New Form.
6.14	**Section 5.2 of the 2008 Form (defined contribution plans)** One commenter suggests that we remove the requirement to disclose accumulated defined contribution pension account balances. This information is not relevant to the understanding of compensation decisions made by the company. The only relevant disclosure is the company contributions to the account and the above-market earnings provided.	We have not made the suggested change. We believe that accumulated defined contribution pension account balances is generally useful information for users. Disclosing these balances results in consistent treatment of defined benefit and defined contribution plans.
COMMENTS ON ITEM 6 (TERMINATION AND CHANGE OF CONTROL BENEFITS)		
7.1	**Subsection 6.1(1) of the 2008 Form (disclosure of all scenarios relating to termination and change of control benefits)** One commenter suggests that we require disclosure of the potential consequences of all scenarios relating to termination and changes of control benefits instead of the four standard scenarios.	We have not made the suggested change. We believe a requirement to disclose the potential consequences of all scenarios relating to changes of control or termination would impose an undue burden on companies without necessarily enhancing the value of the disclosure to readers.

Item	Summary of comments	CSA response
7.2	**Subsection 6.1(1) of the 2008 Form (additional termination scenarios)** One commenter suggests that we change the introduction to subsection 6.1(1) to clarify which termination scenarios need to be addressed. It is common to make distinctions between (i) voluntary termination, (ii) termination without cause or constructive dismissal, (iii) termination with cause and (iv) death.	We have not made the suggested change. We believe that the requirement in subsection 6.1(1) of the New Form is clear. If each of these circumstances is a termination scenario contemplated under the employment contract, then disclosure of each circumstance must be provided under this subsection.
7.3	**Subsection 6.1(1) of the 2008 Form (no incremental compensation)** One commenter suggests that we clarify that companies are not required to quantify disclosure under each of the four scenarios in subsection 6.1(1) of the 2008 Form if a scenario is not applicable.	We added paragraph 6.1(3)(c) of the New Form to clarify that a company is not required to disclose information in respect of a scenario described in subsection 6.1(1) of the New Form if there will be no incremental benefits or payments that are triggered by, or result from, that scenario.
7.4	**Subsection 6.1(1) of the 2008 Form (limit disclosure to CEO)** One commenter suggests that we only require disclosure of estimated termination payments and benefits for the CEO, with parallel disclosure for the other NEO's required only to the extent the contracts, agreements, plans or arrangements applying to them are in aggregate materially different than the terms of the contract, agreement, plan or arrangement provided to the CEO. Shareholders will be most interested in amounts to be provided to the CEO, as those would likely be the most material amounts.	We have not made the suggested change. We do not believe that disclosure of this information for only the CEO with parallel disclosure of materially different contracts, agreements, plans or arrangements concluded with other NEOs would provide sufficient information to allow users to understand a company's compensation decisions in this regard.
7.5	**Paragraph 6.1(1)(b) of the 2008 Form (incremental payments and benefits)** Five commenters suggest that we clarify the meaning of paragraph 6.1(1)(b) of the 2008 Form. Specifically the commenters suggest that we: • Clarify whether arrangements or plans already disclosed pursuant to Item 5 must be disclosed under section 6.1. • Include in subsection 6.1(1) only any additional pension benefit accruing by virtue of the termination and not the accrued value of the pension benefit already earned by the executive. • Clarify whether a company must report the in-the-money value of the NEO's outstanding options where options accelerate due to a change of control, assuming that the triggering event took place at the end of the last completed financial year. The incremental benefit to the NEO of an acceleration of options is the time value of having the money earlier, net of any lost tax deferral. • Require reporting only the additional payments that are actually triggered by the scenario and exclude payments that are already available or vested. Disclosing all-inclusive payment value that includes already vested rights may have undesired consequence of encouraging executive	We replaced "provided in each circumstance" with "triggered by, or result from, each circumstance" in paragraph 6.1(1)(b) of the New Form. We also omitted subsection 6.1(4) of the 2008 Form from the New Form and clarified that the circumstances that trigger payments or the provision of other benefits include pension plan benefits in paragraph 6.1(1)(a) of the New Form. We also added guidance in Commentary 3 to section 6.1 of the New Form stating that, generally, there will be no incremental payments, payables, and benefits that are triggered by, or result from, a scenario described in subsection 6.1(1) of the New Form for compensation that has been previously reported in the SCT for the most recently completed financial year or for a financial year before the most recently completed financial year. If the vesting or payout of the previously reported compensation is accelerated, or a performance goal or similar condition in respect of the previously reported compensation is waived, as a result of a scenario described in subsection 6.1(1) of the New Form, the incremental payments, payables, and benefits should include the value of the accelerated benefit or of the waiver of the performance goal or similar condition.

Item	Summary of comments	CSA response
	officers to reduce that amount by exercising certain rights.	
7.6	**Subsection 6.1(1) of the 2008 Form (narrative disclosure)** One commenter suggests that we include a table for reporting termination payments under various scenarios. Narrative disclosure of the payments may be confusing to readers and tabular presentation would improve transparency.	Companies should present this information in the clearest manner possible. We believe that narrative disclosure is generally best suited to providing the details associated with these matters. However, companies may summarize the information required by section 6.1 of the New Form in tabular format (in addition to the required narrative) if they believe that this will provide more meaningful disclosure.
7.7	**Subsection 6.1(2) of the 2008 Form (estimated incremental payments and benefits)** One commenter suggests that we harmonize subsection 6.1(2) with paragraph 6.1(1)(b).	We replaced "estimated annual payment and benefits" with "estimated incremental payments, payables, and benefits" in subsection 6.1(2) of the New Form.
7.8	**Commentary 1 to section 6.1 of the 2008 Form (exclusion for implied terms under common or civil law)** One commenter suggests that we change Commentary 1 relating to the implications of Canadian common law to read that a company is not required to disclose notice for termination without cause or compensation in lieu thereof which are implied as a term of an employment contract under common law and that disclosure is required for severance or termination payments which are addressed in written employment contracts.	We changed Commentary 1 to section 6.1 of the New Form to state: "Subsection (1) does not require the company to disclose notice of termination without cause, or compensation in lieu thereof, which are implied as a term of an employment contract under common law or civil law."
COMMENTS ON ITEM 7 OF THE 2008 FORM (DIRECTOR COMPENSATION)		
8.1	**Section 7.2 of the 2008 Form (narrative discussion)** One commenter suggests that we change the language in the last bullet of the Commentary, as it could lead someone to believe that the CD&A requirements in section 2.1 generally apply to directors unless specifically stated.	We have not made the suggested change. We believe that it is clear that the CD&A required by section 2.1 of the New Form does not apply to a director who is not also an NEO. We also believe that it is clear that section 7.2 of the New Form requires a company to describe and explain any factors necessary to understand the director compensation disclosed in section 7.1 of the New Form. The last bullet in the Commentary to section 7.2 of the New Form suggests that the narrative disclosure required by section 7.2 of the New Form may include a discussion of how CD&A disclosure for NEOs would be different in respect of directors.
COMMENTS ON ITEM 9 OF THE 2008 FORM (EFFECTIVE DATE AND REPEAL)		
9.1	**Section 9.1 of the 2008 Form (timeline for implementation)** Three commenters suggest that we publish the New Form in the third quarter of 2008 in order for companies to prepare, refine and finalize their new disclosures in a manner that is clear and understandable for investors.	The 2007 Proposal was published for comment in March 2007. The 2008 Proposal was republished for comment in February 2008. It was clear, under the February 2008 proposal, that we intended to implement the New Form by December 31, 2008. We do not believe that the New Form is materially different from the 2008 Form. In light of our publication date of September 18, 2008, we believe companies have been provided sufficient

Item	Summary of comments	CSA response
		notice to effectively implement the requirements under the New Form for financial years ended on or after December 31, 2008.