The Ontario Securities Commission

OSC Bulletin

February 22, 2008

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The Ontario Securities Commission administers the
Securities Act of Ontario (R.S.O. 1990, c. S.5) and the
Commodity Futures Act of Ontario (R.S.O. 1990, c. C.20)

The Ontario Securities Commission
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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

FEBRUARY 22, 2008

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

Unless otherwise indicated in the date column, all hearings will take place at the following location:

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
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Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

February 26, 2008 10:00 a.m.	**MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric** s. 127 & 127(1) D. Ferris in attendance for Staff Panel: WSW/DLK
February 27, 2008 10:00 a.m.	**John Alexander Cornwall, Kathryn A. Cook, David Simpson, Jerome Stanislaus Xavier, CGC Financial Services Inc. and First Financial Services** s. 127 and 127.1 S. Horgan in attendance for Staff Panel: RLS/DLK/MCH
February 28, 2008 11:00 a.m.	**Franklin Danny White, Naveed Ahmad Qureshi, WNBC The World Network Business Club Ltd., MMCL Mind Management Consulting, Capital Reserve Financial Group, and Capital Investments of America** s. 127 C. Price in attendance for Staff Panel: LER
March 4, 2008 2:30 p.m.	**Sunwide Finance Inc., Sun Wide Group, Sun Wide Group Financial Insurers & Underwriters, Wi-Fi Framework Corporation, Bryan Bowles, Steven Johnson, Frank R. Kaplan and George Sutton** s. 127 C. Price in attendance for Staff Panel: JEAT/MCH

March 5, 2008 10:00 a.m.	**Swift Trade Inc. and Peter Beck** s. 127 S. Horgan in attendance for Staff Panel: JEAT
March 6, 2008 10:00 a.m.	**David Berry** s. 21.7 J. Superina in attendance for Staff Panel: LER/JEAT
March 25, 2008 10:00 a.m.	**Xi Biofuels Inc., Biomaxx Systems Inc., Ronald David Crowe and Vernon P. Smith** s. 127 M. Vaillancourt in attendance for Staff Panel: JEAT
March 25, 2008 10:00 a.m.	**Xiiva Holdings Inc. carrying on Business as Xiiva Holdings Inc., Xi Energy Company, Xi Energy and Xi Biofuels** s. 127(1) & 127(5) M. Vaillancourt in attendance for Staff Panel: JEAT
March 27, 2008 10:00 a.m.	**Jose Castaneda** s. 127 and 127.1 H. Craig in attendance for Staff Panel: WSW/ST
March 28, 2008 10:00 a.m.	**Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson** s.127 J. Superina in attendance for Staff Panel: LER/MCH
March 28, 2008 10:00 a.m.	**Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries** s. 127 & 127.1 J. S. Angus in attendance for Staff Panel: JEAT/ST
March 28, 2008 11:00 a.m.	**Saxon Financial Services, Saxon Consultants, Ltd., International Monetary Services, FXBridge Technology, Meisner Corporation, Merchant Capital Markets, S.A., Merchant Capital Markets, MerchantMarx et al** s. 127(1) & (5) S. Horgan in attendance for Staff Panel: JEAT/CSP
March 31, 2008 10:00 a.m.	**Rex Diamond Mining Corporation, Serge Muller and Benoit Holemans** s. 127 & 127(1) J. Corelli in attendance for Staff Panel: WSW/DLK/KJK
March 31, 2008 10:00 a.m.	**Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton** s. 127 H. Craig in attendance for Staff Panel: TBA
March 31, 2008 2:00 p.m.	**Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman** s. 127(7) and 127(8) M. Boswell in attendance for Staff Panel: JEAT

April 1, 2008 2:30 p.m.	**Land Banc of Canada Inc., LBC Midland I Corporation, Fresno Securities Inc., Richard Jason Dolan, Marco Lorenti and Stephen Zeff Freedman** s. 127 H. Craig in attendance for Staff Panel: PJL/ST
April 2, 2008 10:00 a.m.	**Peter Sabourin, W. Jeffrey Haver, Greg Irwin, Patrick Keaveney, Shane Smith, Andrew Lloyd, Sandra Delahaye, Sabourin and Sun Inc., Sabourin and Sun (BVI) Inc., Sabourin and Sun Group of Companies Inc., Camdeton Trading Ltd. and Camdeton Trading S.A.** s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: TBA
April 7, 2008 2:30 p.m.	**Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)** s.127 and 127.1 D. Ferris in attendance for Staff Panel: LER/ST
April 15, 2008 2:30 p.m.	**FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun** s. 127 M. Mackewn in attendance for Staff Panel: TBA
May 5, 2008 10:00 a.m.	**John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir** S. 127 & 127.1 I. Smith in attendance for Staff Panel: TBA
May 5, 2008 10:00 a.m.	**Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas** s.127 P. Foy in attendance for Staff Panel: WSW/DLK
May 27, 2008 2:30 p.m.	**Borealis International Inc., Synergy Group (2000) Inc., Integrated Business Concepts Inc., Canavista Corporate Services Inc., Canavista Financial Center Inc., Shane Smith, Andrew Lloyd, Paul Lloyd, Vince Villanti, Larry Haliday, Jean Breau, Joy Statham, David Prentice, Len Zielke, John Stephan, Ray Murphy, Alexander Poole, Derek Grigor and Earl Switenky** s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: WSW/DLK
June 24, 2008 2:30 p.m.	**David Watson, Nathan Rogers, Amy Giles, John Sparrow, Leasesmart, Inc., Advanced Growing Systems, Inc., The Bighub.com, Inc., Pharm Control Ltd., Universal Seismic Associates Inc., Pocketop Corporation, Asia Telecom Ltd., International Energy Ltd., Cambridge Resources Corporation, Nutrione Corporation and Select American Transfer Co.** s. 127 and 127.1 P. Foy in attendance for Staff Panel: JEAT/ST
June 24, 2008 2:30 p.m.	**Stanton De Freitas** s. 127 and 127.1 P. Foy in attendance for Staff Panel: JEAT/ST

July 14, 2008
10:00 a.m.

Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin

s. 127

H. Craig in attendance for Staff

Panel: TBA

November 3, 2008
10:00 a.m.

Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited

s. 127

E. Cole in attendance for Staff

Panel: TBA

TBA

Yama Abdullah Yaqeen

s. 8(2)

J. Superina in attendance for Staff

Panel: TBA

TBA

Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell

s. 127

J. Waechter in attendance for Staff

Panel: TBA

TBA

Frank Dunn, Douglas Beatty, Michael Gollogly

s.127

K. Daniels in attendance for Staff

Panel: TBA

TBA

Shane Suman and Monie Rahman

s. 127 & 127(1)

K. Daniels in attendance for Staff

Panel: TBA

TBA

Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore and Joseph Daniels

s. 127 and 127.1

D. Ferris in attendance for Staff

Panel: JEAT/ST

TBA

Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony

s. 127 and 127.1

H. Craig in attendance for Staff

Panel: TBA

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Andrew Keith Lech

S. B. McLaughlin

Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol

Andrew Stuart Netherwood Rankin

Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg

Maitland Capital Ltd., Allen Grossman, Hanouch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Diana Cassidy, Ron Catone, Steven Lanys, Roger McKenzie, Tom Mezinski, William Rouse and Jason Snow

Euston Capital Corporation and George Schwartz

Al-Tar Energy Corp., Alberta Energy Corp., Eric O'Brien, Bill Daniels, Bill Jakes, John Andrews, Julian Sylvester, Michael N. Whale, James S. Lushington, Ian W. Small, Tim Burton and Jim Hennesy

Global Partners Capital, WS Net Solution, Inc., Hau Wai Cheung, Christine Pan, Gurdip Singh Gahunia

1.2 Notices of Hearing

1.2.1 Franklin Danny White et al. - ss. 127, 127.1

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
FRANKLIN DANNY WHITE,
NAVEED AHMAD QURESHI,
WNBC THE WORLD NETWORK BUSINESS CLUB LTD., MMCL MIND MANAGEMENT CONSULTING,
CAPITAL RESERVE FINANCIAL GROUP, AND
CAPITAL INVESTMENTS OF AMERICA

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE that the Ontario Securities Commission will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), at the offices of the Commission at 20 Queen Street West, Toronto, in the Large Hearing Room, 17th Floor, commencing on February 28, 2008, at 11:00 a.m. or as soon thereafter as the hearing can be held;

AND TAKE NOTICE that the purpose of the hearing is to consider whether it is in the public interest for the Commission to make an order that:

(a) pursuant to clause 2 of section 127(1), trading in any securities by the respondents cease permanently or for such period as is specified by the Commission;

(b) pursuant to clause 2.1 of section 127(1), acquisition of any securities by the respondents is prohibited permanently or for such period as is specified by the Commission;

(c) pursuant to clause 3 of section 127(1), any exemptions contained in Ontario securities law do not apply to the respondents permanently or for such period as is specified by the Commission;

(d) pursuant to clause 6 of section 127(1), the respondents be reprimanded;

(e) pursuant to clause 7 of section 127(1), each of the personal respondents resign all positions that they hold as a director or officer of an issuer;

(f) pursuant to clause 8 of section 127(1), each of the personal respondents be prohibited from becoming or acting as a director or officer of any issuer;

(g) pursuant to clause 8.1 of section 127(1), each of the personal respondents be prohibited from becoming or acting as a director or officer of any registrant;

(h) pursuant to clause 9 of section 127(1), the respondents each pay an administrative penalty for each failure to comply with Ontario securities law;

(i) pursuant to clause 10 of section 127(1), the respondents disgorge to the Commission any amounts obtained as a result of their non-compliance with Ontario securities law; and+

(j) pursuant to section 127.1, the respondents pay the costs of the investigation and hearing.

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission dated February 7, 2008 and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel, if that party attends or submits evidence at the hearing;

AND TAKE FURTHER NOTICE that upon the failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding.

DATED at Toronto this 7th day of February 2008.

"John Stevenson"
Secretary to the Commission

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
FRANKLIN DANNY WHITE,
NAVEED AHMAD QURESHI,
WNBC THE WORLD NETWORK BUSINESS CLUB LTD., MMCL MIND MANAGEMENT CONSULTING, CAPITAL RESERVE FINANCIAL GROUP, AND CAPITAL INVESTMENTS OF AMERICA

STATEMENT OF ALLEGATIONS
OF STAFF OF THE
ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission (the "Commission") make the following allegations:

The Individual Respondents

1. Franklin Danny White ("White") is a resident of Pontypool, Ontario. White has never been registered with the Commission.

2. Naveed Qureshi ("Qureshi") is a resident of Toronto, Ontario. Qureshi has never been registered with the Commission.

The Corporate Respondents

3. None of the corporate respondents are reporting issuers in Ontario, nor are they registrants in Ontario.

(a) White Companies

4. WNBC The World Network Business Club Ltd. ("WNBC") was incorporated in Ontario on June 29, 2000. White was at all times the sole director and officer of WNBC. Its incorporation was cancelled on February 26, 2007.

5. MMCL Mind Management Consulting ("MMCL") is an unincorporated business operated by White. White was at all times and is the sole owner of MMCL and the sole authorized signing officer for MMCL's bank account.

(b) Qureshi Companies

6. Capital Reserve Financial Group ("Capital Reserve") is a sole proprietorship owned and operated by Qureshi. Its business name was registered on July 29, 2002, which registration was cancelled on September 4, 2003. Qureshi re-registered Capital Reserve as a business name on September 4, 2003. Its stated business activity is "asset management".

7. Capital Investments of America ("Capital Investments") is a sole proprietorship owned and operated by Qureshi. Its business name was registered on October 19, 2005. Its stated business activity is "asset management/forex trading ".

Scope of Activity

8. Between May 2002 and March 2005, White, Qureshi, and WNBC sold investments totalling approximately $1 million to investors in Ontario, as described below.

WNBC

9. WNBC purported to be a business club offering investment seminars, access to onshore and offshore investments, private and offshore banking, tax reduction strategies, asset protection, business consulting and education, networking, stress reduction approaches, and financial education to its members. WNBC operated in Toronto but had "Satellite" clubs in, among other cities, Oakville, Etobicoke, and Calgary. Satellite clubs were operated by "Champions", who were local club members who hosted a viewing of a video-recording of the weekly WNBC Toronto meeting.

The Eggvestment Scheme

10. Among other investment "opportunities", including the sale of securities in an auto sharing business called Greenfleet, White, Qureshi, and WNBC promoted an investment program called Eggvestments to members of WNBC (the "Investors"). Investors were sold "Eggs" for a minimum $1,000 each. Investor funds were to be provided to Qureshi and pooled to invest in the foreign currency exchange markets at the discretion of Qureshi.

11. The Eggvestments were promoted by White and Qureshi personally during regularly scheduled WNBC meetings and through the WNBC website. Investors signed contracts evidencing their investments. The investment contracts were signed on behalf of WNBC by White, Qureshi, and other employees of WNBC at the direction of White.

12. In 2002, before the "investment opportunity" was called Eggvestment, the investment contract provided for a one-year term and a "planned" return of capital plus 15%. By 2003, the investment had acquired the "Eggvestment Program" title. The rate of return had increased to a minimum 18% (over one year), 19% (over two years), and 20% (over three years). While the contract stipulated that WNBC made no "explicit guarantees", the investment contract stated that

Qureshi had provided a guarantee of the rate of return to WNBC.

13. The investment contract also stated that "in all cases full disclosure will be provided to the investor via monthly reports". However, the WNBC website Q&A section on the Eggvestment Program answered the question "How can I find out about the EGG's performance during the course of the investment period?" with "You already know about the performance of your eggvestment. As specified in the contract, the minimum return guarantee is 18% for 1 year, 19% for 2 years and 20% for 3 years."

14. At the direction of White and Qureshi:

    (a) most Investors provided funds to MMCL;

    (b) some provided funds directly to Qureshi or Capital Reserve; and

    (c) other funds were directed to WNBC.

15. Of the funds provided to MMCL, White caused MMCL to transfer certain funds to an account held by WNBC in Cyprus. In turn, White directed some of the funds to accounts controlled by Qureshi, including the accounts of Capital Reserve and Capital Investments. In one instance, White retained control over funds paid directly to WNBC.

16. While some Investors received re-payment of their principal investment from, variously, Capital Reserve, Capital Investments, Qureshi, White, and WNBC, approximately two-thirds of the funds have not been repaid to the Investors.

17. There is no evidence that Qureshi invested all but a small proportion of Investor funds in the foreign currency market.

Investment Contracts

18. The investments described herein are "investment contracts" and therefore "securities" as defined in section 1(1)(n) of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").

Unregistered Trading

19. The activities of the respondents constituted trading and advising in securities without registration in respect of which no exemption was available, contrary to section 25 of the Act.

Unlawful Distributions

20. The activities of the respondents constituted distributions of securities for which no preliminary prospectus and prospectus were issued nor receipted by the Director, contrary to section 53 of the Act.

Conduct Contrary to the Public Interest

21. The respondents' conduct was contrary to the public interest and harmful to the integrity of the Ontario capital markets.

22. Staff reserve the right to make such further and other allegations as Staff may submit and the Commission may permit.

DATED AT TORONTO this 7th day of February 2008.

1.2.2 Andrew Stuart Netherwood Rankin - ss. 127, 127.1

IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, C. S.5, AS AMENDED

AND

IN THE MATTER OF
ANDREW STUART NETHERWOOD RANKIN

NOTICE OF HEARING
(Section 127 and 127.1)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended, at the offices of the Commission, 20 Queen Street West, 17th Floor, Main Hearing Room, Toronto, Ontario, commencing on the 21st day of February, 2008 at 10:30 a.m. or as soon thereafter as the hearing can be held:

TO CONSIDER whether it is in the public interest to approve the settlement of the proceeding entered into between Staff of the Commission ("Staff") and Andrew Rankin pursuant to sections 127 and 127.1 of the Act;

BY REASON OF the allegations set out in the Statement of Allegations of Staff, and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel at the hearing;

AND TAKE FURTHER NOTICE that upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding.

DATED at Toronto this 19th day of February 2008.

"John Stevenson"
Secretary to the Commission

1.4 Notices from the Office of the Secretary

1.4.1 FactorCorp Inc. et al.

FOR IMMEDIATE RELEASE
February 13, 2008

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
FACTORCORP INC.,
FACTORCORP FINANCIAL INC.,
AND MARK IVAN TWERDUN

TORONTO – Following a hearing held today in the above noted matter, the Commission ordered, pursuant to section 127 and 144 of the Act, that the Temporary Order, as varied, shall continue for the period expiring on April 15, 2008, unless further extended by the Commission.

A copy of the Order dated February 13, 2008, is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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1.4.2 Franklin Danny White et al.

FOR IMMEDIATE RELEASE
February 13, 2008

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
FRANKLIN DANNY WHITE,
NAVEED AHMAD QURESHI,
WNBC THE WORLD NETWORK BUSINESS CLUB LTD.,
MMCL MIND MANAGEMENT CONSULTING,
CAPITAL RESERVE FINANCIAL GROUP, AND
CAPITAL INVESTMENTS OF AMERICA

TORONTO – The Office of the Secretary issued a Notice of Hearing today setting the matter down to be heard on February 28, 2008, at 11:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated February 7, 2008 and Statement of Allegations of Staff of the Ontario Securities Commission dated February 7, 2008 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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1.4.3 Land Banc of Canada Inc. et al.

FOR IMMEDIATE RELEASE
February 15, 2008

IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, C. S.5, AS AMENDED

- AND -

IN THE MATTER OF
LAND BANC OF CANADA INC.,
LBC MIDLAND I CORPORATION,
FRESNO SECURITIES INC.,
RICHARD JASON DOLAN,
MARCO LORENTI AND
STEPHEN ZEFF FREEDMAN

TORONTO – The Commission issued an Order today continuing the Temporary Order of May 17, 2007, until April 1, 2008 against LBC, Midland, Dolan and Lorenti with certain amendments with respect to Dolan and Lorenti.

A copy of the Order dated February 15, 2008 is available at **www.osc.gov.on.ca**

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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1.4.4 Shallow Oil & Gas Inc. et al.

FOR IMMEDIATE RELEASE
February 19, 2008

IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, C. S.5, AS AMENDED

- AND -

IN THE MATTER OF
SHALLOW OIL & GAS INC.,
ERIC O'BRIEN,
ABEL DA SILVA,
GURDIP SINGH GAHUNIA
also known as MICHAEL GAHUNIA, and
ABRAHAM HERBERT GROSSMAN
also known as ALLEN GROSSMAN

TORONTO – Following a hearing held on January 31, 2008 the Commission issued its Reasons and Decision in the above noted matter.

A copy of the Reasons and Decision dated February 15, 2008 is available at **www.osc.gov.on.ca**

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
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1.4.5 Andrew Stuart Netherwood Rankin

FOR IMMEDIATE RELEASE
February 19, 2008

IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED

- AND -

IN THE MATTER OF
ANDREW STUART NETHERWOOD RANKIN

TORONTO – The Office of the Secretary issued a Notice of Hearing today for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Andrew Rankin. The hearing will be held on February 21, 2008 at 10:30 a.m. in the Large Hearing Room on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing is available at **www.osc.gov.on.ca**

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
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1.4.6 Jose L. Castaneda

FOR IMMEDIATE RELEASE
February 20, 2008

IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, C. S.5, AS AMENDED

- AND -

IN THE MATTER OF
JOSE L. CASTANEDA

TORONTO – Following a hearing held yesterday, the Commission issued an Order adjourning the matter to be spoken to on March 27, 2008 at 10:00 a.m. or on such date as directed by the Commission

A copy of the Order dated February 20, 2008 is available at **www.osc.gov.on.ca**

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 LaBranche Financial Services, LLC - s. 6.1(1) of NI 31-102 National Registration Database and s. 6.1 of OSC Rule 13-502 Fees

Headnote

Applicant seeking registration as an international dealer is exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of National Instrument 31-102 National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 Fees is waived in respect of this discretionary relief, subject to certain conditions.

Rules Cited

National Instrument 31-102 National Registration Database (2007) 30 O.S.C.B. 5430, s. 6.1.
Ontario Securities Commission Rule 13-502 Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1.

February 14, 2008

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED
(the Act)

AND

IN THE MATTER OF
LABRANCHE FINANCIAL SERVICES, LLC

DECISION

(Subsection 6.1(1) of National Instrument 31-102 National Registration Database and Section 6.1 of Ontario Securities Commission Rule 13-502 Fees)

UPON the Director having received the application of LaBranche Financial Services, LLC (the **Applicant**) for an order pursuant to subsection 6.1(1) of National Instrument 31-102 *National Registration Database* (**NI 31-102**) granting the Applicant relief from the electronic funds transfer requirement contemplated under NI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 *Fees* (**Rule 13-502**) in respect of this discretionary relief;

AND UPON considering the application and the recommendation of the staff of the Ontario Securities Commission (the **Commission**);

AND UPON the Applicant having represented to the Director as follows:

1. The Applicant is organized as a limited liability company under the laws of the State of New York in the United States. The head office of the Applicant is located in New York, New York, USA.

2. The Applicant is registered as a broker-dealer with the United States Securities and Exchange Commission (**SEC**) and is a member of the Financial Industry Regulatory Authority (**FINRA**).

3. The Applicant is not a reporting issuer in any province or territory of Canada. The Applicant is in the process of applying to the Commission for registration under the Act as a dealer in the category of international dealer.

4. NI 31-102 requires that all registrants in Canada enrol with CDS INC. (**CDS**) and use the national registration database (**NRD**) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (the **EFT Requirement**).

5. The Applicant anticipates encountering difficulties in setting up a Canadian based bank account for purposes of fulfilling the EFT Requirement.

6. The Applicant confirms that it is not registered in and does not intend to register in another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it is seeking registration.

7. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the **Application Fee**).

8. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

AND UPON the Director being satisfied that to do so would not be prejudicial to the public interest;

IT IS THE DECISION of the Director, pursuant to subsection 6.1(1) of NI 31-102, that the Applicant is granted an exemption from the EFT Requirement for so long as the Applicant:

A. makes acceptable alternative arrangements with CDS for the payment of NRD fees and makes such payment within ten (10) business days of the date of the NRD filing or payment due date;

B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

D. is not registered in any other Canadian jurisdiction in another category to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer, international adviser or in an equivalent registration category;

AND IT IS THE FURTHER DECISION of the Director, pursuant to section 6.1 of Rule 13-502, that the Application Fee will be waived in respect of the application for this Decision.

"David M. Gilkes"
Manager, Registrant Regulation
Ontario Securities Commission

2.1.2 HSBC Investment Funds (Canada) Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from prohibition in the Regulation against an investment counsel purchasing and selling any security in which an investment counsel or any partner, officer or associate of the investment counsel has a direct or indirect beneficial interest from or to a portfolio managed or supervised by the investment counsel – The relief will enable a portfolio manager, also an investment counsel, on behalf of a mutual fund, to purchase and sell mortgages from and to affiliates of the portfolio manager – The relief is conditioned on terms which contemplate approval by the funds' independent review committee established under National Instrument 81-107 Independent Review Committee for Investment Funds and consistency with the requirements of NP 29 concerning disclosure and valuation of mortgage securities purchased and sold by the funds.

Applicable Legislative Provisions

Ontario Regulation 1015 General Regulation, s. 115(6).
Securities Act (Ontario), s. 147.

February 7, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, ONTARIO, NEW BRUNSWICK, NOVA SCOTIA, AND NEWFOUNDLAND AND LABRADOR
(the Jurisdictions)

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
HSBC INVESTMENT FUNDS (CANADA) INC.
(the Manager)

AND

HSBC INVESTMENTS (CANADA) LIMITED
(the Portfolio Manager and together with the Manager, the Filers and each a Filer)

AND

IN THE MATTER OF
HSBC MORTGAGE FUND
(the Fund)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions have received an application from the Filers for a decision under the securities regulations and rules of the Jurisdictions (the **Regulations**) that the restriction contained in the Regulations prohibiting the purchase or sale of any security in which an investment counsel (as defined in the Regulations) or any partner, officer or associate of an investment counsel has a direct or indirect beneficial interest, from or to any portfolio managed or supervised by the investment counsel do not apply to the purchase and sale of mortgages between the Fund, HSBC Bank Canada, HSBC Mortgage Corporation (Canada) and other affiliates (as defined in the Legislation) of the Filers (collectively, the **HSBC Affiliates**) (the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(i) the Ontario Securities Commission is the principal regulator for this application; and

(ii) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filers:

1. each Filer is a corporation organized under the laws of Canada, with a head office located in British Columbia;

2. the Manager is a wholly-owned subsidiary of the Portfolio Manager. The Portfolio Manager is a wholly-owned subsidiary of HSBC Bank Canada;

3. the Manager is registered under applicable securities legislation in each province of Canada, other than Prince Edward Island, as a dealer in the category of mutual fund dealer (or equivalent) and is a member of the Mutual Fund Dealers Association of Canada;

4. the Manager is the manager, trustee and promoter of the Fund;

5. the Fund is an open-end mutual fund established under a declaration of trust governed by the laws of British Columbia. Units of the Fund are qualified for sale in each of the Jurisdictions under a simplified prospectus and annual information form filed in and accepted by each of the Jurisdictions;

6. the Manager has appointed an independent review committee (**IRC**) under National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**) for the Fund;

7. the Portfolio Manager is registered under applicable securities legislation in each province of Canada, other than Prince Edward Island, as an adviser in the category of portfolio manager and investment counsel (or equivalent);

8. the Portfolio Manager is the principal investment advisor of the Fund;

9. the Fund's investment objective is to earn as high a level of income as possible while protecting invested capital by investing primarily in Canadian dollar denominated residential first mortgages on property in Canada and other debt obligations;

10. the Fund purchases mortgages from the HSBC Affiliates;

11. HSBC Bank Canada has agreed to repurchase any mortgage purchased by the Fund from it or HSBC Mortgage Corporation (Canada) if the mortgage is in default in respect of the payment of principal and interest beyond 90 days of the due date, or if the mortgage fails to meet the criteria for a mortgage in which the Fund may invest established by National Policy Statement No. 29 or by the Fund's internal statement of policies;

12. in addition, the Fund has agreed not to sell any mortgage purchased from HSBC Bank Canada or HSBC Mortgage Corporation (Canada) to any other person without giving HSBC Bank Canada the first right to purchase the mortgage within 30 days of receipt of written notice from the Fund of its intention to sell;

13. HSBC Bank Canada has agreed to administer the mortgages which are acquired by the Fund from it or HSBC Mortgage Corporation (Canada);

14. the Fund will purchase a mortgage from or sell a mortgage to an HSBC Affiliate only if:

    (a) the transaction is made in accordance with clause 2.4(c) of Section III of National Policy Statement No. 29 such that

        (i) the purchase or sale is made at the principal amount which will produce a yield to the Fund of not more than a quarter of one percent less than the interest rate at which the HSBC Affiliate is making commitments, at the time of purchase, to loan on the security of comparable mortgages, and

        (ii) in the case of a purchase of a mortgage,

A the HSBC Affiliate that sells it to the Fund enters into an agreement (the Repurchase Agreement) with the Fund whereby the HSBC Affiliate that sells the mortgage is obligated to repurchase it if the mortgage goes into default for more than 90 days and in circumstances benefiting the Fund, and

B the Filer considers that the Repurchase Agreement is sufficient to justify the difference in yield referred to in subparagraph (i) above;

(b) HSBC Bank Canada guarantees the performance of the other HSBC Affiliate under the Repurchase Agreement referred to in paragraph (a)(ii)A. above;

(c) the Filer causes the Fund to comply with the disclosure provisions of Section IV of National Policy Statement No. 29; and

(d) the Filer causes the Fund to include disclosure in its prospectus that the Fund will engage in principal transactions in mortgages with the HSBC Affiliates;

15. in the event that the total amount required to effect redemptions of units of the Fund as at the close of business on any valuation day exceeds the liquid assets then held by the Fund, HSBC Bank Canada has agreed that, upon receipt of written notice from the Fund, it will purchase or find a purchaser for such value of mortgages held by the Fund as may be necessary to provide the Fund with the amount required. The sale of mortgages in such circumstances will be carried out in accordance with the representations provided in paragraph 14 above. HSBC Bank Canada may, in lieu of purchasing or finding a purchaser for mortgages, lend, on a temporary basis only, such sums to the Fund as may be necessary to effect such redemptions but not exceeding in the aggregate 5% of the net asset value of the Fund. HSBC Bank Canada is entitled to receive from the Fund, in respect of such loans, interest at a rate at least as favourable to the Fund as the rates then generally charged by HSBC Bank Canada on comparable loans to other persons who are not affiliated with HSBC Bank Canada;

16. the provisions of National Policy Statement No. 29 set out guidelines relating to the acquisition of mortgages by a mutual fund from lending institutions with whom such fund does not deal at arm's length and provide certain protections to the investing public;

17. the Filers or the Portfolio Manager will only cause the Fund to purchase a mortgage from or sell a mortgage to an HSBC Affiliate if the transaction is made in accordance with section 2.4(c) of Section III of National Policy Statement No. 29;

18. none of the HSBC Affiliates from which mortgages are purchased or to which mortgages are sold for the Fund, or any of their directors, officers or employees, participate in the formulation of investment decisions made on behalf of, or advice given to, the Fund by the Portfolio Manager. All decisions to purchase mortgages for the Fund's portfolio from an HSBC Affiliates are made based on the judgement of responsible persons uninfluenced by considerations other than the best interests of the Fund;

19. each Filer is of the view that the purchase and sale of mortgages between the Fund and the HSBC Affiliates is in the best interests of the Fund;

20. to the extent that a Fund purchases mortgages from, or sells mortgages to the HSBC Affiliates this fact is set out, and will continue to be set out, in the simplified prospectus and annual information form of the Fund;

21. when discussing portfolio transactions with related parties, National Instrument 81-106 *Investment Fund Continuous Disclosure* requires the Fund to include the dollar amount of commission, spread, or any other fee paid to a related party in connection with a portfolio transaction. To the extent that the Fund is purchasing mortgages from, or selling mortgages to, the HSBC Affiliates these facts will be set out in the management report of fund performance of the Fund filed with the securities regulatory authorities in the applicable Jurisdictions and delivered to unitholders (if requested) on a semi-annual basis, so that the information will be provided the securities regulatory authorities in the applicable Jurisdictions and to unitholders of the Fund in fulfillment of its continuous disclosure obligations;

22. NI 81-107 does not provide an exemption for principal trading of the type contemplated by the Requested Relief; and

23. the Filers are not in default of requirements under the Legislation except for their inadvertent failure to obtain the Requested Relief for transactions prior to the date of this decision document; despite this inadvertence, the Filers have complied with all terms and conditions, including the requirements under National Policy Statement No. 29, of prior MRRS decisions granting relief similar to the Requested Relief based on similar facts now presented in the Filers' application.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers is that the Requested Relief is granted provided that:

(a) the purchase or sale is consistent with, or is necessary to meet, the investment objective of the Fund;

(b) the IRC of the Fund has approved the transaction in accordance with section 5.2(2) of NI 81-107;

(c) the Manager, as manager of the Fund, complies with section 5.1 of NI 81-107;

(d) the Manager, as manager of the Fund, and the IRC of the Fund, comply with section 5.4 of NI 81-107 for any standing instructions the IRC provides in connection with the transactions;

(e) each purchase or sale of mortgages by a Fund is made in accordance with the terms and conditions of NP 29 set out in representations 14 (a) and (b);

(f) Filer causes the Funds to comply with the disclosure provisions set out in representations 14(c) and (d); and

(g) the Fund keeps the written records required by section 6.1(2)(g) of NI 81-107.

"David L. Knight"
Commissioner
Ontario Securities Commission

"James E. A. Turner"
Vice-Chair
Ontario Securities Commission

2.1.3 HSBC Investment Funds (Canada) Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from certain self-dealing restrictions.

Related Party Relief: A mutual fund manager granted relief from section 127(1)(b) of the Act so that it can sell the securities of an issuer to the account of responsible person - The purchase or sale is consistent with, or is necessary to meet, the investment objectives of the mutual fund and is in the best interests of the fund's investors; the IRC of the mutual fund has approved the transaction, or the fund manager follows any standing instructions that the IRC provides in connection with the transaction.

Reporting Relief: A registered mutual fund manager granted relief from the reporting requirements. The mutual fund may receive loans from, or make loans to, any of its related persons; the portfolio advisers of the mutual fund have discretion to allocate brokerage business in any manner consistent with the fund's best interests; the allocation of brokerage business represents the business judgement of responsible persons uninfluenced by considerations other than the best interests of the mutual fund; the management report of fund performance for the mutual fund will disclose the names of and fees paid to related persons; the mutual fund's records of portfolio transactions will include information about purchases or sales effected through a related person on a per transaction basis.

Applicable Legislative Provisions

Securities Act (Ontario), ss.117, 118(2), 121(2), 126(b) and (c), 127(1)(b) and 130.

February 5, 2008

IN THE MATTER OF

THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, ONTARIO, QUEBEC,
NEW BRUNSWICK, NOVA SCOTIA, AND NEWFOUNDLAND AND LABRADOR
(the Jurisdictions)

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
HSBC INVESTMENT FUNDS (CANADA) INC.
(the Manager)
AND
HSBC INVESTMENTS (CANADA) LIMITED
(the Portfolio Manager and together with the Manager, the Filers and each a Filer)

AND

IN THE MATTER OF
HSBC MORTGAGE FUND
(the Fund)

MRRS DECISION DOCUMENT

Background

1 The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the Legislation):

(a) that the restriction contained in the Legislation prohibiting a mutual fund or a responsible person (as defined in the Legislation) of a mutual fund from knowingly causing the mutual fund to purchase or sell securities of any issuer from or to the account of a responsible person do not apply to the purchase and sale of mortgages

between HSBC Bank Canada, HSBC Mortgage Corporation (Canada), other affiliates (as defined in the Legislation) of the Filers (collectively, the HSBC Affiliates) and the Fund (the Securities Act Self-Dealing Relief); and

(b) that the requirement contained in the Legislation requiring the management company of a mutual fund, or in British Columbia, a mutual fund manager, to file a report in the required form in connection with transactions in mortgages between the HSBC Affiliates and the Fund and with respect to loans made by HSBC Bank Canada to the Fund do not apply with respect to the purchase and sale of mortgages between the HSBC Affiliates and the Fund and with respect to loans made by HSBC Bank Canada to the Fund (the Reporting Relief and together with the Securities Act Self-Dealing Relief, the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(i) the British Columbia Securities Commission is the principal regulator for this application; and

(ii) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

2 Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.

Representations

3 This decision is based on the following facts represented by the Filers:

1. each Filer is a corporation organized under the laws of Canada, with a head office located in British Columbia;

2. the Manager is a wholly-owned subsidiary of the Portfolio Manager; the Portfolio Manager is a wholly-owned subsidiary of HSBC Bank Canada;

3. the Manager is registered under applicable securities legislation in each province of Canada, other than Prince Edward Island, as a dealer in the category of mutual fund dealer (or equivalent) and is a member of the Mutual Fund Dealers Association of Canada;

4. the Manager is the manager, trustee and promoter of the Fund;

5. the Fund is an open-ended mutual fund established under a declaration of trust governed by the laws of British Columbia; units of the Fund are qualified for sale in each of the Jurisdictions under a simplified prospectus and annual information form filed in and accepted by each of the Jurisdictions;

6. the Manager has appointed an independent review committee (IRC) in accordance with the requirements under National Instrument 81-107 *Independent Review Committee for Investment Funds* (NI 81-107) for the Fund;

7. the Portfolio Manager is registered under applicable securities legislation in each province of Canada, other than Prince Edward Island, as an adviser in the category of portfolio manager and investment counsel (or equivalent);

8. the Portfolio Manager is the principal investment advisor of the Fund;

9. the Fund's investment objective is to earn as high a level of income as possible while protecting invested capital by investing primarily in Canadian dollar denominated residential first mortgages on property in Canada and other debt obligations;

10. the Fund purchases mortgages from the HSBC Affiliates;

11. HSBC Bank Canada has agreed to repurchase any mortgage purchased by the Fund from it or HSBC Mortgage Corporation (Canada) if the mortgage is in default in respect of the payment of principal and interest beyond 90 days of the due date, or if the mortgage fails to meet the criteria for a mortgage in which the Fund may invest established by National Policy Statement No. 29 or by the Fund's internal statement of policies;

12. in addition, the Fund has agreed not to sell any mortgage purchased from HSBC Bank Canada or HSBC Mortgage Corporation (Canada) to any other person without giving HSBC Bank Canada the first right to purchase the mortgage within 30 days of receipt of written notice from the Fund of its intention to sell;

13. HSBC Bank Canada has agreed to administer the mortgages which are acquired by the Fund from it or HSBC Mortgage Corporation (Canada);

14. the Fund will purchase a mortgage from or sell a mortgage to an HSBC Affiliate only if:

    (a) the transaction is made in accordance with clause 2.4(c) of Section III of National Policy Statement No. 29 such that

        (i) the purchase or sale is made at the principal amount which will produce a yield to the Fund of not more than a quarter of one percent less than the interest rate at which the HSBC Affiliate is making commitments, at the time of purchase, to loan on the security of comparable mortgages, and

        (ii) in the case of a purchase of a mortgage,

            (A) the HSBC Affiliate that sells it to the Fund enters into an agreement (the Repurchase Agreement) with the Fund whereby the HSBC Affiliate that sells the mortgage is obligated to repurchase it if the mortgage goes into default for more than 90 days and in circumstances benefiting the Fund, and

            (B) the Filer considers that the Repurchase Agreement is sufficient to justify the difference in yield referred to in subparagraph (i) above;

    (b) HSBC Bank Canada guarantees the performance of the other HSBC Affiliate under the Repurchase Agreement referred to in paragraph (a)(ii)A. above;

    (c) the Filer causes the Fund to comply with the disclosure provisions of Section IV of National Policy Statement No. 29; and

    (d) the Filer causes the Fund to include disclosure in its prospectus that the Fund will engage in principal transactions in mortgages with the HSBC Affiliates;

15. in the event that the total amount required to effect redemptions of units of the Fund as at the close of business on any valuation day exceeds the liquid assets then held by the Fund, HSBC Bank Canada has agreed that, upon receipt of written notice from the Fund, it will purchase or find a purchaser for such value of mortgages held by the Fund as may be necessary to provide the Fund with the amount required; the sale of mortgages in such circumstances will be carried out in accordance with the representations provided in paragraph 14 above; HSBC Bank Canada may, in lieu of purchasing or finding a purchaser for mortgages, lend, on a temporary basis only, such sums to the Fund as may be necessary to effect such redemptions but not exceeding in the aggregate 5% of the net asset value of the Fund; HSBC Bank Canada is entitled to receive from the Fund, in respect of such loans, interest at a rate at least as favourable to the Fund as the rates then generally charged by HSBC Bank Canada on comparable loans to other persons who are not affiliated with HSBC Bank Canada;

16. the provisions of National Policy Statement No. 29 set out guidelines relating to the acquisition of mortgages by a mutual fund from lending institutions with whom such fund does not deal at arm's length and provide certain protections to the investing public;

17. the Filers or the Portfolio Manager will only cause the Fund to purchase a mortgage from or sell a mortgage to an HSBC Affiliate if the transaction is made in accordance with section 2.4(c) of Section III of National Policy Statement No. 29;

18. none of the HSBC Affiliates from which mortgages are purchased or to which mortgages are sold for the Fund, or any of their directors, officers or employees, participate in the formulation of investment decisions made on behalf of, or advice given to, the Fund by the Portfolio Manager; all decisions to purchase mortgages for the Fund's portfolio from the HSBC Affiliates are made based on the judgement of responsible persons uninfluenced by considerations other than the best interests of the Fund;

19. each Filer is of the view that the purchase and sale of mortgages between the Fund and the HSBC Affiliates is in the best interests of the Fund;

20. to the extent that a Fund purchases mortgages from, or sells mortgages to the HSBC Affiliates this fact is set out, and will continue to be set out, in the simplified prospectus and annual information form of the Fund;

21. under the Legislation, the Portfolio Manager is prohibited, among other things, from purchasing or selling on behalf of the Fund, the securities of any issuer from or to its own account; accordingly, the Fund is prohibited from purchasing mortgages from, or selling mortgages to the HSBC Affiliates as such mortgages are deemed to be beneficially owned by the Portfolio Manager;

22. under the Legislation, the Manager is required to file a report with respect to each purchase and sale of mortgages between the Fund and the HSBC Affiliates and with respect to each loan from HSBC Bank Canada to the Fund; this report is to be filed within 30 days after the end of the month in which the transaction occurs, disclosing the issuer of the securities purchased or sold, the class or designation of the securities, the amount and number of securities and the consideration paid, together with the name of any related person receiving a fee on the transaction, the name of the person or company that paid the fee and the amount of the fee paid;

23. National Instrument 81-106 *Investment Fund Continuous Disclosure* requires the Fund to include the dollar amount of commission, spread, or any other fee paid to a related party in connection with a portfolio transaction; to the extent that the Fund is purchasing mortgages from, or selling mortgages to the HSBC Affiliates and to the extent that HSBC Bank Canada is making loans to the Fund, these facts will be set out in the management report of fund performance of the Fund filed with the securities regulatory authorities in the applicable Jurisdictions and delivered to unitholders (if requested) on a semi-annual basis, so that the information will be provided to the securities regulatory authorities in the applicable Jurisdictions and to unitholders the Fund in fulfillment of its continuous disclosure obligations;

24. NI 81-107 does not provide an exemption for principal trading of the type contemplated by the Requested Relief;

25. in British Columbia only, the Filers or the Portfolio Manager may cause the Fund to rely on BC Instrument 81-504, Transactions Between Mutual Funds and Responsible Persons Relating to Certain Debt Securities, Mortgages, and Equity Securities (BCI 81-504), to purchase a mortgage from or sell a mortgage to an HSBC Affiliate, if the transactions meets the requirements of sections 5 and 6 of BCI 81-504; and

26. the Filers are not in default of requirements under the Legislation except for their inadvertent failure to obtain the Requested Relief for transactions prior to the date of this decision document; despite this inadvertence, the Filers have complied with all terms and conditions, including the requirements under National Policy Statement No. 29, of prior MRRS decisions granting relief similar to the Requested Relief based on similar facts now presented in the Filers' application.

Decision

4 Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

(1) The decision of the Decision Makers is that the Securities Act Self-Dealing Relief is granted provided that:

(a) the purchase or sale is consistent with, or is necessary to meet, the investment objective of the Fund;

(b) the IRC of the Fund has approved the transaction in accordance with section 5.2(2) of NI 81-107;

(c) the Manager, as manager of the Fund, complies with section 5.1 of NI 81-107;

(d) the Manager, as manager of the Fund, and the IRC of the Fund comply with section 5.4 of NI 81-107 for any standing instructions the IRC provides in connection with the transactions;

(e) the Fund keeps the written records required by section 6.1(2)(g) of NI 81-107.

(2) The decision of the Decision Makers is that the Reporting Relief is granted provided that:

(a) the annual and interim management reports of fund performance for the Fund disclose

(i) the name of the HSBC Affiliate,

(ii) the amount of fees paid to each HSBC Affiliate, and

(iii) the person or company who paid the fees if they were not paid by the Fund; and

(b) the records of portfolio transactions maintained by each Fund include, separately for every mortgage transaction effected by the Fund through a HSBC Affiliate

(i) the name of the HSBC Affiliate,

(ii) the amount of fees paid to the HSBC Affiliate, and

(iii) the person or company who paid the fees.

Martin Eady, CA
Director, Corporate Finance
British Columbia Securities Commission

2.1.4 4453794 Canada Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Application by reporting issuer for a decision that it is not a reporting issuer. Requested relief granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)b.

February 4, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUEBEC, ONTARIO AND ALBERTA
(THE "JURISDICTIONS")

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
4453794 CANADA INC.,
SUCCESSOR IN INTEREST TO PROMATEK
INDUSTRIES LTD.
(THE "FILER")

MRRS DECISION DOCUMENT

(Translation)

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") , that the Filer is not a reporting issuer (the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications ("MRRS"):

(a) the *Autorité des marchés financiers* is the principal regulator for this application;

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

1. Copitrak Inc. ("Copitrak") is the corporation which resulted from the amalgamation of Prometek Industries Ltd. ("Prometek") with 6809618 Canada Inc. ("680") on November 6, 2007 pursuant to the privatization transaction described below.

2. On November 19, 2007, Copitrak's sole shareholder, 146567 Canada Inc. ("146"), amalgamated with Copitrak International Inc. and V. Y. Holdings Inc. (the "Second Step Amalgamation") to form Copitrak International Inc., whose name was changed on November 21, 2007 to Copitrak Inc. (the "Shareholder").

3. Following the Second Step Amalgamation, Copitrak changed its name to 4453794 Canada Inc. (the "Filer") and transferred all of its assets to the Shareholder (the "Asset Transfer").

4. The Filer is a reporting issuer in the Jurisdictions, as a result of being the successor to Prometek.

5. Prior to the Asset Transfer, the Filer was a design and manufacturing company whose products serve the professional charge-back market.

6. The head office of the Filer is located at 8390 Mayrand, Montreal, Quebec H4P 2C9.

7. The authorized capital of the Filer consists of an unlimited number of common shares (the "Common Shares") and an unlimited number of preferred shares (the "Preferred Shares"), of which 2,000,001 Common Shares were issued and outstanding as of January 10, 2008.

8. The common shares of Prometek (the "Prometek Shares") were listed on the Toronto Stock Exchange (the "TSX").

9. As of the date of the Application, the Filer was not in default of any of its obligations under the Legislation as a reporting issuer. Currently, the Filer is not in default of any of its obligations under the Legislation as a reporting issuer, other than its obligation to file its interim financial statements for the period ended September 30, 2007, its Management Discussion and Analysis in respect of such financial statements as required under the National Instrument 51-102, *Continuous Disclosure Obligations* and the related certification of such financial statements as required under Multilateral Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings* all of which became due on November 14, 2007.

10. On September 4, 2007, Prometek entered into a Business Combination Agreement (the

"Agreement") with its principal shareholders pursuant to which the latter agreed to acquire all of the outstanding Prometek Shares not already held by them.

11. Under the terms of the Agreement, Les Placements Arlev Inc. ("Arlev"), 9086-2301 Québec Inc. ("9086"), 146 and 680, the holding companies of Mark Levine, the then President and Chief Executive Officer of Prometek, and Arthur Levine, the then Chairman and Vice-President, Business Development of Prometek, who together held, both directly and indirectly, approximately 54.52% of the outstanding Prometek Shares, agreed that 680 shall amalgamate (the "Amalgamation") with Prometek pursuant to the provisions of the *Canada Business Corporations Act* to form a newly amalgamated corporation, Copitrak.

12. On November 6, 2007, the effective date of the Amalgamation (the "Effective Date"), Arlev, 9086, 146, 680 and Prometek entered into an Amalgamation Agreement setting forth the terms of the Amalgamation, which were as follows:

    a) on the Effective Date, the shareholders of Prometek other than 680 received one Preferred Share for each Prometek Share held (no dissent rights were exercised by any holders of Prometek Shares). No share certificates were issued in respect of the Preferred Shares and such shares were evidenced by certificates representing the Prometek Shares. All of the Preferred Shares were redeemed automatically on November 9, 2007 for a cash consideration per share of $2.00, except for 26,000 Preferred Shares beneficially held by a single shareholder which were redeemed on November 20, 2007, upon the written request of such shareholder submitted in accordance with the provisions of the articles of amalgamation creating the Preferred Shares. The consideration of $2.00 per share was set in accordance with a Valuation and Fairness Opinion prepared by Nexia Friedman LLP, which established the fair market value of the Prometek Shares to be in the range of $1.93 to $2.15, and the recommendation of the special committee of the Board of Directors of Prometek formed to consider the Amalgamation;

    b) the 1,990,356 Prometek Shares held by 680 were cancelled for no consideration; and

    c) 146, being the sole shareholder of 680, received one Common Share for each Class "A" shares held in 680.

13. As of the Effective Date, 146 became the holder of 2,000,001 Common Shares and, as of November 20, 2007, the sole security holder of Copitrak. As a result of the Second Step Amalgamation, the Shareholder became the holder of the 2,000,001 Common Shares previously owned by 146.

14. The completion of the Amalgamation was subject to customary terms and conditions, including regulatory approval and the approval of the holders of Prometek Shares holding at least 66 2/3% of the Prometek Shares, and a majority of the Prometek Shares which are not controlled by either Mark Levine or Arthur Levine, present in person or by proxy at a special meeting called by Prometek in order to obtain such approval.

15. A Management Proxy Circular and Letters of Transmittal were mailed on or about October 11, 2007 to shareholders of Prometek. The Letters of Transmittal were to be executed and returned, together with the certificates representing Prometek Shares, to Computershare Investor Services Inc. at its principal office in Montréal or Toronto in order for shareholders to receive the consideration to which they are entitled as the holders of Preferred Shares.

16. Shareholders' approval of the Amalgamation was obtained at the annual and special meeting of shareholders of Prometek which was held on November 5, 2007.

17. Regulatory approval of the Amalgamation was obtained, and a bulletin was issued by the TSX on November 9, 2007 announcing the delisting of the Prometek Shares at the close of business on Monday, November 12, 2007.

18. No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

19. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the Jurisdictions in Canada and less than 51 security holders in total in Canada.

20. The Filer has no current intention to seek public financing by way of an offering of securities.

21. The Filer has applied for relief in order to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer.

22. The Filer, upon the grant of the Requested Relief, will no longer be a reporting issuer or the equivalent in any jurisdiction in Canada.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provided the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted.

"Marie-Christine Barrette"
Chef du Service de l'information financière
Autorité des marchés financiers

2.1.5 Nordic Partners Inc. - s. 6.1(1) of NI 31-102 National Registration Database and s. 6.1 of OSC Rule 13-502 Fees

Headnote

Applicant seeking registration as an international dealer is exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of National Instrument 31-102 National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 Fees is waived in respect of this discretionary relief, subject to certain conditions.

Rules Cited

National Instrument 31-102 National Registration Database (2007) 30 O.S.C.B. 5430, s. 6.1.
Ontario Securities Commission Rule 13-502 Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1.

February 14, 2008

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED (the Act)

AND

IN THE MATTER OF
NORDIC PARTNERS INC.

DECISION
(Subsection 6.1(1) of National Instrument 31-102 - National Registration Database and Section 6.1 of Ontario Securities Commission Rule 13-502 - Fees)

UPON the Director having received the application of Nordic Partners Inc. (the **Applicant**) for an order pursuant to subsection 6.1(1) of National Instrument 31-102 - *National Registration Database* (**NI 31-102**) granting the Applicant relief from the electronic funds transfer requirement contemplated under NI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 - *Fees* (**Rule 13-502**) in respect of this discretionary relief;

AND UPON considering the application and the recommendation of the staff of the Ontario Securities Commission (the **Commission**);

AND UPON the Applicant having represented to the Director as follows:

1. The Applicant is organized as a corporation under the laws of the State of Delaware in the United States. The head office of the Applicant is located in New York, New York, USA.

2. The Applicant is registered as a broker-dealer with the United States Securities and Exchange

Commission and is a member of the Financial Industry Regulatory Authority.

3. The Applicant is not registered in any capacity under the Act and is not a reporting issuer in any province or territory of Canada. However, the Applicant is seeking registration under the Act as a dealer in the category of international dealer.

4. NI 31-102 requires that all registrants in Canada enrol with CDS INC. (**CDS**) and use the national registration database (**NRD**) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (the **EFT Requirement**).

5. The Applicant anticipates encountering difficulties in setting up a Canadian based bank account for purposes of fulfilling the EFT Requirement.

6. The Applicant confirms that it is not registered in and does not intend to register in any other category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it is seeking registration.

7. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the **Application Fee**).

8. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

AND UPON the Director being satisfied that to do so would not be prejudicial to the public interest;

IT IS THE DECISION of the Director, pursuant to subsection 6.1(1) of NI 31-102, that the Applicant is granted an exemption from the EFT Requirement for so long as the Applicant:

A. makes acceptable alternative arrangements with CDS for the payment of NRD fees and makes such payment within ten (10) business days of the date of the NRD filing or payment due date;

B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

D. is not registered in any other Canadian jurisdiction in another category to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer, international adviser or in an equivalent registration category;

AND IT IS THE FURTHER DECISION of the Director, pursuant to section 6.1 of Rule 13-502, that the Application Fee will be waived in respect of the application for this Decision.

"David M. Gilkes"
Manager, Registrant Regulation
Ontario Securities Commission

2.1.6 Halifax-Dartmouth Bridge Commission - s.1(10)(b)

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(b).

February 8, 2008

Mr. Ken Munro, Treasurer
Halifax-Dartmouth Bridge Commission
Macdonald Bridge Plaza
125 Wyse Road
Dartmouth, Nova Scotia
B2Y 3Y2

Dear Mr. Munro:

Re: Halifax-Dartmouth Bridge Commission (the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions")

The Applicant has applied to the local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions for a decision under the securities legislation (the "Legislation") of the Jurisdictions to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that,

1. the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;

2. no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;

3. the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

4. the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer.

"H. Leslie O'Brien"
Chairman
Nova Scotia Securities Commission

2.1.7 Arrow Hedge Partners Inc. et al.

Headnote

Mutual fund in Ontario (non-reporting issuer) granted an extension of the annual financial statement filing deadline as fund provides exposure to offshore investment fund for which audited financial information not yet available.

Rules Cited

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 2.2, 5.1(2) and 17.1.

February 19, 2008

IN THE MATTER OF
NATIONAL INSTRUMENT 81-106
INVESTMENT FUND CONTINUOUS DISCLOSURE

AND

IN THE MATTER OF
ARROW HEDGE PARTNERS INC.
(ARROW)

AND

IN THE MATTER OF
ARROW MULTI-STRATEGY FUND
ARROW MULTI-STRATEGY HEDGE FUND
ARROW GLOBAL LONG/SHORT FUND
ARROW GLOBAL LONG/SHORT HEDGE FUND
ARROW FOCUS FUND
ARROW ENHANCED INCOME FUND
ARROW ENSO GLOBAL FUND
ARROW A2 FUND
ARROW MMCAP RISK ARBITRAGE FUND
ARROW R FIXED INCOME FUND
ARROW GREATER EUROPEAN FUND
ARROW ASIAN INCOME FUND
ARROW ASIAN OPPORTUNITIES FUND
ARROW EUROPEAN EVENT DRIVEN FUND
ARROW JAPAN LONG/SHORT FUND
ARROW L EUROPEAN EQUITY FUND
ARROW NORTH AMERICAN FUND
ARROW PMC GLOBAL LONG/SHORT FUND
ARROW ROUNDTABLE FUND
ARROW US HIGH YIELD FUND
ARROW P CONVERTIBLE ARBITRAGE FUND
ARROW GLOBAL NET SHORT FUND
ARROW THETA FUND
ARROW V GAMMA FUND
ARROW V RELATIVE VALUE FUND
(the Existing Funds)

DECISION DOCUMENT

BACKGROUND

The Ontario Securities Commission has received an application from Arrow on behalf of the Existing Funds and other funds established and managed by Arrow from time to time (the **Future Funds**) (Existing Funds and Future Funds are referred to collectively as the **Funds**, and each individually, a **Fund**), for a decision pursuant to section 17.1 of National Instrument 81-106 -- *Investment Fund Continuous Disclosure* (**NI 81-106**) exempting each Fund from:

(a) the requirement in section 2.2 of NI 81-106 (the **Filing Requirement**) that the Fund file audited annual financial statements on or before the 90th day after its most recently completed financial year (the **Filing Deadline**); and

(b) the requirement in subsection 5.1(2) of NI 81-106 that the Fund deliver its audited annual financial statements to its securityholders by the Filing Deadline (the **Delivery Requirement**).

REPRESENTATIONS

This Decision is based on the following facts represented by the Filer:

Background

1. Arrow is a corporation incorporated under the *Business Corporations Act* (Ontario).

2. Arrow is registered as an investment counsel and portfolio manager and as a limited market dealer under the Securities Act (Ontario) (the **Act**) and a Commodity Trading Manager under the *Commodity Futures Act* (Ontario).

3. Arrow is the manager of the Existing Funds, and will be the manager of the Future Funds.

4. Each of the Existing Funds is a mutual fund in Ontario but not a reporting issuer under the Act. Each of the Future Funds will be a mutual fund in Ontario but not a reporting issuer under the Act.

5. Units of the Funds, and other funds managed by Arrow, are offered or will be offered on a private placement basis in each of the provinces and territories of Canada pursuant to one or more exemptions from the prospectus requirement.

6. Each of the Funds seeks to achieve its investment objective by investing in one or more other funds. Some of the Funds (each a **Single Manager Fund**) invest substantially all of their assets in a single offshore investment fund. The other Funds (each a **Multi-Manager Fund**) invest their assets in a number of other funds managed by Arrow, including Single Manager Funds. The offshore investment funds are each an **Offshore Underlying Fund** and, collectively, the **Offshore Underlying Funds**.

7. The percentage of the assets of a Multi-Manager Fund that are invested directly or indirectly, though investment in a Single Manager Fund, in

securities of an Offshore Underlying Fund will be determined by Arrow from time to time on a basis that Arrow considers is appropriate for the Multi-Manager Fund and that is consistent with the investment objectives of the Multi-Manager Fund.

8. The financial year end of each of the Existing Funds is December 31. The financial year end of each of the Future Funds will be December 31.

9. The Offshore Underlying Funds have varying financial year-ends and are subject to a variety of financial reporting deadlines. The audit of the financial statements of a Single Manager Fund cannot be completed until the financial statements of the applicable Offshore Underlying Fund are available. In the case of a Multi-Manager Fund, the audits of the financial statements of the Multi-Manager Fund cannot be completed until the audits of funds, including the applicable Single Manager Funds (each invested in an Offshore Underlying Fund), representing a material percentage of the net assets of the Multi-Manager Fund, are complete.

10. Section 2.2 and subsection 5.1(2) of NI 81-106 require the Funds to file and deliver their audited annual financial statements by the Filing Deadline.

11. Section 2.11 of NI 81-106 provides an exemption (the **Filing Exemption**) from the Filing Requirement if, among other things, the Funds deliver their annual financial statements in accordance with Part 5 of NI 81-106 by the Filing Deadline.

12. The annual audited financial statements of the Offshore Underlying Funds are prepared in accordance with the accounting principles applicable to them, such as International Financial Reporting Standards, Canadian GAAP or U.S. GAAP, and delivered in accordance with the delivery requirements applicable to them, which is generally within 180 days of the year end.

13. Arrow has been advised by the auditors of each of the Existing Funds that compliance with Canadian GAAP requires a Single Manager Fund to include certain information about its holdings in the applicable Offshore Underlying Fund, and such information must be provided by the applicable Offshore Underlying Fund.

14. Arrow has also been advised by the auditors of each of the Single Manager Funds that compliance with Canadian GAAP requires the auditors of a Single Manager Fund, in auditing the information contained in the financial statements of the Single Manager Fund that was provided by the applicable Offshore Underlying Fund, to review the audited annual financial statements of the applicable Offshore Underlying Fund.

15. Arrow has also been advised by the auditors of the Multi-Manager Funds that the audit of a Multi-Manager Fund cannot be completed until the audited financial statements of funds, including the applicable Single Manager Funds, representing a material percentage of the net assets of the Multi-Manager Fund, have been received.

16. Given the above, it is expected that either on a regular basis in the case of the Single Manager Funds, or from time to time in the case of the Multi-Manager Funds, Arrow will not be able to file the financial statements of the Funds by the Filing Deadline. As a result, in those circumstances, the Funds will not be able to meet the Filing Deadline and will not be able to comply with the Delivery Requirement.

17. The Funds want to rely on the Filing Exemption. Subsection 2.11(b) of the Filing Exemption requires that the Funds deliver financial statements to securityholders in accordance with Part 5 of NI 81-106 by the Filing Deadline. As noted in paragraph 0 above, it is expected that the Funds will not be able to meet the Filing Deadline and will not be able to comply with the Delivery Requirement. As a result, the Funds will not be able to satisfy the condition in subsection 2.11(b) and therefore will not be able to rely on the Filing Exemption.

18. The Funds will notify Unitholders that they have received and intend to rely on relief from the Filing Requirement and the Delivery Requirement.

DECISION

The Director is satisfied that the test contained in NI 81-106 that provides the Director with the jurisdiction to make the decision has been met.

The Director orders that where a Fund's auditor cannot complete the audit of the Fund's annual financial statements by the Filing Deadline because audited financial statements of Offshore Underlying Funds representing a material percentage of the Fund's net assets as at the end of the Fund's financial year, as determined by the Fund's auditors, have not been received in time, then:

(a) the Fund is exempted from the Filing Requirement provided that:

(i) the audited annual financial statements of the Fund are filed on or before the 180th day after the Fund's most recently completed financial year, or

(ii) the conditions in section 2.11 of NI 81-106 are met, except for subsection 2.11(b), and the audited annual financial

statements of the Fund are delivered to its securityholders in accordance with Part 5 of NI 81-106, on or before the 180th day after the Fund's most recently completed financial year; and

(b) the Fund is exempted from the Delivery Requirement provided that the audited annual financial statements of the Fund are delivered to its securityholders in accordance with Part 5 of NI 81-106, on or before the 180th day after the Fund's most recently completed financial year.

"Vera Nunes"
Assistant Manager, Investment Funds
Ontario Securities Commission

2.1.8 Scotia Cassels Investment Counsel Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption from the reporting requirements of clause 117(1)(c) of the Securities Act (Ontario) provided that certain disclosure is made in the management reports of fund performance for each mutual fund and that certain records of portfolio transactions are kept.

Applicable Legislative Provisions

Securities Act , R.S.O. 1990, c. S.5, as amended, ss. 117(1)(c) and 117(2).

Rules Cited

National Instrument 81-106 Investment Fund Continuous Disclosure

February 13, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, BRITISH COLUMBIA, ALBERTA,
SASKATCHEWAN, NEW BRUNSWICK, NOVA SCOTIA
AND NEWFOUNDLAND AND LABRADOR
(the Jurisdictions)

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
SCOTIA CASSELS INVESTMENT COUNSEL LIMITED
(the Filer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer for a decision, under the securities legislation of the Jurisdictions (the **Legislation**), that the provisions of the Legislation requiring a management company, or in British Columbia and New Brunswick, a mutual fund manager, to file a report within thirty days after each month end relating to every purchase or sale effected by a mutual fund through any related person or company with respect to which the related person or company received a fee either from the mutual fund or from the other party to the transaction or both (the **Reporting Requirement**) shall not apply to purchases and sales effected by the Funds (as defined below) through any Related Party (as defined below) (the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications (**MRRS**):

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Funds means those Scotia Mutual Funds and Pinnacle Program Funds, together with such other current and future funds managed by SSI or SCI in respect of which the Filer acts as portfolio manager from time to time.

NI 81-106 means National Instrument 81-106 *Investment Fund Continuous Disclosure*.

Related Party means SCI or other brokers or dealers that are subsidiaries of The Bank of Nova Scotia.

SCI means Scotia Capital Inc.

SSI means Scotia Securities Inc.

Representations

This Decision is based on the following facts represented by the Filer:

1. The Filer is a corporation existing under the laws of Canada. The Filer is registered as an investment counsel and portfolio manager (or equivalent) under the securities legislation in each of the Jurisdictions. It is also registered as a commodity trading manager in Ontario.

2. Each of SSI and SCI is a corporation existing under the laws of Ontario.

3. In addition to acting as investment fund manager of the Pinnacle Program Funds, SCI is registered as an investment dealer under the securities legislation in each of the Jurisdictions. SCI is an affiliate of the Filer.

4. SSI is the investment fund manager of the Scotia Mutual Funds. SSI is registered as a mutual fund dealer under the securities legislation in each of the Jurisdictions. SSI is an affiliate of the Filer.

5. The Funds are or will be mutual funds that are reporting issuers in each province and territory of Canada.

6. Each Related Party is a "related person or company" to the Funds within the meaning of the Legislation because each Related Party and each of SSI and SCI is a subsidiary of The Bank of Nova Scotia.

7. The Filer is the portfolio manager of the Funds and accordingly is a "management company" or equivalent under the Legislation. From time to time, the Filer may hire sub-advisors to the Funds.

8. The Filer has discretion to allocate the brokerage transactions of the Funds in any manner that it believes to be in the Funds' best interests. As disclosed in the annual information forms of the existing Funds, the Filer may allocate brokerage business of the Funds to a Related Party, provided that such transactions are made on terms and conditions comparable to those offered by unrelated brokers and dealers.

9. The purchase or sale of securities effected through a Related Party reflects the business judgement of the Filer uninfluenced by considerations other than the best interests of the Funds. In allocating brokerage, consideration is given to commission rates and to research, execution and other services offered.

10. The introduction of NI 81-106 on June 1, 2005 has resulted in the Funds having to disclose in their interim and annual management reports of fund performance (**MRFPs**) any transactions involving Related Parties, and the Filer having to make essentially the same disclosure within 30 days at the end of any month in which a transaction with a Related Party occurs.

11. Pursuant to NI 81-106, the Funds prepare and file interim and annual MRFPs that disclose any transactions involving a Related Party, including the identity of the Related Party, its relationship to the Fund, the purpose of the transaction, the measurement basis used to determine the recorded amount and any ongoing commitments to the Related Party. A discussion of portfolio transactions with a Related Party must include the dollar amount of commission, spread or any other fee that a Fund paid to any Related Party in connection with the transaction.

12. In the absence of the Requested Relief, the Reporting Requirement requires the Filer to prepare a report of any purchase or sale of securities by a Fund that is effected through a Related Party and file it with the Decision Makers within 30 days of the end of the month in which the transaction occurs. This report discloses the issuer of the securities, the class or designation of the securities, the amount or number of securities, the consideration, the name of the Related Party, the name of the person or company that paid the fee to the Related Party and the amount of the fee received.

13. It is costly and time consuming to provide the information required by the Reporting Requirement on a monthly and segregated basis for each Fund.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that:

(a) the annual and interim MRFPs for each Fund disclose

(i) the name of the Related Party,

(ii) the amount of fees paid to each Related Party, and

(iii) the person or company who paid the fees, if they were not paid by the Fund; and

(b) the records of portfolio transactions maintained by each Fund include, separately for every portfolio transaction effected by the Fund through a Related Party,

(i) the name of the Related Party,

(ii) the amount of fees paid to the Related Party, and

(iii) the person or company who paid the fees.

Carol S. Perry
Commissioner
Ontario Securities Commission

Paul K. Bates
Commissioner
Ontario Securities Commission

2.2 Orders

2.2.1 FactorCorp Inc. et al. - ss. 127, 144

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c.S.5, AS AMENDED**

AND

**IN THE MATTER OF
FACTORCORP INC.,
FACTORCORP FINANCIAL INC.,
AND MARK IVAN TWERDUN**

**TEMPORARY ORDER
(Sections 127 and 144 of the Act)**

WHEREAS FactorCorp Inc. ("FactorCorp") is an Ontario corporation registered under Ontario securities law as a Limited Market Dealer ("LMD");

AND WHEREAS, FactorCorp Financial Inc. ("FactorCorp Financial") is an Ontario corporation that is not a reporting issuer and is not registered with the Commission;

AND WHEREAS Mark Twerdun ("Twerdun") is the controlling shareholder and sole director and officer of both FactorCorp and FactorCorp Financial;

AND WHEREAS the Commission issued an order on July 6, 2007 (the "Temporary Order");

AND WHEREAS on July 27, 2007 the Commission varied the Temporary Order and ordered pursuant to subsection 127(1) of the *Securities Act*, R.S.O 1990, c. S.5 (as amended) (the "Act") that:

(a) pursuant to paragraph 127(1)*2*, all trading in any securities by and of the respondents cease except that Twerdun is permitted to trade, in his name only, in securities that have not been issued by FactorCorp or FactorCorp Financial, for his own account or for the account of a registered retirement savings plan or registered retirement income fund (as defined in the *Income Tax Act* (Canada)) in which he has legal and beneficial ownership and interest; and

(b) pursuant to paragraph 127(1)*3* of the Act, but subject to paragraph (a) above, all exemptions contained in Ontario securities law do not apply to the respondents; and

(c) pursuant to paragraph 127(1)*1* of the Act, the following terms and conditions are imposed on the registration of

FactorCorp and Twerdun, effective immediately:

(i) Twerdun, FactorCorp and any company controlled, directly or indirectly, by Twerdun, and FactorCorp including but not limited to FactorCorp Financial, are prohibited from making repayments and participating in or acquiescing to any act, directly or indirectly, in furtherance of a redemption of securities of FactorCorp and FactorCorp Financial;

(ii) Twerdun and FactorCorp are prohibited from transferring their controlling interest in any company including but not limited to FactorCorp Financial; and

(iii) Twerdun and FactorCorp shall cause FactorCorp and FactorCorp Financial to retain a monitor (the "Monitor"), selected by Staff, by 5:00 p.m. Eastern Time on August 1, 2007. The Monitor's primary objective will be to review the business, operations and affairs of FactorCorp Financial, FactorCorp and any company controlled, directly or indirectly, by Twerdun, FactorCorp and FactorCorp Financial involved with the issuance of securities and related proceeds. The Monitor shall be retained on terms to be established by Staff.

AND WHEREAS by Orders dated August 27, 2007 and September 26, 2007, the Commission Ordered that, pursuant to subsection 127(6) and 144 of the Act, the Temporary Order, as varied on July 27, 2007, be extended and shall expire on October 26, 2007, unless further extended by the Commission;

AND WHEREAS by Orders dated October 26, 2007 and December 6, 2007, the Commission Ordered that, pursuant to subsection 127(6) and 144 of the Act, the Temporary Order, as extended and varied on October 26, 2007 in respect of the Respondent Mark Twerdun only, be extended and shall expire on February 13, 2008, unless further extended by the Commission;

AND WHEREAS on August 1, 2007 KPMG Inc. ("KPMG") was appointed Monitor by FactorCorp and FactorCorp Financial pursuant to the Temporary Order, as varied;

AND WHEREAS by Order of the Superior Court of Justice dated October 17, 2007, KPMG was appointed Receiver and Manager (the "Receiver") over the assets, undertakings and properties of FactorCorp and FactorCorp Financial;

AND WHEREAS by Order of the Superior Court of Justice dated October 30, 2007, such appointment of the Receiver was confirmed and extended until further Order of the Court;

AND WHEREAS the Commission has considered the Second and Supplemental Reports of the Receiver dated November 21 and 26, 2007, respectively, certain pleadings and the Endorsement of the Honourable Justice Mossip, dated September 21, 2007, in Court File No. CV-06-00227-00, filed, certain reports of the Receiver acting as Monitor, previously filed, and the submissions of the parties;

AND WHEREAS Staff of the Commission consent to, and Twerdun does not oppose, the making of this Order;

AND WHEREAS the Commission is of the opinion that it is in the public interest to continue the Temporary Order, as varied on October 26, 2007, for the period expiring on Tuesday, April 15, 2008, unless further extended by the Commission;

IT IS ORDERED that the Temporary Order, as varied on October 26, 2007, be continued for the period expiring on April 15, 2008, unless further extended by the Commission, as follows:

(a) pursuant to paragraph 127(1)2, all trading in any securities by Twerdun cease except that Twerdun is permitted to trade, in his name only, in securities that have not been issued by FactorCorp or FactorCorp Financial, for his own account or for the account of a registered retirement savings plan or registered retirement income fund (as defined in the *Income Tax Act* (Canada)) in which he has legal and beneficial ownership and interest; and

(b) pursuant to paragraph 127(1)3 of the Act, but subject to paragraph (a) above, all exemptions contained in Ontario securities law do not apply to Twerdun; and

(c) pursuant to paragraph 127(1)1 of the Act, the following terms and conditions are imposed on the registration of Twerdun, effective immediately:

(i) Twerdun, and any company controlled, directly or indirectly, by him, are prohibited from making repayments and

participating in or acquiescing to any act, directly or indirectly, in furtherance of a redemption of securities of FactorCorp and FactorCorp Financial without the prior written consent of the Receiver; and

(ii) Twerdun is prohibited from transferring his controlling interest in any company including but not limited to FactorCorp and FactorCorp Financial.

DATED at Toronto this 13th day of February, 2008.

"Robert L. Shirriff"

"Suresh Thakrar"

2.2.2 Land Banc of Canada Inc. et al. - ss. 126 and 127

IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED

- AND -

IN THE MATTER OF
LAND BANC OF CANADA INC.,
LBC MIDLAND I CORPORATION,
FRESNO SECURITIES INC.,
RICHARD JASON DOLAN,
MARCO LORENTI, AND
STEPHEN ZEFF FREEDMAN

ORDER
SECTION 126 and 127

WHEREAS on the 23rd day of April, 2007, the Ontario Securities Commission (the "Commission") ordered, pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act") that all trading by Land Banc of Canada ("LBC"), LBC Midland I Corporation ("Midland"), Fresno Securities Inc. ("Fresno"), Richard Jason Dolan ("Dolan"), Marco Lorenti ("Lorenti") and Stephen Zeff Freedman ("Freedman"), (the "Respondents"), in any securities of Midland or any other corporation controlled by LBC, Dolan or Lorenti shall cease (the "Temporary Order");

AND WHEREAS the Commission further ordered as part of the Temporary Order that pursuant to clause 3 of subsection 127(1) and subsection 127(5) of the Act that any exemptions contained in Ontario securities law do not apply to the Respondents;

AND WHEREAS on the 23rd day of April, 2007, the Commission issued a Direction under s.126(1) of the Act to the Bank of Montreal branch at 2851 John St., in Markham, Ontario (the "BMO Markham Branch") to retain all funds, securities or property on deposit in the name of or otherwise under control of Midland at the BMO Markham Branch (the "Direction");

AND WHEREAS on the 30th of April, 2007 the Direction was continued on consent at the Superior Court of Justice (the "Court") until further notice of the Court but without prejudice to Midland to apply to the Commission to vary the Direction under s.126(7);

AND WHEREAS on May 1, 2007, the Commission issued a Notice of Hearing and Statement of Allegations in this matter;

AND WHEREAS on May 8, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until May 17, 2007;

AND WHEREAS on May 17, 2007, the Commission continued the Temporary Order against LBC,

Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until June 29, 2007;

AND WHEREAS on June 29, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until August 7, 2007;

AND WHEREAS on August 7, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until September 19, 2007;

AND WHEREAS on September 18, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until October 24, 2007;

AND WHEREAS on October 24, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until December 3, 2007;

AND WHEREAS on December 3, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until February 14, 2008;

AND WHEREAS on December 3, 2007, after further consideration amongst the parties, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until February 15, 2008;

AND WHEREAS on February 15, 2008, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until April 1, 2008;

AND WHEREAS upon submissions from counsel for Staff of the Commission and from counsel for LBC, Midland, Dolan and Lorenti;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED THAT

1. the Temporary Order is continued until April 1, 2008 against LBC, Midland, Dolan and Lorenti with the following amendments respecting Dolan and Lorenti, until further order of the Commission;

2. Dolan shall be permitted to trade in securities listed on a recognized exchange, including mutual fund units, only in his own existing account(s) and through a dealer registered with the Commission;

3. Lorenti shall be permitted to trade in securities listed on a recognized exchange, including mutual fund units, only in his own existing account(s) through a dealer registered with the Commission;

4. the Direction is continued until April 1, 2008 subject to the payment of expenses related to Midland approved by Staff in writing; and

5. this Order shall not affect the right of LBC, Midland, Dolan and Lorenti to apply to the Commission to clarify or revoke the Temporary Order or Direction prior to April 1, 2008 upon three days notice to Staff of the Commission.

Dated at Toronto this 15th day of February, 2008

"Patrick J. LeSage"

"Suresh Thakrar"

2.2.3 Lehman Brothers Asset Management Inc. and Lehman Brothers Asset Management LLC - ss. 80 and 3.1(1) of the CFA

Headnote

Section 80 of the Commodity Futures Act (Ontario) – Relief from the adviser registration requirements of subsection 22(1)(b) of the CFA in respect of acting as an adviser to certain non-redeemable investment funds and similar investment vehicles primarily offered outside of Canada in respect of trades in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside Canada and primarily cleared through clearing corporations outside Canada, subject to certain terms and conditions.

Subsection 3.1(1) of the Commodity Futures Act (Ontario) – Assignment by the Commission to the Director of the powers and duties vested in the Commission under subsection 78(1) of the CFA to allow the Director to vary the present order by specifically naming an affiliate as an applicant to the order.

Statutes Cited:

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 3.1(1), 22(1)(b), 78 and 80.
Securities Act, R.S.O. 1990, c. S.5, as am. – Rule 35-502 – Non Resident Advisers.

February 15, 2008

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20, AS AMENDED
(the CFA)

AND

IN THE MATTER OF
LEHMAN BROTHERS ASSET MANAGEMENT INC. AND
LEHMAN BROTHERS ASSET MANAGEMENT LLC

ORDER
(Section 80 and Subsection 3.1(1) of the CFA)

UPON the application (the **Application**) of Lehman Brothers Asset Management Inc. (**LBAM Inc.**) and Lehman Brothers Asset Management LLC (**LBAM LLC**) (together, Lehman) and certain affiliates of, or entities organized by Lehman that provide notice to the Director as referred to below (each, an **Affiliate**, and together with Lehman, the **Applicants**) to the Ontario Securities Commission (the **Commission** or **OSC**) for:

(a) an order, pursuant to section 80 of the CFA, that each of the Applicants (including their respective principals, members, partners, directors, officers, and employees), be exempt, for a period of five years, from the requirements of paragraph 22(1)(b) of the CFA in respect of acting as an adviser to certain non-Canadian mutual funds, non-redeemable investment funds and similar investment vehicles (the **Funds**, as defined below) primarily offered outside of Canada in respect of trades in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside Canada and primarily cleared through clearing corporations outside Canada; and

(b) an assignment by the Commission to each Director, acting individually, pursuant to subsection 3.1(1) of the CFA, of the powers and duties vested in the Commission under subsection 78(1) of the CFA, to vary this Order by specifically naming any Affiliate of Lehman as an Applicant to this Order in the circumstances described below.

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Applicants having represented to the Commission that:

1. Each of the Applicants is organized under the laws of a jurisdiction other than Canada or the provinces or territories thereof. In particular, LBAM Inc. is a company incorporated under the laws of the State of Delaware and LBAM LLC is a limited liability company organized under the laws of the State of Delaware.

2. Any Affiliate, whose name does not specifically appear in this Order, who wishes to rely on the exemption granted under this Order must execute and file with the Commission (Attention: Manager, Registrant Regulation) two copies of a notice (the **Notice**, in the form of Part A to the attached Schedule A), applying to the Director to vary this Order to

specifically name the Affiliate as an Applicant to this Order. The Notice must be filed with the Commission at least ten (10) days prior to the date that such Affiliate wishes to begin relying on this Order.

3. If, in the Director's opinion, it would not be prejudicial to the public interest, within ten (10) days after receiving the Notice, the Director will provide the Affiliate with a written acknowledgment and consent (the **Director's Consent**, in the form of Part B to the attached Schedule A). The Director's Consent will allow the Affiliate to rely on the exemption granted in this Order by varying the Order to specifically name the Affiliate as an Applicant to this Order. The Affiliate may not rely on this Order until it has received the Director's Consent.

4. If, after reviewing the Notice, the Director provides a written notice of objection (the **Objection Notice**) to the Affiliate, the Affiliate will not be permitted to rely on the exemption granted under this Order. However, the Affiliate may, by notice in writing sent by registered mail to the Secretary of the Commission within 30 days after receiving the Objection Notice, request and be entitled to a hearing and review of such decision by the Commission.

5. Subsection 78(1) of the CFA provides that the Commission may, on the application of a person or company affected by the decision, make an order revoking or varying a decision of the Commission if, in the Commission's opinion, the order would not be prejudicial to the public interest. Further, subsection 3.1(1) of the CFA provides that a quorum of the Commission may assign any of its powers and duties under the CFA (except powers and duties under section 4 and Part IV) to the Director.

6. None of the Applicants are registered in any capacity under the CFA. Each of LBAM Inc. and LBAM LLC is registered under the *Securities Act* (Ontario) (the **OSA**) as an international adviser in the categories of investment counsel and portfolio manager.

7. LBAM Inc. acts as the investment manager to, among other mutual funds, non-redeemable investment funds or similar investment vehicles, Lehman Brothers GTAA Fund I, Ltd., Lehman Brothers GTAA Fund II, Ltd., Lehman Brothers Q Fund, Ltd., and Strategic Commodities Fund, Ltd. and LBAM LLC acts as the investment manager to, among other mutual funds, non-redeemable investment funds or similar investment vehicles, Lehman Brothers Enhanced Bond Index Fund and Lehman Brothers Trust Company, N.A. Collective Investment Trust (all of the foregoing funds are referred to collectively as the **Existing Funds**). The Applicants may in the future establish or advise certain other mutual funds, non-redeemable investment funds or similar investment vehicles (together with the Existing Funds, the **Funds**).

8. The Funds may, as a part of their investment program, invest in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside of Canada and primarily cleared through clearing corporations outside of Canada.

9. The Funds advised by the Applicants are and will be established outside of Canada. Securities of the Funds are and will be primarily offered outside of Canada to institutional investors and high net worth individuals. Securities of the Funds will be offered to a small number of Ontario residents who will be, at the time of their investment, institutional investors or high net worth individuals that qualify as an "accredited investor" under National Instrument 45-106 – *Prospectus and Registration Exemptions*.

10. Paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person or company is registered as an adviser under the CFA, or is registered as a partner or an officer of a registered adviser and is acting on behalf of a registered adviser. Under the CFA, "adviser" means a person or company engaging in or holding himself, herself or itself out as engaging in the business of advising others as to trading in "contracts", and "contracts" means commodity futures contracts and commodity futures options.

11. By advising the Funds on investing in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside Canada and primarily cleared through clearing corporations outside Canada, the Applicants will be providing advice to Ontario investors with respect to commodity futures contracts and commodity futures options and, in the absence of being granted the requested relief, would be required to register as advisers under the CFA.

12. There is presently no rule under the CFA that provides an exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA for a person or company acting as an adviser in respect of commodity futures options and commodity futures contracts that is similar to the exemption from the adviser registration requirement in section 25(1)(c) of the OSA for acting as an adviser (as defined in the OSA) in respect of securities that is provided under section 7.10 (Privately Placed Funds Offered Primarily Abroad) of OSC Rule 35-502 – *Non Resident Advisers* (**Rule 35-502**).

13. As would be required under section 7.10 of Rule 35-502, securities of the Funds are, or will be:

    (a) primarily offered outside of Canada;

    (b) only distributed in Ontario through one or more registrants under the OSA; and

    (c) distributed in Ontario in reliance upon an exemption from the prospectus requirements of the OSA.

14. In advising the Funds, the Applicants will either hold the required registrations under the OSA or will rely on an appropriate exemption from the adviser registration requirements under the OSA.

15. Each of the Applicants, where required, is or will be appropriately registered or licensed or is, or will be, entitled to rely on appropriate exemptions from such registrations or licences to provide advice to the Funds pursuant to the applicable legislation of its principal jurisdiction. In particular, each of LBAM Inc. and LBAM LLC is registered with the U.S. Securities and Exchange Commission as an investment adviser under the U.S. Investment Advisers Act of 1940 (the **IAA**) and is also registered with the U.S. Commodity Futures Trading Commission (**CFTC**) as a Commodity Trading Adviser. Neither LBAM Inc. nor LBAM LLC is required to be registered as a Commodity Pool Operator with the CFTC because each of LBAM Inc. and LBAM LLC limit participation in any commodity pools operated by it to certain qualified persons.

16. All of the Funds issue securities which are offered primarily abroad. None of the Funds has any intention of becoming a reporting issuer in Ontario or in any other Canadian jurisdiction.

17. Prior to purchasing any securities in one or more of the Funds, all investors in the Funds who are Ontario residents will receive disclosure that includes:

    (a) a statement that there may be difficulty in enforcing any legal rights against the relevant Fund or any of the Applicants (or the individual representatives of the Applicants) advising the relevant Fund, because such entities are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and

    (b) a statement that the relevant Applicant advising the relevant Fund is not, or will not be, registered with the Commission under the CFA, and accordingly, the protections available to clients of a registered adviser under the CFA will not be available to purchasers of securities of the relevant Fund.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to grant the exemption requested on the basis of the terms and conditions proposed;

IT IS ORDERED pursuant to section 80 of the CFA that each of the Applicants are exempted from the requirements of paragraph 22(1)(b) of the CFA in respect of acting as an adviser in connection with any one or more of the Funds, for a period of five years, provided that at the time that such activities are engaged in:

(a) each Applicant, where required, is registered or licensed, or is entitled to rely on appropriate exemptions from such registrations or licences, to provide advice to the relevant Fund pursuant to the applicable legislation of its principal jurisdiction;

(b) the Funds invest in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside Canada and primarily cleared through clearing corporations outside Canada;

(c) securities of the Funds are:

    (i) primarily offered outside of Canada,

    (ii) only distributed in Ontario through one or more registrants under the OSA; and

    (iii) distributed in Ontario, in reliance on an exemption from the prospectus requirements of the OSA;

(d) the Applicants will either hold the required registrations under the OSA or will rely on an appropriate exemption from the adviser registration requirements under the OSA;

(e) prior to purchasing any securities in one or more of the Funds, all investors in the Funds who are Ontario residents received disclosure that includes:

(i) a statement that there may be difficulty in enforcing any legal rights against the relevant Fund or any of the Applicants (or the individual representatives of the Applicants) advising the relevant Fund, because such entities are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and

(ii) a statement that the relevant Applicant advising the relevant Fund is not, or will not be, registered with the Commission under the CFA, and accordingly, the protections available to clients of a registered adviser under the CFA will not be available to purchasers of securities of the relevant Fund; and

(f) each Applicant either:

(i) is specifically named in this Order; or

(ii) has filed with the Commission the Notice and received the Director's Consent.

AND IT IS FURTHER ORDERED pursuant to subsection 3.1(1) of the CFA that the Commission assigns to each Director, acting individually, the powers and duties vested in the Commission under subsection 78(1) of the CFA, to vary this Order by specifically naming any Affiliate of Lehman as an Applicant to this Order (as described in paragraphs 2, 3 and 4 above) by providing such Affiliate with the Director's Consent, provided that, the Affiliate may, by notice in writing sent by registered mail to the Secretary of the Commission within 30 days after receiving the Objection Notice, request and be entitled to a hearing and review of such decision by the Commission.

"Robert Shirriff"
Commissioner
Ontario Securities Commission

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

Schedule A

To: Manager, Registrant Regulation
Ontario Securities Commission

From: _____ (the **Affiliate**)

Re: In the Matter of *Lehman Brothers Asset Management Inc. and Lehman Brothers Asset Management LLC* (**Lehman**)
OSC File No.: 2008/0071

Part A: Notice to the Ontario Securities Commission (the Commission)

The undersigned, being an authorized representative of the Affiliate, hereby represents to the Commission that:

(a) on February ___, 2008, the Commission issued the attached order (the **Order**), pursuant to section 80 of the *Commodity Futures Act* (Ontario) (the **CFA**), that each of the Applicants (as defined in the Order) is exempt from the requirements of paragraph 22(1)(b) of the CFA in respect of acting as an adviser in connection with any one or more of the Funds (as defined in the Order), for a period of five years;

(b) the Affiliate, is an affiliate of Lehman;

(c) the Affiliate, whose name does not specifically appear in the Order, wishes to rely on the exemption granted under the Order and hereby applies to the Director, under section 78 of the CFA, to vary the Order to specifically name the Affiliate as an Applicant to the Order;

(d) the Affiliate has attached a copy of the Order to this Notice;

(e) the Affiliate confirms the truth and accuracy of all the information set out in the Order;

(f) this Notice has been executed and filed with the Commissioner at least ten (10) days prior to the date on which the Affiliate wishes to begin relying on the Order; and

(g) the Affiliate has not, and will not, rely on the Order until it has received a written acknowledgment and consent from the Director as provided in Part B herein.

Dated this ____ day of _____, 20___.

_____
By: Name:
Title:

Part B: Acknowledgment and Consent by Director

I acknowledge receipt of your Notice, dated _____, 20__, providing the Commission with notice, as described in the Order, that the Affiliate, whose name does not specifically appear in the Order, wishes to rely on the exemption granted under the Order and has applied to have the Order varied to specifically name the Affiliate as an Applicant to the Order.

Based on the representations contained in the Order and in your Notice, I do not consider it prejudicial to the public interest to vary the Order to specifically name the Affiliate as an Applicant to the Order and do hereby so vary the Order.

Dated this ____ day of _____, 20___.

_____
Name:
Title:
Ontario Securities Commission

2.2.4 Corbin Capital Partners, L.P. - ss. 80 and 3.1(1) of the CFA

Headnote

Section 80 of the Commodity Futures Act (Ontario) – Relief from the adviser registration requirements of subsection 22(1)(b) of the CFA in respect of acting as an adviser to certain non-redeemable investment funds and similar investment vehicles primarily offered outside of Canada in respect of trades in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside Canada and primarily cleared through clearing corporations outside Canada, subject to certain terms and conditions.

Subsection 3.1(1) of the Commodity Futures Act (Ontario) – Assignment by the Commission to the Director of the powers and duties vested in the Commission under subsection 78(1) of the CFA to allow the Director to vary the present order by specifically naming an affiliate as an applicant to the order.

Statutes Cited:

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 3.1(1), 22(1)(b), 78 and 80.
Securities Act, R.S.O. 1990, c. S.5, as am. – Rule 35-502 – Non Resident Advisers.

February 15, 2008

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20, AS AMENDED
(the CFA)

AND

IN THE MATTER OF
CORBIN CAPITAL PARTNERS, L.P.

ORDER
(Section 80 and Subsection 3.1(1) of the CFA)

UPON the application (the **Application**) of Corbin Capital Partners, L.P. (**Corbin**) and certain affiliates of, or entities organized by Corbin that provide notice to the Director as referred to below (each, an **Affiliate**, and together with Corbin, the **Applicants**) to the Ontario Securities Commission (the **Commission** or **OSC**) for:

(a) an order, pursuant to section 80 of the CFA, that each of the Applicants (including their respective principals, members, partners, directors, officers, and employees), be exempt, for a period of five years, from the requirements of paragraph 22(1)(b) of the CFA in respect of acting as an adviser to certain non-Canadian investment funds and similar investment vehicles (the **Funds**, as defined below) primarily offered outside of Canada in respect of trades in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside Canada and primarily cleared through clearing corporations outside Canada; and

(b) an assignment by the Commission to each Director, acting individually, pursuant to subsection 3.1(1) of the CFA, of the powers and duties vested in the Commission under subsection 78(1) of the CFA, to vary this Order by specifically naming any Affiliate of Corbin as an Applicant to this Order in the circumstances described below.

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Applicants having represented to the Commission that:

1. Each of the Applicants is or will be organized under the laws of a jurisdiction other than Canada or the provinces or territories thereof. In particular, Corbin is a limited partnership organised under the laws of the State of Delaware.

2. Any Affiliate, whose name does not specifically appear in this Order, who wishes to rely on the exemption granted under this Order must execute and file with the Commission (Attention: Manager, Registrant Regulation) two copies of a notice (the **Notice**, in the form of Part A to the attached Schedule A), applying to the Director to vary this Order to specifically name the Affiliate as an Applicant to this Order. The Notice must be filed with the Commission at least ten (10) days prior to the date that such Affiliate wishes to begin relying on this Order.

3. If, in the Director's opinion, it would not be prejudicial to the public interest, within ten (10) days after receiving the Notice, the Director will provide the Affiliate with a written acknowledgment and consent (the **Director's Consent**, in the form of Part B to the attached Schedule A). The Director's Consent will allow the Affiliate to rely on the exemption granted in this Order by varying the Order to specifically name the Affiliate as an Applicant to this Order. The Affiliate may not rely on this Order until it has received the Director's Consent.

4. If, after reviewing the Notice, the Director provides a written notice of objection (the **Objection Notice**) to the Affiliate, the Affiliate will not be permitted to rely on the exemption granted under this Order. However, the Affiliate may, by notice in writing sent by registered mail to the Secretary of the Commission within 30 days after receiving the Objection Notice, request and be entitled to a hearing and review of such decision by the Commission.

5. Subsection 78(1) of the CFA provides that the Commission may, on the application of a person or company affected by the decision, make an order revoking or varying a decision of the Commission if, in the Commission's opinion, the order would not be prejudicial to the public interest. Further, subsection 3.1(1) of the CFA provides that a quorum of the Commission may assign any of its powers and duties under the CFA (except powers and duties under section 4 and Part IV) to the Director.

6. None of the Applicants are or will be registered in any capacity under the CFA or the *Securities Act* (Ontario) (the **OSA**).

7. Corbin acts as an adviser to, among investment funds or similar investment vehicles, The Overlook Performance Fund and Fort Tryon Equities Fund, Ltd. (the foregoing funds are referred to collectively as the **Existing Funds**). The Applicants may in the future establish or advise certain other investment funds or similar investment vehicles (together with the Existing Funds, the **Funds**).

8. The Funds may, as a part of their investment program, invest in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside of Canada and primarily cleared through clearing corporations outside of Canada.

9. The Funds advised by the Applicants are and will be established outside of Canada. Securities of the Funds are and will be primarily offered outside of Canada to institutional investors and high net worth individuals. Securities of the Funds will be offered to a small number of Ontario residents who will be, at the time of their investment, institutional investors or high net worth individuals that qualify as an "accredited investor" under National Instrument 45-106 – *Prospectus and Registration Exemptions*.

10. Paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person or company is registered as an adviser under the CFA, or is registered as a partner or an officer of a registered adviser and is acting on behalf of a registered adviser. Under the CFA, "adviser" means a person or company engaging in or holding himself, herself or itself out as engaging in the business of advising others as to trading in "contracts", and "contracts" means commodity futures contracts and commodity futures options.

11. By advising the Funds on investing in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside Canada and primarily cleared through clearing corporations outside Canada, the Applicants will be providing advice to Ontario investors with respect to commodity futures contracts and commodity futures options and, in the absence of being granted the requested relief, would be required to register as advisers under the CFA.

12. There is presently no rule under the CFA that provides an exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA for a person or company acting as an adviser in respect of commodity futures options and commodity futures contracts that is similar to the exemption from the adviser registration requirement in section 25(1)(c) of the OSA for acting as an adviser (as defined in the OSA) in respect of securities that is provided under section 7.10 (Privately Placed Funds Offered Primarily Abroad) of OSC Rule 35-502 – *Non Resident Advisers* (**Rule 35-502**).

13. As would be required under section 7.10 of Rule 35-502, securities of the Funds are, or will be:

    (a) primarily offered outside of Canada;

    (b) only distributed in Ontario through one or more registrants under the OSA; and

    (c) distributed in Ontario in reliance upon an exemption from the prospectus requirements of the OSA.

14. Each of the Applicants, where required, is or will be appropriately registered or licensed or is, or will be, entitled to rely on appropriate exemptions from such registrations or licences to provide advice to the Funds pursuant to the applicable legislation of its principal jurisdiction. In particular, Corbin is registered with the U.S. Securities and Exchange Commission as an investment adviser under the U.S. *Investment Advisers Act of 1940* (the **IAA**) and Corbin claims exemptions from registration as a commodity pool operator and commodity trading advisor in the United States.

15. All of the Funds issue securities which are offered primarily abroad. None of the Funds has any intention of becoming a reporting issuer in Ontario or in any other Canadian jurisdiction.

16. Prior to purchasing any securities in one or more of the Funds, all investors in the Funds who are Ontario residents will receive disclosure that includes:

    (a) a statement that there may be difficulty in enforcing any legal rights against the relevant Fund or any of the Applicants (or the individual representatives of the Applicants) advising the relevant Fund, because such entities are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and

    (b) a statement that the relevant Applicant advising the relevant Fund is not, or will not be, registered with or licensed by any regulatory authority in Canada, and accordingly, the protections available to clients of a registered adviser under the CFA will not be available to purchasers of securities of the relevant Fund.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to grant the exemption requested on the basis of the terms and conditions proposed;

IT IS ORDERED pursuant to section 80 of the CFA that each of the Applicants is exempted from the requirements of paragraph 22(1)(b) of the CFA in respect of acting as an adviser in connection with any one or more of the Funds, for a period of five years, provided that at the time that such activities are engaged in:

(a) each Applicant, where required, is registered or licensed, or is entitled to rely on appropriate exemptions from such registrations or licences, to provide advice to the relevant Fund pursuant to the applicable legislation of its principal jurisdiction;

(b) the Funds invest in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside Canada and primarily cleared through clearing corporations outside Canada;

(c) securities of the Funds are:

    (i) primarily offered outside of Canada,

    (ii) only distributed in Ontario through one or more registrants under the OSA; and

    (iii) distributed in Ontario, in reliance on an exemption from the prospectus requirements of the OSA and upon an exemption from the adviser registration requirement of the OSA under Section 7.10 of Rule 35-502;

(d) prior to purchasing any securities in one or more of the Funds, all investors in the Funds who are Ontario residents received disclosure that includes:

    (i) a statement that there may be difficulty in enforcing any legal rights against the relevant Fund or any of the Applicants (or the individual representatives of the Applicants) advising the relevant Fund, because such entities are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and

    (ii) a statement that the relevant Applicant advising the relevant Fund is not, or will not be, registered with or licensed by any regulatory authority in Canada, and accordingly, the protections available to clients of a registered adviser under the CFA will not be available to purchasers of securities of the relevant Fund; and

(e) each Applicant either:

    (i) is specifically named in this Order; or

    (ii) has filed with the Commission the Notice and received the Director's Consent.

AND IT IS FURTHER ORDERED pursuant to subsection 3.1(1) of the CFA that the Commission assigns to each Director, acting individually, the powers and duties vested in the Commission under subsection 78(1) of the CFA, to vary this Order by specifically naming any Affiliate of Corbin as an Applicant to this Order (as described in paragraphs 2, 3 and 4 above) by providing such Affiliate with the Director's Consent, provided that, the Affiliate may, by notice in writing sent by registered mail to the Secretary of the Commission within 30 days after receiving the Objection Notice, request and be entitled to a hearing and review of such decision by the Commission.

"Robert Shirriff"
Commissioner
Ontario Securities Commission

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

Schedule A

To: Manager, Registrant Regulation
Ontario Securities Commission

From: _____ (the **Affiliate**)

Re: In the Matter of *Corbin Capital Partners, L.P.* (**Corbin**)
OSC File No.: 2007/0110

Part A: Notice to the Ontario Securities Commission (the Commission)

The undersigned, being an authorized representative of the Affiliate, hereby represents to the Commission that:

(a) on February ____, 2008, the Commission issued the attached order (the **Order**), pursuant to section 80 of the *Commodity Futures Act* (Ontario) (the **CFA**), that each of the Applicants (as defined in the Order) is exempt from the requirements of paragraph 22(1)(b) of the CFA in respect of acting as an adviser in connection with any one or more of the Funds (as defined in the Order), for a period of five years;

(b) the Affiliate, is an affiliate of Corbin;

(c) the Affiliate, whose name does not specifically appear in the Order, wishes to rely on the exemption granted under the Order and hereby applies to the Director, under section 78 of the CFA, to vary the Order to specifically name the Affiliate as an Applicant to the Order;

(d) the Affiliate has attached a copy of the Order to this Notice;

(e) the Affiliate confirms the truth and accuracy of all the information set out in the Order;

(f) this Notice has been executed and filed with the Commissioner at least ten (10) days prior to the date on which the Affiliate wishes to begin relying on the Order; and

(g) the Affiliate has not, and will not, rely on the Order until it has received a written acknowledgment and consent from the Director as provided in Part B herein.

Dated this ____ day of _____, 20___. _____

By: Name:
Title:

Part B: Acknowledgment and Consent by Director

I acknowledge receipt of your Notice, dated _____, 20__, providing the Commission with notice, as described in the Order, that the Affiliate, whose name does not specifically appear in the Order, wishes to rely on the exemption granted under the Order and has applied to have the Order varied to specifically name the Affiliate as an Applicant to the Order.

Based on the representations contained in the Order and in your Notice, I do not consider it prejudicial to the public interest to vary the Order to specifically name the Affiliate as an Applicant to the Order and do hereby so vary the Order.

Dated this ____ day of _____, 20___. _____

Name:
Title:
Ontario Securities Commission

2.2.5 GS Investment Strategies Canada Inc. - s. 74(1)

Headnote

Relief from the adviser registration requirements of paragraph 25(1)(c) of the Act granted to Ontario resident sub-adviser in respect of advice regarding certain non-resident investment funds, the principal advisers of which are certain non-Canadian advisers, subject to certain terms and conditions.

Rules Cited

Securities Act, R.S.O. 1990, c. S. 5, as amended, ss. 25(1)(c), 74(1).

February 15, 2008

IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED
(the Act)

AND

IN THE MATTER OF
GS INVESTMENT STRATEGIES CANADA INC.

ORDER
(Subsection 74(1) of the Act)

UPON the application (the **Application**) of GS Investment Strategies Canada Inc. (**GSIS Canada**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to subsection 74(1) of the Act, that GSIS Canada (including its directors, partners, officers and employees) be exempt from the requirements of paragraph 25(1)(c) of the Act in respect of acting as a sub-adviser to GS Investment Strategies, LLC (**GSIS**) and certain other non-Canadian advisers with respect to the investments of certain investment funds domiciled outside of Canada;

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON GSIS Canada having represented to the Commission that:

1. GSIS Canada is a corporation established under the laws of Ontario and a wholly-owned subsidiary of The Goldman Sachs Group, Inc. (**GS Group**). GSIS Canada will initially employ three investment professionals, all of whom will be based in GSIS Canada's office in Toronto;

2. GSIS Canada's sole activity will be that of a sub-adviser to GSIS and other non-Canadian advisers (each, a **GS Adviser**) wholly-owned by GS Group and registered as investment advisers with the U.S. Securities and Exchange Commission (the **SEC**). GSIS Canada will provide advice with respect to the investments of Liberty Harbor Master Fund 1 L.P. (the **Master Fund**), an investment fund domiciled outside of Canada, and other investment funds (each, a **GS Managed Fund**) domiciled outside of Canada and managed by GSIS or another GS Adviser (the **Proposed Advisory Services**);

3. GSIS is a Delaware limited liability company and wholly-owned subsidiary of GS Group. GSIS acts as an investment adviser to the Master Fund. GSIS is registered as an investment adviser with the SEC;

4. The Master Fund is a limited partnership established under the laws of the Cayman Islands on March 20, 2007. The only investors in the Master Fund are four feeder funds domiciled outside of Canada (the **Feeder Funds**);

5. The Feeder Funds are primarily offered outside of Canada and, currently, have no Canadian-resident investors except three Canadian residents (two Quebec residents and one Alberta resident) who have committed approximately US$4 million to one of the Feeder Funds. This Feeder Fund invests all of its assets in the Master Fund. Each Canadian-resident investor is an "accredited investor" within the meaning of National Instrument 45-106 - *Prospectus and Registration Exemptions* (**NI 45-106**) and has committed at least US$1 million to this Feeder Fund. Investors have committed a total of US$2.613 billion to the four Feeder Funds;

6. In the future, the securities of the Feeder Funds and GS Managed Funds will be primarily offered outside of Canada and will only be distributed in Ontario through a dealer registered under the Act and in reliance upon the prospectus exemption for trades to accredited investors set forth in NI 45-106;

7. Initially, GSIS Canada will only provide investment advice to GSIS and only with respect to the Master Fund. In the future, GSIS may act as sub-adviser and provide investment advice to GSIS or another GS Adviser with respect to other GS Managed Funds;

8. In providing sub-advisory services to GSIS or another GS Adviser with respect to the Master Fund or other GS Managed Fund, GSIS Canada will comply with all applicable registration and other requirements of U.S. securities law and, if applicable, securities laws of the Cayman Islands and other jurisdictions;

9. GSIS Canada (including its directors, partners, officers and employees) will not at any time directly advise a person or company resident in Ontario or in any other Canadian jurisdiction;

AND UPON being satisfied that to make this order would not be prejudicial to the public interest;

IT IS ORDERED THAT, pursuant to subsection 74(1) of the Act, GSIS Canada (including its directors, partners, officers and employees) is exempted from the requirements of paragraph 25(1)(c) of the Act in respect of the Proposed Advisory Services provided to GSIS or another GS Adviser, provided that:

(a) GSIS Canada (including its directors, partners, officers and employees) complies with all applicable registration and other requirements of the securities legislation of the United States and, if applicable, the securities laws of the Cayman Islands and other jurisdictions;

(b) the obligations and duties of GSIS Canada are set out in a written agreement with GSIS;

(c) the GS Adviser contractually agrees with the Master Fund or other GS Managed Fund to be responsible for any loss that arises out of the failure of GSIS Canada:

(i) to exercise the powers and discharge the duties of its office honestly, in good faith and in accordance with its fiduciary duties to the GS Adviser and the Master Fund or other GS Managed Fund, or

(ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances (together with (i), the **Assumed Obligations**);

(d) the GS Adviser cannot be relieved by the Master Fund or other GS Managed Fund from its responsibility for any loss that arises out of the failure of GSIS Canada to meet the Assumed Obligations; and

(e) prior to purchasing any securities in one or more of the Feeder Funds or GS Managed Funds, all investors in the Feeder Funds or GS Managed Funds who are Ontario residents received written disclosure that includes:

(i) a statement that the GS Adviser is responsible for any loss that arises out of the failure of GSIS Canada to meet the Assumed Obligations; and

(ii) a statement that GSIS Canada is not, or will not be, registered as an adviser under the Act and, accordingly, the protections available to clients of a registered adviser under the Act will not be available to purchasers of units of the relevant Feeder Fund or GS Managed Fund.

"Robert Shirriff"
Commissioner
Ontario Securities Commission

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

2.2.6 Trilogy Global Advisors, LLC - s. 218 of the Regulation

Headnote

Application for an order, pursuant to section 218 of the Regulation, exempting the Applicant from the requirement in section 213 of the Regulation that the Applicant be incorporated, or otherwise formed or created, under the laws of Canada or a province or territory of Canada, for the Applicant to be registered under the Act as a dealer in the category of limited market dealer.

Regulation Cited

R.R.O. 1990, Regulation 1015, amended to O.Reg. 500/06, ss. 213 and 218.

February 19, 2008

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED
(the Act)

AND

IN THE MATTER OF
R.R.O. 1990, REGULATION 1015, AS AMENDED
(the Regulation)

AND

IN THE MATTER OF
TRILOGY GLOBAL ADVISORS, LLC

ORDER
(Section 218 of the Regulation)

UPON the application (the **Application**) of Trilogy Global Advisors, LLC (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to section 218 of the Regulation, exempting the Applicant from the requirement in section 213 of the Regulation that the Applicant be incorporated, or otherwise formed or created, under the laws of Canada or a province or territory of Canada, in order for the Applicant to be registered under the Act as a dealer in the category of limited market dealer (**LMD**);

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a limited liability company formed under the laws of the State of Delaware of the United States of America. The head office of the Applicant is located at 1114 Avenue of the Americas, 28th Floor, New York, NY 10036, USA.

2. The Applicant is seeking registration under the Act as an international adviser and as an LMD. The Applicant is currently registered as an adviser under the Investment Advisers Act of 1940 with the U.S. Securities and Exchange Commission and, in Canada, as a portfolio manager and investment counsel (foreign) with the Alberta Securities Commission.

3. The Applicant mainly carries on business as an adviser in the United States providing investment advice through managed accounts and investment funds.

4. The Applicant is seeking registration with the Commission for registration under the Act as a dealer in the category of LMD, primarily for the purpose of engaging in the distribution of units of investment funds managed by the Applicant to accredited investors.

5. Subsection 213(1) provides that a registered dealer that is not an individual must be a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada.

6. The Applicant is not resident in Canada and does not require a separate Canadian company or other entity in order to carry out its proposed LMD activities in Ontario. It is more efficient and cost-effective to carry out those activities through the existing entity.

7. Without the relief requested, the Applicant would not meet the requirements of the Regulation for registration as a dealer in the category of an LMD as it is not a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada.

AND UPON being satisfied that to make this order would not be prejudicial to the public interest;

IT IS ORDERED THAT, pursuant to section 218 of the Regulation, and in connection with the registration of the Applicant as a dealer under the Act in the category of an LMD, section 213 of the Regulation shall not apply to the Applicant, provided that:

1. The Applicant appoints an agent for service of process in Ontario.

2. The Applicant shall provide to each client resident in Ontario a statement in writing disclosing the non-resident status of the Applicant, the Applicant's jurisdiction of residence, the name and address of the agent for service of process of the Applicant in Ontario, and the nature of risks to clients that legal rights may not be enforceable.

3. The Applicant will not change its agent for service of process in Ontario without giving the Commission 30 days' prior notice of such change by filing a new Submission to Jurisdiction and Appointment of Agent for Service of Process.

4. The Applicant and each of its registered salespersons, directors, officers, partners or members irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial, and administrative tribunals of Ontario and any administrative proceedings in Ontario, in any proceedings arising out of or related to or concerning its registration under the Act or its activities in Ontario as a registrant.

5. Securities, funds, and other assets of the Applicant's clients in Ontario will be held as follows:

   (a) by the client; or

   (b) by a custodian or sub-custodian:

      (i) that meets the guidelines prescribed for acting as a sub-custodian of the portfolio securities of a mutual fund in Part 6 of National Instrument 81-102 - Mutual Funds;

      (ii) that is:

         (A) subject to the agreement announced by the Bank for International Settlements (BIS) on July 1, 1988 concerning international convergence of capital measurement and capital standards; or

         (B) exempt from the requirements of paragraph 3.7(1)(b)(ii) of OSC Rule 35-502 -- Non Resident Advisers; and

      (iii) if such securities, funds and other assets are held by a custodian or sub-custodian that is the Applicant or an affiliate of the Applicant, that custodian holds such securities, funds and other assets in compliance with the requirements of the Regulation.

6. Securities of the Applicant's clients in Ontario may be deposited with or delivered to a recognised depository or clearing agency.

7. The Applicant will inform the Director immediately upon the Applicant becoming aware:

   (a) that it has ceased to be registered in the United States as an adviser; or

   (b) of its registration in any other jurisdiction not being renewed or being suspended or revoked; or

   (c) that it is the subject of a regulatory proceeding, investigation or disciplinary action by any financial services or securities regulatory authority or self-regulatory authority; or

   (d) that the registration of its salespersons, officers, directors, partners or members who are registered in Ontario have not been renewed or have been suspended or revoked in any Canadian or foreign jurisdiction; or

(e) that any of its salespersons, officers, directors, partners or members who are registered in Ontario are the subject of a regulatory proceeding, investigation or disciplinary action by any financial services or securities regulatory authority or self-regulatory authority in any Canadian or foreign jurisdiction.

8. The Applicant will pay the increased compliance and case assessment costs of the Commission due to the Applicant's location outside Ontario, including the cost of hiring a third party to perform a compliance review on behalf of the Commission.

9. The Applicant will make its books and records outside Ontario, including electronic records, readily accessible in Ontario, and will produce physical records for the Commission within a reasonable time if requested.

10. If the laws of the jurisdiction in which the Applicant's books and records are located prohibit production of the books and records in Ontario without the consent of the relevant client the Applicant shall, upon a request by the Commission:

(a) so advise the Commission; and

(b) use its best efforts to obtain the client's consent to the production of the books and records.

11. The Applicant will, upon the Commission's request, provide a representative to assist the Commission in compliance and enforcement matters.

12. The Applicant and each of its registered officers, directors, partners or members will comply, at the Applicant's expense, with requests under the Commission's investigation powers and orders under the Act in relation to the Applicant's dealings with Ontario clients, including producing documents and witnesses in Ontario, submitting to audit or search and seizure process or consenting to an asset freeze, to the extent such powers would be enforceable against the Applicant if the Applicant were resident in Ontario.

13. If the laws of the Applicant's jurisdiction of residence that are otherwise applicable to the giving of evidence or production of documents prohibit the Applicant or the witnesses from giving the evidence without the consent or leave of the relevant client or any third party, including a court of competent jurisdiction, the Applicant shall:

(a) so advise the Commission; and

(b) use its best efforts to obtain the client's consent to the giving of the evidence.

14. The Applicant will maintain appropriate registration and regulatory organization membership, in the jurisdiction of its principal operations, and if required, in its jurisdiction of residence.

"Carol Perry"
Commissioner
Ontario Securities Commission

"Margot Howard"
Commissioner
Ontario Securities Commission

2.2.7 CI Investments Inc. and Trident Global Opportunities Fund

Headnote

Mutual fund in Ontario (non-reporting issuer) granted extension of the annual financial statement filing and delivery deadlines as substantially invested in offshore investment fund subject to different reporting requirements.

Rules Cited

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 2.2, 5.1(2).

February 15, 2008

IN THE MATTER OF
NATIONAL INSTRUMENT 81-106
INVESTMENT FUND CONTINUOUS DISCLOSURE

AND

IN THE MATTER OF
CI INVESTMENTS INC.
(the Filer)

AND

IN THE MATTER OF
TRIDENT GLOBAL OPPORTUNITIES FUND
(the Fund)

ORDER

Background

The Ontario Securities Commission received an application from the Filer, on behalf of the Fund, for a decision pursuant to section 17.1 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106) exempting the Fund from:

(a) the requirement in section 2.2 of NI 81-106 that the Fund file its audited annual financial statements on or before the 90th day after its most recently completed financial year (the Filing Deadline); and

(b) the requirement in subsection 5.1(2) of NI 81-106 that the Fund deliver its audited annual financial statements to securityholders by the Filing Deadline (the Delivery Requirement).

Representations

This Order is based on the following facts represented by the Filer:

1. The Filer is a corporation subsisting under the *Business Corporations Act* (Ontario) and has its registered office at 2 Queen Street East, Twentieth Floor, Toronto, Ontario M5C 3G7.

2. The Filer is registered under the *Securities Act* (Ontario) as an advisor in the categories of investment counsel and portfolio manager, and as a limited market dealer under the *Securities Act* (Ontario) and the *Securities Act* (Newfoundland and Labrador). The Filer also is registered as a commodity trading manager under the *Commodity Futures Act* (Ontario).

3. The Fund offers its units to investors pursuant to exemptions from the prospectus requirements under applicable Canadian securities laws.

4. The Fund's investment objective is to generate superior risk adjusted long-term rates of return through investments in global securities. To achieve its investment objective, the Fund's principal investment strategy is to obtain exposure to the returns of Vardana International Ltd. (Vardana International) through one or more derivative instruments (Derivatives).

5. Vardana International is an exempted company incorporated under the laws of the Cayman Islands. Vardana International is currently a shareholder of, and invests substantially all of its assets in, Vardana Fund Ltd. (the Vardana Fund), another exempted company incorporated under the laws of the Cayman Islands. The investment objective of the Vardana Fund is to achieve superior risk-adjusted long term rates of return by investing with a top-down, macro methodology in global securities.

6. Other than cash to provide short-term liquidity or that is pending investment in Derivatives, the Fund exposes substantially all of its assets to the returns of Vardana International. The Filer expects that the Fund will continue to expose substantially all of its net assets to the returns of Vardana International until such time as Vardana International no longer represents a suitable investment for the Fund.

7. Both the Fund and Vardana International have a fiscal year-end of December 31.

8. The Filer has been advised by Vardana International that Vardana International will not have completed its 2007 audited annual financial statements until June 30, 2008 and is not required by law to complete its audited annual financial statements prior to such date. The Filer expects this timing delay in the completion and receipt of audited annual financial statements from Vardana International to occur year after year for the foreseeable future.

9. The auditor of the Fund has indicated that in order to complete its audit of the Fund, the auditor needs to confirm the completion of the audit of Vardana International so that proper assessments can be made with respect to valuations. As a

result, the Fund's auditor will not provide an audit opinion on the Fund's annual financial statements unless the auditor receives the audited annual financial statements of Vardana International.

10. Sections 2.2 and 5.1(2), together, of NI 81-106 require the Fund to file and deliver its annual audited financial statements generally by March 31 of the following year.

11. The Fund will not be able to meet the Filing Deadline and will not be able to comply with the Delivery Requirement.

12. The Filer anticipates that it will receive no complaints from securityholders of the Fund with respect to the delay in delivering the financial statements of the Fund.

13. The Fund will notify its securityholders that it has received and intends to rely on relief from the Filing Deadline and the Delivery Requirement.

14. The Fund will include a note in the offering memorandum of the Fund, if any, that it has received and intends to rely on relief from the Filing Deadline and the Delivery Requirement.

Order

The Director is satisfied that it would not be prejudicial to the public interest to grant the requested relief and orders that the Fund is exempt from the requirement to file its annual audited financial statements by the Filing Deadline and from the Delivery Requirement, provided that the audited annual financial statements are filed and delivered by June 30 of the year following the financial year for which the audited annual financial statements are prepared.

Nothing in this Order precludes the Fund from relying on the exemption contained in section 2.11 of NI 81-106 with respect to the audited financial statements for any given year provided the audited financial statements are delivered by the deadline specified above.

Vera Nunes
Assistant Manager
Investment Funds
Ontario Securities Commission

2.2.8 EcoRock Asset Management Inc. - s. 213(3)(b) of the LTCA

Headnote:

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager, with no prior track record acting as trustee, for approval to act as trustee of pooled funds and future pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption.

Statutes Cited:

Loan and Trust Corporations Act, R.S.O. 1990, c. L. 25, as am., clause 213(3)(b).

February 13, 2008

Ogilvy Renault LLP
Suite 3800
Royal Bank Plaza, South Tower
200 Bay Street
Toronto, Ontario M5J 2Z4

Attention: Kevin McPhee

Dear Sirs/Medames:

RE: EcoRock Asset Management Inc. (the "Applicant")
Application pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for approval to act as trustee
Application No. 2008/0037

Further to your application dated January 15, 2008 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of EcoRock Opportunities Fund and such other trusts as the Applicant may establish from time to time, will be held in the custody of a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction or a bank listed in Schedule I, II or III of the Bank Act (Canada) or an affiliate of such bank or trust company, the Ontario Securities Commission (the "Commission") makes the following order.

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of EcoRock Opportunities Fund and such other trusts which may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"James E. A. Turner"

"Margot C. Howard"

2.2.9 Northern Precious Metals 2008 Limited Partnership

Headnote

Exemption from the requirement to attach a copy of the limited partnership agreement to both the preliminary and final prospectus – Inclusion of the limited partnership agreement in the prospectus of the fund will not provide any additional disclosure to investors that would not already be publicly available on SEDAR – section 15.1 of Ontario Securities Commission Rule 41-501 General Prospectus Requirements and item 27.2 of Form 41-501F1 – Information Required in a Prospectus.

Applicable Legislative Provisions

Ontario Securities Commission Rule 41-501 General Prospectus Requirements, section 15.1 Form 41-501F1 Information Required in a Prospectus, Item 27.2.

VIA SEDAR

February 19th, 2008

Lavery, De Billy
Barristers & Solicitors
Suite 2400
600 De La Gauchetiere West
Montreal, Quebec H3B 4L8

Attention: Carl M. Ravinsky

Dear Sirs/Mesdames:

Re: Northern Precious Metals 2008 Limited Partnership (the "Partnership")
Exemptive Relief Application under Part 15 of OSC Rule 41-501 *General Prospectus Requirements* ("Rule 41-501")
Application No. 2008/0109, SEDAR Project No. 1210049

By letter dated February 5, 2008 (the "Application"), the Partnership applied to the Director of the Ontario Securities Commission (the "Director") pursuant to section 15.1 of Rule 41-501 for relief from the operation of item 27.2 of Form 41-501F1 which requires that an issuer attach a copy of the limited partnership agreement to both its preliminary and final prospectus.

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director intends to grant the requested exemption to be evidenced by the issuance of a receipt for the Partnership's prospectus, subject to the following conditions:

1. the final prospectus will include a summary of all material provisions of the limited partnership agreement; and
2. the final prospectus will advise investors and potential investors of the various means by which they can obtain copies of the limited partnership agreement, which will include:
   a. inspection during normal business hours at the offices of the General Partner;
   b. from SEDAR;
   c. upon written request to the General Partner; and
   d. from the website of Northern Precious Metals Funds.

Yours very truly,

"Vera Nunes"
Assistant Manager
Investment Funds Branch

2.2.10 Claymore Premium Money Market ETF - s. 1.1

Headnote:

A mutual fund designated as an exchange-traded fund for the purposes of OSC Rule 48-501.

Rules Cited

Ontario Securities Commission Rule 48-501 – Trading during Distributions, Formal Bids and Share Exchange Transactions, s. 1.1.

IN THE MATTER OF
ONTARIO SECURITIES COMMISSION RULE 48-501 – TRADING DURING DISTRIBUTIONS, FORMAL BIDS AND SHARE EXCHANGE TRANSACTIONS
(Rule)

AND

IN THE MATTER OF
CLAYMORE PREMIUM MONEY MARKET ETF
(the Fund)

DESIGNATION ORDER
Section 1.1

WHEREAS the Fund is listed on the Toronto Stock Exchange;

AND WHEREAS Market Regulation Services Inc. has designated, or intends to designate, the Fund as an Exchange-traded Fund for the purposes of the Universal Market Integrity Rules (UMIR);

AND WHEREAS the definition of "exchange-traded fund" in the Rule is substantially similar to the definition of Exchange-traded Fund in UMIR;

THE DIRECTOR HEREBY DESIGNATES the Fund as an exchange-traded fund for the purposes of the Rule.

Dated February 20, 2008

"Brigitte Geisler"
Director, Market Regulation
Ontario Securities Commission

2.2.11 Jose L. Castaneda - s. 127

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

-AND-

IN THE MATTER OF
JOSE L. CASTANEDA

ORDER
(Section 127)

WHEREAS a temporary cease trade order was issued against Jose L. Castaneda (the "Respondent") on June 7, 2005 and extended on June 20, 2005 until the hearing is concluded and a decision of the Ontario Securities Commission (the "Commission") is rendered or until the Commission considers appropriate;

AND WHEREAS on June 20, 2005, the Commission issued a Notice of Hearing (the "Notice of Hearing") accompanied by a Statement of Allegations issued by Staff of the Commission pursuant to sections 127 and 127.1 of the Securities Act, R.S.O. 1990, c. S. 5, as amended (the "Act") in respect of the Respondent with the next appearance on this matter in front of the Commission scheduled for July 22, 2005;

AND WHEREAS on July 22, 2005, the matter was adjourned to October 19, 2005 but subsequently rescheduled to October 7, 2005;

AND WHEREAS on October 7, 2005, the matter was adjourned to January 11, 2006;

AND WHEREAS on December 19, 2005, Staff of the Commission issued an Amended Statement of Allegations pursuant to sections 127 and 127.1 of the Act;

AND WHEREAS the pre-hearing conference for this matter scheduled for January 11, 2006, was adjourned with the consent of both parties to February 27, 2006, at 10:00 a.m.;

AND WHEREAS the matter was spoken to on February 27, 2006, at 10:00 a.m., at which time the Respondent requested and Staff consented to the adjournment of this matter until April 13, 2006 at 10:00 a.m., to allow counsel for the Respondent an opportunity to review the disclosure previously provided by Staff;

AND WHEREAS the matter was spoken to on April 13, 2006, at which time a hearing was scheduled for May 30, 2006, in order for the Respondent to bring an application to adjourn the section 127 and 127.1 hearing until the conclusion of the proceedings brought by the Commission against the Respondent pursuant to sections 122 of the Act;

AND WHEREAS the matter was spoken to on May 30, 2006, at which time the matter was adjourned to

July 25, 2006 in order for the Respondent to bring an application to adjourn the section 127 and 127.1 hearing until the conclusion of the section 122 proceedings;

AND WHEREAS on July 25, 2006 the matter was rescheduled to July 26, 2006;

AND WHEREAS on July 26, 2006, the matter was adjourned to December 5-7, 2006 at 10 a.m. to proceed with the section 127 and 127.1 hearing;

AND WHEREAS the Respondent was charged with two counts of fraud over $5,000 and two counts of theft over $5,000 under the Criminal Code of Canada that involve some of the same complainants as the sections 122, 127 and 127.1 proceedings under the Act;

AND WHEREAS on October 30, 2006, the Ontario Court of Justice set a trial date of May 22-24, 2007 for the Respondent in relation to the section 122 proceedings;

AND WHEREAS on November 30, 2006, the Respondent requested that the section 127 and 127.1 hearings scheduled for December 5-7, 2006 be vacated and the matter adjourned until May 28, 2007 by which time the section 122 proceedings in the Ontario Court of Justice would be complete;

AND WHEREAS on May 10, 2007, the Respondent pled guilty in the Ontario Court of Justice in relation to the section 122 proceedings;

AND WHEREAS on May 28, 2007, the matter was adjourned to September 6, 2007 to await completion of the section 122 proceedings;

AND WHEREAS on September 6, 2007, the matter was adjourned to October 26, 2007 to await completion of the section 122 proceedings and the Criminal Code proceedings;

AND WHEREAS on October 24, 2007 the Respondent was found guilty to both charges in the section 122 proceedings and a single charge of fraud over $5,000 under the Criminal Code of Canada by a judge of the Ontario Court of Justice;

AND WHEREAS on October 24, 2007 the sentencing hearing of the Respondent in the Ontario Court of Justice was adjourned until January 14, 2008;

AND WHEREAS on October 26, 2007, the matter was adjourned to January 16, 2008 to await completion of the section 122 proceedings and the Criminal Code proceedings;

AND WHEREAS on January 14, 2008 the sentencing hearing of the Respondent in the Ontario Court of Justice was adjourned until January 18, 2008;

AND WHEREAS on January 16, 2008 the matter was adjourned to February 19, 2008 to await the completion of the sentencing hearing of the Respondent in the Ontario Court of Justice;

AND WHEREAS on January 18, 2008 the sentencing hearing of the Respondent in the Ontario Court of Justice was completed;

AND WHEREAS Staff wish to adjourn the section 127 and 127.1 hearing until receipt of the written ruling of the Ontario Court of Justice and the Respondent is not opposed to this adjournment;

IT IS HEREBY ORDERED that this matter is adjourned to be spoken to on March 27, 2008 at 10:00 a.m. or on such date as directed by the Commission;

DATED at Toronto on this 20th day of February, 2008.

"Wendell S. Wigle"

"Suresh Thakrar"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Shallow Oil & Gas Inc. et al. - s. 127

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
SHALLOW OIL & GAS INC.,
ERIC O'BRIEN,
ABEL DA SILVA,
GURDIP SINGH GAHUNIA also known as MICHAEL GAHUNIA, and
ABRAHAM HERBERT GROSSMAN also known as ALLEN GROSSMAN

REASONS AND DECISION
(Section 127 of the Securities Act)

Hearing:	January 31, 2008		
Decision:	February 15, 2008		
Panel:	James E. A. Turner	-	Vice-Chair and Chair of the Panel
	David L. Knight, FCA	-	Commissioner
Counsel:	Matthew Boswell	-	For the Ontario Securities Commission
	Abraham Herbert Grossman	-	For himself

No one appeared for Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva or Gurdip Singh Gahunia

REASONS AND DECISION

I. Overview

A. Background

[1] This was a hearing before the Ontario Securities Commission (the "Commission") pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") to consider whether it is in the public interest to extend a temporary cease trade order against the respondents Shallow Oil & Gas Inc. ("Shallow Oil"), Eric O'Brien ("O'Brien"), Abel Da Silva ("Da Silva"), Gurdip Singh Gahunia, also known as Michael Gahunia ("Gahunia"), and Abraham Herbert Grossman, also known as Allen Grossman ("Grossman") (collectively the "Respondents").

[2] A Statement of Allegations has not yet been issued in this matter. On January 16, 2008, an *ex parte* temporary cease trade order (the "Temporary Order") was issued by the Commission pursuant to subsections 127(1) and (5) of the Act, which ordered:

(i) pursuant to clause 2 of subsection 127(1) of the Act that all trading in securities by Shallow Oil cease and that all trading in Shallow Oil securities shall cease;

(ii) pursuant to clause 2 of subsection 127(1) of the Act that O'Brien, Da Silva, Gahunia and Grossman cease trading in all securities; and

(iii) pursuant to subsection 127(6) of the Act that the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission.

[3] A Notice of Hearing was issued on January 18, 2008 giving notice that a hearing would be held before the Commission on January 30, 2008 to consider whether it is in the public interest for the Commission:

(i) to extend the Temporary Order pursuant to subsection 127 (8) of the Act until the conclusion of the hearing or until such further time as considered necessary by the Commission; and

(ii) to make such further orders as the Commission considers appropriate.

[4] On January 30, 2008, a hearing to extend the Temporary Order was held before Vice-Chair Turner. Only Staff of the Commission ("Staff") and Grossman, who was unrepresented, appeared at the hearing. Grossman contested the extension of the Temporary Order on a number of grounds. Since the extension of the Temporary Order was contested, the matter was adjourned to January 31, 2008 to be heard before a Panel of Commissioners.

[5] During the hearing on January 31, 2008, we received evidence from Staff and oral and written submissions from Staff and Grossman with respect to the extension of the Temporary Order. At the conclusion of the hearing, we ordered that the Temporary Order be extended to March 31, 2008 with respect to all Respondents including Grossman. At that time, we indicated that we would provide written reasons for that decision. These are our reasons for our decision in this matter.

B. The Conduct at Issue

[6] The Temporary Order relates to the conduct of the Respondents in connection with Shallow Oil, a private Ontario corporation whose sole director is O'Brien.

[7] The Temporary Order indicates that it appears that the Respondents engaged in acts that perpetrated a fraud on investors, and that constituted unregistered trading in securities, illegal distributions of securities and prohibited representations regarding securities. Specifically, the Temporary Order states that it appears that:

(i) the Respondents are not registered with the Commission in any capacity;

(ii) shares of Shallow Oil have been offered for sale and sold to members of the public, in Ontario and elsewhere in Canada, by representatives of Shallow Oil;

(iii) Shallow Oil appears to be merely a shell company with no assets;

(iv) based on information collected by Staff during their investigation in this matter it appears that O'Brien, Da Silva, Gahunia and Grossman have traded in shares of Shallow Oil or have acted in furtherance of trades in Shallow Oil;

(v) representatives of Shallow Oil have made representations about the future listing of the shares of Shallow Oil in order to effect sales in those shares contrary to section 38 of the Act;

(vi) no prospectus has been filed by Shallow Oil to qualify the distribution of Shallow Oil securities contrary to section 53 of the Act;

(vii) no exemption from the registration and prospectus requirements under the Act applies to the shares of Shallow Oil or to O'Brien, Da Silva, Gahunia and Grossman; and

(viii) false or misleading information appears to have been posted on the Shallow Oil website in furtherance of the sale of shares contrary to section 126.1 of the Act. The sale of Shallow Oil shares to the public appears to have perpetrated a fraud on the members of the public who purchased the shares.

II. Preliminary Issues

A. Grossman was Unrepresented

[8] Grossman was present at the hearing but was not represented by counsel. At the outset of the hearing, Grossman expressly requested that the hearing proceed notwithstanding that he did not have the assistance of counsel. We explained the steps of the hearing process to Grossman to ensure that he understood the process and had a fair opportunity to participate and to be heard. We cautioned Grossman that our explanations did not constitute legal advice to him.

B. The Failure of the Other Respondents to Appear

[9] No one appeared on behalf of Shallow Oil, O'Brien, Da Silva or Gahunia at the hearing.

[10] Subsection 7(1) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22 (the "SPPA") provides that a party is entitled to notice of an oral hearing; however, a tribunal may proceed in the absence of a party when that party has been given adequate notice (see also *Re Allen* (2005), 28 O.S.C.B. 8541 at para. 9).

[11] Staff served all of the Respondents with copies of the Temporary Order and the Notice of Hearing as evidenced by two affidavits of Wayne Vanderlaan ("Vanderlaan"), the lead investigator with the Commission assigned to this matter, sworn on January 24 and 29, 2008, and two affidavits of Diana Page, a litigation secretary at the Commission, both sworn on January 21, 2008. Accordingly, we found that Shallow Oil, O'Brien, Da Silva and Gahunia were given adequate notice of the hearing to extend the Temporary Order and that we could proceed in their absence.

[12] Pursuant to subsection 127(8) of the Act, the Commission may extend a temporary order for such period as it considers necessary if satisfactory information is not provided by the Respondents to the Commission within the fifteen-day period following the issuance of the order. Since Shallow Oil, O'Brien, Da Silva and Gahunia did not appear and did not provide satisfactory information to the Commission, the Temporary Order was extended against them until March 31, 2008, based on Staff's evidence.

III. The Issue

[13] Therefore, the sole issue to be determined was whether the Temporary Order should be extended against Grossman.

III. Evidence and Submissions

A. Staff

[14] Staff provided affidavit evidence to support their request that we extend the Temporary Order against Grossman. Specifically, Staff tendered two affidavits from Vanderlaan:

(i) an affidavit sworn January 18, 2008, accompanied by 19 exhibits; and

(ii) an affidavit sworn January 28, 2008.

[15] Staff informed us that the evidence gathered to date shows telephone solicitations and sales of shares by Shallow Oil to investors in several Canadian provinces. In particular, Staff stated that investors were told that Shallow Oil shares would be listed on a stock exchange in the near future and the value of the shares would then significantly increase. It also appears from this evidence that Shallow Oil was actively soliciting investors across Canada and that telephone sales representatives of Shallow Oil were receiving commissions for their sales of shares that were 25% of the amount invested by each investor.

[16] With respect to Shallow Oil's website, Staff's investigation so far has revealed that the office location listed on the website is a "virtual office", maintained by Regus Business Centre, and the registered address of Shallow Oil is the residential address of a woman who claims to have no knowledge of the company. Staff's investigation has also revealed that a significant portion of the Shallow Oil website is copied from the website of an American company.

[17] It is Staff's position that the evidence gathered to date is sufficient to justify the extension of the Temporary Order. Staff submitted that the extension of the Temporary Order is necessary to aid Staff in continuing its investigation and that during the course of Staff's investigation it is necessary to protect investors by preventing the Respondents from continuing their conduct, which conduct, in Staff's view, is contrary to the public interest.

B. Grossman

[18] Grossman chose not to submit evidence by affidavit and did not testify on his own behalf. Grossman, however, did elect to cross-examine Vanderlaan on the veracity of his affidavits. Grossman also submitted to us a document entitled "Evidence Brief of Allen Grossman", which we reviewed. The material in that document was not treated by us as evidence and we note that Staff did not have an opportunity to cross-examine Grossman with respect to that document.

[19] During his cross-examination of Vanderlaan, Grossman raised the issue of hearsay. In particular, Grossman took issue with Vanderlaan's affidavit of January 18, 2008, which referred to investors and their views, knowledge and experience with Shallow Oil. Grossman pointed out that the investors were not present to testify on their own behalf and that transcripts of the interviews with the investors were not made available by Staff to Grossman prior to the hearing.

[20] Grossman made oral and written submissions on his own behalf. While not formally submitting evidence, Grossman argued that he was only a consultant to Shallow Oil, was permitted temporary use of an office at Shallow Oil in that capacity and that there was no evidence whatsoever that he had participated in any sales of securities. Grossman took the position that Staff did not provide sufficient evidence to link him to the securities-related activities of Shallow Oil and to extend the Temporary Order against him. Grossman requested, among other things, that the Commission remove his name from documents on the Commission website with respect to Shallow Oil and compensate him financially.

[21] Grossman stated that this matter is a "malicious prosecution levied against him, abuse of power by [Staff] in bringing this matter forth with no supporting evidence and as a result [Staff has] clearly violated [Grossman's] Charter rights in numerous and various areas". Grossman also made statements alleging bias on the part of the Commission.

IV. Analysis

A. Hearsay

[22] Subsection 15(1) of the SPPA provides that hearsay evidence may be admissible in proceedings before administrative tribunals. As noted in *Re Cornwall* (2007), 30 O.S.C.B. 10063 at para. 45, subsection 15(1) of the SPPA applies to Commission hearings:

> Subsection 15(1) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22 governs the admission of evidence in proceedings before the Commission. It provides that the Panel may admit any relevant oral testimony, document or other thing as evidence at a hearing "whether or not [it would have been] admissible as evidence in a court." This permits the Panel to admit hearsay evidence, subject to considerations of relevance and reliability.

[23] We concluded that Staff's hearsay evidence in this matter is admissible. This is an interlocutory matter at an early stage of the proceeding. A temporary cease trade order is an important legal mechanism that the Commission uses to protect investors where it has identified circumstances that give rise to serious concerns that breaches of the Act may have occurred. Staff's investigation has just recently commenced and is still ongoing, and Staff is in the process of interviewing and working with investors to gather information. At such an early stage in the proceeding, it is obvious that Staff is not yet in a position to prove its case. In the circumstances, we are prepared to admit and rely on Staff's affidavit evidence although, in doing so, we are sensitive not to give such evidence undue weight.

[24] During cross-examination, Vanderlaan noted that disclosure of the interview transcripts of investors was not made because such transcripts were not available at the time Staff provided their written submissions and materials to the Respondents and the Commission; however, a copy of the transcripts did become available the day before the hearing and they could be made available if the Panel considered this necessary. In our view, copies of these transcripts were not necessary for us to determine this matter. Vanderlaan is an experienced investigator, his knowledge of the investigation and his conversations with investors are relevant to this matter, and his sworn affidavit is sufficiently credible for us to rely on it.

B. The Commission's Power to Issue a Temporary Order

[25] Subsection 127(1) of the Act authorizes the Commission to make one or more of the orders set out therein "if in its opinion it is in the public interest", provided a hearing is held pursuant to subsection 127(4). Clause 2 of subsection 127(1) of the Act provides for an order that "trading in any securities by or of a person or company cease permanently or for such period as is specified in the order".

[26] Despite the requirement to hold a hearing as provided in subsection 127(4) of the Act, the Commission may, pursuant to subsection 127(5), make a temporary order where in its opinion, "the length of time required to conclude a hearing could be prejudicial to the public interest". According to subsection 127(6), the temporary order takes "effect immediately and expires on the fifteenth day after its making unless it is extended by the Commission".

[27] Subsection 127(7) of the Act authorizes the Commission to extend a temporary order "until the hearing is concluded if a hearing is commenced within the fifteen day period."

[28] Notwithstanding subsection 127(7), subsection 127(8) provides that in the case of a cease trade order made under clause 2 of subsection 127(1), "The Commission may extend a temporary order for such period as it considers necessary if satisfactory information is not provided to the Commission within the fifteen-day period."

[29] The Commission's mandate, which is set out in section 1.1 of the Act, is:

(a) to provide protection to investors from unfair, improper or fraudulent practices; and

(b) to foster fair and efficient capital markets and confidence in capital markets.

[30] The Supreme Court of Canada has recognized that the "primary goal of securities legislation is the protection of the investing public" and the Commission is accorded "a very broad discretion to determine what is in the public interest" in achieving this goal (*Pezim v. British Columbia (Superintendent of Brokers)* (1994), 114 D.L.R. (4th) 385 (S.C.C.) at pp. 406, 408). This broad discretion allows the Commission to intervene even where there is no specific breach of the Act (*Re Canadian Tire Corp.* (1987), 10 O.S.C.B. 857 at 931).

[31] Further, in *Committee for the Equal Treatment of Asbestos Minority Shareholders v. The Queen in right of Quebec et al.*, [2001] 2 S.C.R. 132, the Supreme Court of Canada noted that the legislature clearly intended the Commission to have a very wide discretion in exercising its powers pursuant to subsection 127(1), stating that the "permissive language of s. 127(1) expresses an intent to leave it for the OSC to determine whether and how to intervene in a particular case" (at para. 39).

[32] In *Re Canadian Tire Corp.*, supra at 931, the Commission recognized that the dynamism and innovation of capital markets can, and does, lead to abuse. Accordingly, a "regulatory agency charged with oversight of the capital markets must have the capacity to move quickly to stop transactions which it considers to be injurious to the capital markets".

[33] The authority of the Commission to issue and extend temporary cease trade orders is directly related to its goal of protecting investors. It is essential that the Commission be able to act quickly, at an early stage of an investigation, to protect investors from ongoing harm. In doing so, the Commission must consider the public interest in the particular circumstances. We recognize that issuing a cease trade order is an extraordinary remedy and one which should not be exercised lightly. Where, however, there is credible evidence of harm to investors, the Commission must be able to act to prevent further harm. In our view, it is clear as a legal matter that a temporary cease trade order may be extended based on sufficient evidence of conduct that may be harmful to the public interest (see *Re Watson et al.* (2008), 31 O.S.C.B. 705).

C. The Evidentiary Basis for Extending a Temporary Order

[34] Subsection 127(8) of the Act authorizes an extension of a temporary cease trade order where "satisfactory information is not provided to the Commission". We agree that in determining whether satisfactory information has been submitted, we must consider the apparent strength of the evidence put forward by Staff as well as any evidence put forward by the Respondent. As stated in *Re Valentine* (2002), 25 O.S.C.B. 5329 at 5331:

> In exercising its regulatory authority, the Commission should consider all of the facts including, as part of its sufficiency consideration, the seriousness of the allegations and the evidence supporting them. The Commission should also consider any explanations or evidence that may contradict such evidence. This will allow it to weigh the threat to the public interest against the potential consequences of the order.

[35] In *Re Rodney Gold Mines Ltd.* (1972), 7 O.S.C.B. 159 (S.C.), the Court considered the predecessor to subsection 127(8) of the Act and held that there is a reverse onus on the party against whom a temporary cease trade order is made to provide the Commission with information to show cause as to why a temporary order should not be made permanent. As stated at page 160 of *Re Rodney Gold Mines Ltd.*:

> We are of the opinion that the words "where satisfactory information is not provided to the Commission within the fifteen day period" places a burden on the party against whom the order is made to provide the Commission with information.

[36] Accordingly, where Staff has provided credible evidence of conduct that may be harmful to the public interest, the onus is then on the respondent to provide the Commission with satisfactory information that the temporary cease trade order should not be extended. Absent satisfactory information from the respondent, the Commission is justified in extending a temporary cease trade order.

D. There is Sufficient Evidence to Extend the Temporary Order against Grossman

[37] In determining this matter, we have considered the public interest as well as fairness to Grossman. Fairness requires that a respondent have the right to know the case which is being made against him, the right to submit contrary or explanatory evidence or information and the right to make argument and submissions. Grossman was given these opportunities. On the critical question of whether there is contrary evidence or information that explains his involvement with Shallow Oil, Grossman elected not to submit affidavit evidence or to testify. As a result, the only evidence before us is the uncontroverted evidence of Staff. During the course of the hearing, we explained the hearing process to Grossman and gave him the opportunity to put his case before the Commission. Grossman did make submissions and he did cross-examine Vanderlaan. However, Grossman elected not to give or tender evidence.

[38] In *Re Mithras Management Inc.* (1990), 13 O.S.C.B. 1600 at 1610, the Commission emphasized the nature of the role of the Commission in protecting the public interest:

> […] the role of this Commission is to protect the public interest by removing from the capital markets – wholly or partially, permanently or temporarily, as the circumstances may warrant – those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts, particularly under section 118 [now 122] of the Act. We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient. In so doing we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be; we are not prescient after all. And in so doing, we may well conclude that a person's past conduct has been so abusive of the capital markets as to warrant our apprehension and intervention, even if no particular breach of the Act has been made out.

[39] This matter appears to involve potentially very serious conduct by Shallow Oil, O'Brien, Da Silva, Gahunia and Grossman, which appears to contravene key provisions of the Act intended to protect investors. We have affidavits stating that an investigation into this matter has revealed sales of securities without registration, without a prospectus being filed and without appropriate exemptions from the registration and prospectus requirements under the Act. Further, it appears that prohibited representations have been made to investors to effect trades in securities.

[40] Vanderlaan testified that Grossman was found occupying an office on the premises of Shallow Oil. Vanderlaan testified that inquiries of employees of Shallow Oil during the onsite investigation, as well as subsequent interviews with four employees, indicated that Grossman was "in charge" of the office from which sales of Shallow Oil shares took place and that Grossman was the individual responsible for the hiring and the day-to-day running of the business. In our view, there is sufficient credible evidence to link Grossman to Shallow Oil and its allegedly illegal activities.

[41] Although Grossman challenged the weight and adequacy of Staff's evidence, the onus is on him to provide the Commission with satisfactory information as contemplated by subsection 127(8) of the Act. Grossman has not provided any such information, and he has accordingly failed to discharge the onus upon him. We are therefore of the view that the Temporary Order should be extended against Grossman, in addition to the other Respondents, until March 31, 2008.

[42] Grossman made numerous oral allegations that Staff's actions in this matter constitute malicious prosecution, abuse of power and bias, and have breached his Charter rights. These are serious allegations. However, there does not appear to us to be any credible grounds for those allegations. Staff appears to us to be acting in good faith with a view to the protection of the interests of investors. Accordingly, we deny Grossman's various requests for relief, including his request for financial compensation. These reasons in no way preclude Grossman from raising these issues before the Commission in the future, whether by motion or at the commencement of any future hearing in this matter. At this early stage of the investigation, however, we do not believe that these sorts of unsubstantiated allegations should form the basis for refusing to extend the Temporary Order to protect the interests of investors.

V. Conclusion

[43] For the reasons stated above, in our view, the public interest is best served by extending the Temporary Order against all the Respondents, including Grossman, until March 31, 2008 or until further order of the Commission. If Grossman has any information that he wishes to tender to Staff and the Commission to demonstrate that the Temporary Order should not be extended after March 31, 2008, he will have ample opportunity to do so.

Dated at Toronto on this 15th day of February, 2008.

"James E. A. Turner"

"David L. Knight"

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Gray Wolf Capital Corporation	31 Jan 08	12 Feb 08	12 Feb 08	
Franchise Services of North America Inc.	07 Feb 08	19 Feb 08	19 Feb 08	

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Cenit Corporation	31 Jan 08	13 Feb 08		14 Feb 08	
SunOpta	20 Feb 08	04 Mar 08			
Mad Catz Interactive, Inc.	15 Feb 08	28 Feb 08			

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
AldeaVision Solutions Inc.	03 May 07	16 May 07	16 May 07		
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
CoolBrands International Inc.	30 Nov 06	13 Dec 06	13 Dec 06		
Fareport Capital Inc.	13 Jul 07	26 Jul 07	26 Jul 07		
Hip Interactive Corp.	04 Jul 05	15 Jul 05	15 Jul 05		
HMZ Metals Inc.	03 Apr 06	14 Apr 06	17 Apr 06		
Peace Arch Entertainment Group Inc.	13 Dec 07	24 Dec 07	24 Dec 07		

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Chapter 6

Request for Comments

6.1.1 CSA Notice and Request for Comments - Proposed Repeal and Substitution of Form 51-102F6 Statement of Executive Compensation and Consequential Amendments

NOTICE AND REQUEST FOR COMMENT

PROPOSED REPEAL AND SUBSTITUTION OF FORM 51-102F6
STATEMENT OF EXECUTIVE COMPENSATION

AND

CONSEQUENTIAL AMENDMENTS

We, the Canadian Securities Administrators (CSA), are publishing for a 60-day comment period the following materials:

A. Proposed repeal and substitution (the Proposed Form) of Form 51-102F6 *Statement of Executive Compensation* (Form 51-102F6);

B. Proposed consequential amendments (the Proposed Amendments, and together with the Proposed Form, the 2008 Proposal) to National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) and Form 51-102F5 *Information Circular* (Form 51-102F5) of NI 51-102.

We invite general comment on the 2008 Proposal.

We are publishing the text of the Proposed Form and the Proposed Amendments concurrently with this notice. The Proposed Form is in Appendix C of this notice and the Proposed Amendments are in Appendix D of this notice. You can also obtain this notice from the websites of CSA members.

A. THE 2008 PROPOSAL

1. Purpose

The 2008 Proposal is a republication reflecting comments to the previously proposed repeal and substitution of Form 51-102F6 and proposed consequential amendments to NI 51-102 that we originally published for comment on March 29, 2007 (the 2007 Proposal). A summary of changes to the Proposed Form and the Proposed Amendments from the versions published with the 2007 Proposal is in Appendix B of this notice.

The 2008 Proposal is an initiative of all members of the CSA to repeal and substitute the current Form 51-102F6. Since we introduced the current requirements for executive compensation disclosure in 1994, compensation practices have evolved and become increasingly complex. Under the existing requirements, investors are provided with fragmented compensation information, which makes it difficult for them to asses the total compensation paid to executive officers. The purpose of the 2008 Proposal is to improve the quality of executive compensation disclosure. Improved disclosure will result in better communication of what the board of directors intended to pay or award certain executive officers or directors and will allow users to assess how decisions about executive compensation are made. It will also provide insight into a key aspect of a company's overall stewardship and governance.

The 2008 Proposal will require companies to disclose all compensation awarded to certain executive officers and directors and to provide this disclosure in a new format. Our intention is to create a document that will present executive compensation information in a consistent, meaningful way, and that will continue to provide a suitable framework for disclosure as compensation practices change over time.

2. Publishing jurisdictions

The 2008 Proposal is an initiative of the securities regulatory authority in each jurisdiction in Canada. If adopted, the Proposed Form and the Proposed Amendments are expected to be adopted as:

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

3. Background

On March 29, 2007, we published for comment the 2007 Proposal. Part A of the 2007 Proposal related to the proposed repeal and substitution of Form 51-102F6. Part B of the 2007 Proposal related to certain other amendments to the continuous disclosure obligations in NI 51-102 and to Forms 51-102F2 *Annual Information Form* (Form 51-102F2) and Form 51-102F5, including a version of the Proposed Amendments. The comment period expired on June 30, 2007. We received and reviewed 41 comment letters.

On August 31, 2007, we published CSA Notice 51-325 *Status of Proposed Repeal and Substitution of Form 51-102F6 Statement of Executive Compensation* updating market participants on the status of our review of executive compensation disclosure requirements. After extensive review and consideration of the comments received regarding the 2007 Proposal, we decided to republish for comment and delay implementation.

On October 12, 2007, the CSA published a Notice of Amendments to NI 51-102 and other related instruments (the October Notice). Appendix B to the October Notice contains a summary of the comments made by 15 of the 41 commenters to the extent that these comments related to Part B of the 2007 Proposal, other than the version of the Proposed Amendments published with the 2007 Proposal.

Since our 2007 Proposal, we have continued to focus on ways to improve the Proposed Form and have made changes to increase its value in providing meaningful disclosure on executive compensation by companies. In drafting our 2008 Proposal, we have considered the comments received.

As well, during our review period, the staff of the U.S. Securities and Exchange Commission (the SEC) published on October 9, 2007, a report discussing the principal themes that emerged from its initial reviews of the disclosure of 350 public companies for compliance with the new SEC rules for executive compensation and related person disclosure that came into effect in 2007. Two principal themes emerged from these reviews. First, SEC staff expected companies to provide more focused disclosure through more detailed analysis of the how and why of specific executive compensation decisions. Second, SEC staff focused on the manner of presentation – in particular, using plain language and organizing tabular and graphical information – to provide more direct, specific, clear and understandable executive compensation disclosure.

Though we considered these SEC staff observations about the reviews of executive compensation disclosure, we departed from the U.S. approach in several instances in response to the comments we received on our 2007 Proposal.

B. ANTICIPATED COSTS AND BENEFITS

When proposing rule amendments, we must consider our mandate of promoting fair and efficient markets while protecting investors. To fulfill this mandate, we must consider the costs of new regulation imposed on issuers and whether those costs are justified by the likely outcomes.

The anticipated costs and benefits of implementing the 2008 Proposal were previously outlined in a paper which was published with the 2007 Proposal on March 29, 2007. Compared to the 2007 Proposal, the changes in the 2008 Proposal do not impose any significant additional requirements upon companies. As a result, we believe that the benefits of the 2008 Proposal continue to outweigh the costs.

As explained in more detail in Appendix B of this notice, we have departed from the 2007 Proposal of including in the Summary Compensation Table (SCT) the value of equity awards derived using the accounting method. Instead we propose requiring compensation disclosure using the grant date fair value in this table. We believe that disclosing grant date fair value of equity awards in the SCT will better allow investors to assess the compensation decisions that are made in any given year. In keeping with a principle-based approach, our 2008 Proposal allows companies some flexibility in valuing these awards, thus limiting the potential costs to the company of obtaining valuations. Also, this requirement does not impose any additional cost to companies because the grant date fair value is the starting point in determining accounting expense.

In response to the comments received, we have also modified the measure used in the SCT to capture pensions. We now propose requiring disclosure of just compensatory amounts rather than the change in actuarial value, which includes both

compensatory and non-compensatory amounts. Disclosure in the pension column of the SCT will include both defined benefit and defined contribution plans. The changes to the retirement plan benefits provisions of the 2008 Proposal result in a continuity schedule for both defined benefit and defined contribution plans. These tables are easier to understand and follow emerging best practices from leading companies in Canada. These changes will better focus on the elements related to the actual compensation decisions in the area of pension benefits disclosure. The information required in these tables are typically calculated by companies and should not impose an additional cost to prepare.

C. UNPUBLISHED MATERIALS

In proposing the 2008 Proposal, we have not relied on any significant unpublished study, report or other written materials.

D. PROPOSED EFFECTIVE DATE

The proposed effective date for the 2008 Proposal is December 31, 2008.

E. AUTHORITY FOR AMENDMENTS - ONTARIO

The following provisions of the *Securities Act* (Ontario) (the Act) provide the Ontario Securities Commission (the OSC) with authority to adopt the 2008 Proposal.

- Paragraph 143(1)22 authorizes the OSC to make rules prescribing requirements in respect of the preparation and dissemination by reporting issuers of documents providing for continuous disclosure that are in addition to the requirements under the Act, including requirements in respect of an annual report, an annual information form and supplemental analysis of financial statements.

- Paragraph 143(1)23 authorizes the OSC to exempt reporting issuers from any requirement of Part XVIII (Continuous Disclosure) of the Act.

- Paragraph 143(1)24 authorizes the OSC to require issuers to comply with Part XVIII of the Act relating to continuous disclosure or to rules made under Paragraph 143(1) 22.

- Paragraph 143(1)39 authorizes the OSC to make rules requiring or respecting the media, format, preparation, form, content, execution, certification, dissemination and other use, filing and review of all documents required under or governed by the Act, the regulations or the rules and all documents determined by the regulations or the rules to be ancillary to the documents, including proxies and information circulars.

F. SUMMARY OF WRITTEN COMMENTS ON THE 2007 PROPOSAL

We published the 2007 Proposal on March 29, 2007 for a 90-day comment period.

The comment period expired on June 30, 2007 and we received submissions from 41 commenters who are listed in Appendix A of this notice. Of the 41 commenters that responded

- 38 addressed issues pertaining to Part A of the 2007 Proposal (executive compensation) and certain aspects of Part B of the 2007 Proposal (report of voting results, definition of venture issuer and disclosure of cease trade orders)

- 3 limited their comments to one aspect of Part B of the 2007 Proposal (the proposed change to the definition of venture issuer).

A summary of these comments, together with our responses, are contained in Appendix A of this notice.

G. REQUEST FOR COMMENTS ON 2008 PROPOSAL

We request your comments on the 2008 Proposal. Please provide your comments by April 22, 2008. **Due to timing concerns, we will not consider comments received after the deadline.** Address your submissions to all of the CSA member commissions.

Please deliver your comments to the addresses below. Your comments will be distributed to the other participating CSA members.

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8
Fax: (416) 593-2318
E-mail: jstevenson@osc.gov.on.ca

Anne-Marie Beaudoin, Corporate Secretary
Autorité des marchés financiers
Tour de la Bourse
800, square Victoria
C.P. 246, 22e étage
Montréal, Québec, H4Z 1G3
Fax: (514) 864-6381
E-mail: consultation-en-cours@lautorite.qc.ca

If you do not submit your comments by e-mail, provide a diskette containing the submissions in MS Word format.

We cannot keep submissions confidential because securities legislation in certain provinces requires that a summary of the written comments received during the comment period be published.

H. QUESTIONS

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

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

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February 22, 2008

APPENDIX A

Summary of Public Comments and CSA Responses
On Proposed Repeal and Substitution of Form 51-102F6 *Statement of Executive Compensation*

Background

On March 29, 2007, the CSA published a Notice and Request for Comment (the **March Notice**). Part A related to the rules requiring disclosure of executive compensation. Specifically, substituting a new Form 51-102F6 *Statement of Executive Compensation* for the old form which we would then repeal. Part B related to certain other amendments to the continuous disclosure obligations in National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) and to Forms 51-102F2 *Annual Information Form* and Form 51-102 F5 *Information Circular*.

The comment period expired on June 30, 2007 and we received submissions from 41 commenters who are listed in the next section. We have considered the comments received in response to the March Notice and wish to thank all those who took the time to comment. Of the 41 commenters that responded

- 38 addressed issues pertaining to Part A of the March Notice (executive compensation) and certain aspects of Part B of the March Notice (report of voting results, definition of venture issuer and disclosure of cease trade orders)

- 3 limited their comments to one aspect of Part B of the March Notice (the proposed change to the definition of venture issuer).

On October 12, 2007, the CSA published a Notice of Amendments to NI 51-102 and other related instruments (the **October Notice**). Appendix B to the October Notice contains a summary of the comments made by 15 of the 41 commenters to the extent that these comments related to Part B of the March Notice.

The following table contains a summary of comments made by 38 of the 41 commenters to the extent that these comments related to the executive compensation form. In addition, we have included a number of miscellaneous comments in the table. We have organized the table so that it follows the format of the proposed executive compensation form and is divided into nine parts or items as they are called in the proposed form (the **Proposed Form**) being republished for comment with the notice. The table includes a summary of the comments we received (middle column) and our responses to those comments (right column). This summary is derived from both answers to questions that we asked and general comments provided by commenters. In items 1.1 through 1.11, we have summarized the notable comments that we received. In items 10.1 through 10.5, we have summarized the general comments that we received.

List of Commenters

407 International Inc*
Astral Media Inc.
Blake, Cassels & Graydon LLP
Bombardier
British Columbia Investment Management
Canada Pension Plan Investment
Canadian Bankers Association
Canadian Coalition for Good Governance
Canadian National Railroad Company
Canadian Oil Sands
Credit Union Central of British Columbia*
Deloitte & Touche LLP
Enbridge Inc.
Enersource Corporation*
The Ethical Funds
Don Hathaway
Hermes Equity Ownership Services Limited
Hugessen Consulting Inc.
Imperial Oil Limited
Institutional Shareholders Services Canada Corp.
Manulife Financial
Mercer Human Resource
Metro Inc.
Nexen
Ogilvy Renault
Ontario Bar Association
Ontario Teachers Pension Plan
Osler Hoskin & Harcourt LLP
Pension Investment Association of Canada
Joan Reekie
Shareholders Association for Research and Education
Fred W.T. Somerville
Stikeman Elliott LLP
Sun Life Financial
Talisman Energy Inc.
Torstar Corporation
Towers Perrin
TransCanada PipeLines Ltd.
Watson Wyatt Worldwide
Winpak
WorldatWork

* These comments relate only to the definition of venture issuer.

Summary of Comments Table

Item	Summary of comments	CSA response
NOTABLE COMMENTS		
1.1	**Improving quality and transparency of disclosure** Twenty-five commenters support the general purpose of improving the quality and transparency of executive compensation disclosure and believe that the proposed form contributes to realizing these purposes. However, two commenters noted that additional transparency of executive compensation could create an unintended "ratcheting-up" of compensation levels.	We acknowledge these comments. We believe that any potential adverse effects that may arise from the requirement to disclose additional information about executive compensation are outweighed by the benefit of having this important information available to investors.
1.2	**Harmonizing with SEC rules** One commenter supports harmonizing with the SEC rules. Ten commenters recognize the merits of harmonization but support deviations where appropriate. Five commenters do not support harmonizing because it will reduce the likelihood of developing effective disclosure in Canada.	Our goal is to develop effective disclosure rules in Canada. Though we have generally harmonized with the SEC requirements, we have departed from them where appropriate. For example, the Proposed Form requires a company to: • disclose share awards and option awards using grant date fair value rather than the accounting method; and • only include compensatory amounts in calculating pension values.
1.3	**Equity valuation methodology: concerns** Six commenters express general support for the changes to the proposed form but are concerned with the requirement in the proposed form that issuers disclose the accounting value of equity awards granted to NEOs. They recommend that we require issuers to disclose the fair value at the date of grant of any equity awards. In response to question 10, twenty-four commenters support disclosing fair value at grant date of equity awards.	We agree with these comments and have revised the Proposed Form to require companies to disclose the grant date compensation fair value of share awards and option awards given to NEOs. For a more detailed discussion see our responses in items 2.1, 3.1 and 4.23, below.
1.4	**Principle-based regulation** Four commenters support the use of principles-based regulation rather than rule based regulation. One commenter recommends that we replace the phrase "typically would include" to "depending on the circumstances, may include." The commenter feels that this would make the proposed form less prescriptive in nature and more in keeping with principles-based regulation.	We acknowledge these comments. We believe that the Proposed Form does not require companies to disclose information relating to compensation structures and other matters that do not apply to them. We believe that the Proposed Form achieves our goal of developing a principles-based approach.

Item	Summary of comments	CSA response
1.5	**Capture emerging best practices** One commenter is encouraged that many large issuers have improved their disclosure beyond what is required by the current form and, in some cases, beyond what is required by the proposed form. Four commenters believe that some of the proposed changes fall short of emerging best practices voluntarily assumed by large issuers or the Canadian environment. One commenter fears that the proposed form does not provide investors with the most meaningful and easily understandable information or balance the value of the information to the time required to consolidate and disclose it.	In drafting the Proposed Form we tried to strike an appropriate balance between full disclosure of compensation information and our desire not to burden companies with unduly onerous disclosure obligations. As a result of comments that we received, we have, in certain areas, enhanced our requirements to reflect practices that have developed in Canada. Note that companies must comply with the requirements of the Proposed Form subject to the objective set out in section 1.1 of the Proposed Form. Disclosure not specifically required by an Item in the Proposed Form may, nevertheless, be required to be disclosed if such disclosure is necessary to satisfy this objective. In addition, even if disclosure is not necessary to satisfy this objective, we encourage companies to voluntarily disclose any additional information that will help readers better understand their compensation policies.
1.6	**Fragmented disclosure** One commenter notes that recent CSA initiatives have resulted in a hodgepodge of disclosure in various documents with no apparent link between the various initiatives or between the resulting disclosures. The commenter believes that the CSA should rationalize its continuous disclosure requirements and articulate a strategy that results in appropriately linked disclosure being presented in appropriate documents. As such, the commenter believes it may be time for the CSA to consider requiring all issuers to file an annual information form or adopt a filing structure similar to that in the United States.	Rationalizing all of the continuous disclosure requirements is beyond the scope of our proposal to repeal and substitute Form 51-102F6 *Statement of Executive Compensation*.
1.7	**Reopening of proposed form for comment** Three commenters suggest after two years of disclosure under the new rules for the disclosure of performance targets, the issue should be reopened for comment with a view to narrow the competitive harm exemption and one commenter suggests this issue along with results from CD reviews should be reopened for comment. One commenter suggest that five years is a reasonable time frame to review disclosure requirements. Two commenters suggest the disclosure required by the proposed form, if adopted, should be subject to targeted continuous disclosure reviews. One commenter suggests recommendations made by regulators to issuers as part of the ongoing CD review process could be made available to other issuers for guidance. The CSA should conduct CD reviews in the first year and the priority should be the sector of the market where the enhanced executive disclosure has the potential to truly make a difference.	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 consider proposing amendments to address any substantive issues that arise as a result of this monitoring process. In considering when to conduct targeted continuous disclosure review of requirements established through rules we need to assess the other initiatives that we have undertaken and assess which initiative should be given priority. Consequently, we do not review disclosure requirements on a pre-determined schedule. Note, however, that 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 disclose the results of individual reviews, we may publish additional guidance in the form of a staff notice if we find

Item	Summary of comments	CSA response
		recurring deficiencies or themes in the disclosure that we believe will be of interest to other companies.
1.8	**Actuarial changes to pension plan values in the Summary Compensation Table (SCT)** One commenter believes the inclusion of service cost (rather than actuarial value) of an NEO's pension plan in the SCT would provide more useful disclosure on compensation awards and allow for more meaningful comparisons between compensation disclosures provided by different issuers. One commenter recommends that disclosure should include the aggregate annual service cost and aggregate actuarial value of all Supplemental Executive Retirement Pension (SERP) arrangements.	See our response in item 4.24, below.
1.9	**Complexity of proposed form** Six commenters are concerned that certain sections of the proposed form are too complex for shareholders to understand.	We acknowledge that some aspects of executive compensation disclosure as required by the Proposed Form involve complex concepts that may be difficult for some shareholders to understand. However, their mere complexity does not outweigh the benefit of having this important information available to investors. We note that some of the requirements of the Proposed Form attempt to address these concerns. For example, the disclosure of a total compensation number in the summary compensation table (SCT) and the requirement to prepare compensation discussion and analysis (CD&A) are meant to facilitate the objective of communicating what the board of directors intended to pay or award certain executive officers and directors for the financial year.
1.10	**Timing** Five commenters commented on the proposed timeline for implementation. The details are captured in question 26.	See our response in item 10.5, below.
1.11	**Other comments** One commenter is concerned that moving the share performance graph to the Compensation disclosure and analysis and requiring comparison to executive compensation gives too much prominence to only one measure of success. One commenter recommends that discussion of performance targets in the CD&A should include disclosure of the use of comparator companies in benchmarks and include the name of those companies. One commenter recommends that executive compensation disclosure be in plain English in order to be as clear as possible to shareholders.	See our response in item 3.15, below. See our response in item 3.2, below. Section 5.1 of the Companion Policy to NI 51-102 recommends that plain language principles be used when preparing disclosure. This recommendation applies to the preparation of the Proposed Form.

Item	Summary of comments	CSA response
	One commenter believes companies should be encouraged to disclose their equity ownership guidelines for executives and directors.	See our response in item 3.6, below.
ITEM 1 – GENERAL PROVISIONS (March Notice version of Proposed Form)		
Section 1.1 Purpose (March Notice version of Proposed Form)		
Question 1: Will the proposed executive compensation form clearly capture all forms of compensation? Have we achieved our objective in drafting a document that will capture disclosure of compensation practices as they change over time?		
2.1	**Capture all forms of compensation** Eleven commenters believe that the proposed language captures all forms of compensation. Of these eleven commenters, two made the following specific comments. • Setting out general requirements rather than specific requirements will lead to better disclosure as compensation practices change over time. • Providing a general explanation at the beginning of the form setting out the objective of the form and how each of the sections of the form provides information necessary to achieve that objective will increase the useful life of the form even if compensation models change over time. Thirteen commenters do not believe that the proposed language captures all forms of compensation. They noted that: • The proposed presentation of stock and option awards based on the accounting value is not appropriate. Valuation of stock-based pay based on accounting value may not reflect the pay as determined by the compensation committee. • The pension value reported in the SCT will not provide meaningful information to investors as it is based on change in actuarial value and inappropriately distinguishes between defined benefit and defined contribution plans. • The disclosure of compensation objectives for new reporting issuers is insufficient. • Deferred compensation is not adequately captured. • Some of the requirements for disclosure overlap, leaving the impression that the executive is	We agree that stating the objectives for executive compensation disclosure enhances the utility of the form. Stating the objectives is also consistent with a principles-based approach. Accordingly, we have revised section 1.1 of the Proposed Form to do so. We have also decided to make two fundamental changes to the required disclosure. We propose • departing from the March Notice of including in the SCT the value of share awards and option awards derived using the accounting method. Instead we propose including the grant date compensation fair value in this table. See our response in item 3.1, below. • departing from the March Notice of including in the SCT the change in the actuarial value of the pension plan as this combines compensatory and non-compensatory values. Instead, we propose including only compensatory values in the pension column but for both defined benefit and defined contribution plans. See our response in item 4.23, below. While we acknowledge the other comments that the Proposed Form does not capture all forms of compensation, we generally decided against adding specific requirements to capture such other forms of compensation. Consistent with our principles-based approach, we note that executive compensation disclosure is the responsibility of companies and that companies must make that disclosure with the objective of communicating what the board of directors intended to pay or award certain executive officers and directors for the financial year. Even if a form of compensation is not explicitly identified in the Proposed Form, a company must consider whether disclosure is, nevertheless, required because the failure to do so would be contrary to this objective.

Item	Summary of comments	CSA response
	receiving more compensation than was actually awarded. Additionally, assigning a dollar value to all forms of compensation is misleading as it may not reflect the value ultimately received by the executive. • While all forms of compensation are likely to be captured, they may not be captured clearly and consistently. • It is unclear to what extent performance metrics on which variable pay is based remain undisclosed for "competitive" reasons. • There may be issues related to the determination of perquisites as it is left to management's analysis to determine if an item is a perquisite.	
Section 1.3 Definitions (March Notice version of Proposed Form)		
2.2	**Closing market price** One commenter asks us to consider whether "marketplace" can be substituted for "market" in the definition of "closing market price." The commenter notes that National Instrument 51-102 provides a definition of "marketplace." The commenter also notes that the definition of "closing market price" is based on the issuer's "principal Canadian market". The commenter wonders whether the definition should also contemplate situations where there is no "Canadian market" for the securities of the issuer in question.	We agree with the comments and have revised the definition of "closing market price" in section 1.3 of the Proposed Form.
2.3	**Company** One commenter notes that it may be preferable to use the term "issuer" (which has an appropriate meaning for this purpose without the need for a definition in the proposed form) as opposed to the term "company" which could be misleading.	While we acknowledge there are some advantages to replacing the term "company" with the term "issuer", we decided not to make this change in order to maintain consistency with the use of the term "company" in the other forms of NI 51-102.
2.4	**Equity incentive plan** One commenter suggests that we expand the definition of "equity incentive plan" to note that Section 3870 of the Handbook applies not just to equity-settled awards, but also to awards that are based on the stock price or unit price and which are settled in cash and/or by purchasing shares or units in the open market as the awards come due. The commenter expressed concern that non-accountants do not generally understand that these non-equity settled (but equity-based) arrangements fall within the scope of 3870.	"Equity incentive plan" generally includes an incentive plan that involves the award of equity-linked instruments (regardless of whether those instruments are ultimately settled by issuing equity instruments or settled in cash). "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. We believe that the reference to Section 3870 of the Handbook provides those companies that have cash-settled equity arrangements with sufficient guidance to complete the Proposed Form and provide meaningful disclosure of these items to readers. We also believe that

Item	Summary of comments	CSA response
		preparers generally have access to advisors who understand Section 3870, and that readers don't need to understand Section 3870 to fully understand the information disclosed in the Proposed Form.
2.5	**NEO** One commenter requests clarification of whether the $150,000 threshold is calculated in Canadian funds or in the currency of the financial statements of the issuer (i.e. U.S. dollars).	References to "$" or "dollar" in the Proposed Form are to the Canadian dollar unless otherwise stated. Companies must translate payments made in a currency other than the Canadian dollar, including payments in the currency of the financial statements of the issuer, into Canadian dollars for the purposes of the $150,000 threshold in the definition of "NEO".
	Two commenters believe that we should clarify how to determine who should be disclosed as NEO. Both commenters believe that the relevant amount of compensation is the compensation actually paid or awarded during the financial year.	We have added subparagraph 1.4(5)(a)(i) of the Proposed Form to clarify that, when calculating the total compensation to determine who is an NEO for a company's most recently completed financial year, the company should use the total compensation that would be reported under column (i) of the summary compensation table required by section 3.1 for each executive officer, as if that executive officer were an NEO for the company's most recently completed financial year
	The definition of "executive officer" relates to a vice-president in charge of a principal business unit, division or function. Confusion may result regarding how this definition is to be applied to individuals (at both the top management and vice-president level) at subsidiaries which may be significant subsidiaries, but may not technically be caught by the definition of executive officer. The definition of executive officer should be amended to include a president, a vice-president in charge of a principal business unit, division or function of a significant subsidiary.	We have not made the suggested change. Under paragraph (c) of the definition of "executive officer" in NI 51-102, a director, an officer, or another employee of a subsidiary of a company is an executive officer of the company if that individual performs a policy-making function in respect of the company. Such an individual would also be an NEO for the purposes of the Proposed Form if the individual otherwise satisfies the criteria set out in the definition of "NEO".
	One commenter suggests deleting criteria (c) regarding individuals in policy-making functions. The commenter notes that criteria (c) regarding individuals in policy-making functions may to some extent duplicate (b) wherein functions such as "sales" are already listed and believes that the requirement in (c) could be more clearly included under (b) by including specific examples (e.g. "legal, human resources, etc.") of what was intended.	We have not made the suggested change. Paragraph (c) of the definition of "executive officer" in NI 51-102 applies to individuals who may not even be a director, officer, or employee of the company itself, and so, does not unnecessarily duplicate paragraph (b) of that definition.
2.6	**Option and stock** Four commenters suggest defining what an option is rather than providing examples of what can constitute an option and then concluding the definition of using general language "similar instruments with option-like features". These commenters prefer current Form 51-102F6, which refers to options, share purchase warrants and rights granted by a company or its subsidiary as compensation for employment service or office.	While we have replaced the term "stock" with the term "shares" throughout the Proposed Form, we have not changed the definition. We believe that the definitions of "options" and "shares" adequately define these instruments. An instrument that is within the definition of "shares" or the definition of "options" but that falls outside the scope of Section 3870 of the Handbook must, nevertheless, be treated as shares or options for the purposes of the Proposed Form.

Item	Summary of comments	CSA response
	One commenter believes that the definitions of "option" and "stock" could be more precise. This commenter suggests that the definitions of "option" and "stock" should be limited to instruments that fall within the scope of Section 3870 of the Handbook and some instruction should be provided as to where stock and option awards should be disclosed if they do not fall within the scope of Section 3870.	
2.7	**Salary** As there is no definition of "salary", one commenter suggests that we clarify whether this term would include fixed regular compensation such as that found in the retainers payable under some consulting agreements.	We agree with the commenter that, in most cases, fixed regular compensation such as retainers payable under consulting agreements are substantially similar to salary. However, we have not specifically stated so in the Proposed Form because we believe that stating so is unnecessary. Under the objective in section 1.1 of the Proposed Form, the disclosure required must communicate what the board of directors intended to pay or award certain executive officers and directors for the financial year. A form of compensation that is substantially similar to salary that is not disclosed as salary under the requirements of the Proposed Form would be contrary to this objective. Adding a definition for "salary" and specifically including retainers payable under consulting agreements in that definition would be contrary to our principles-based approach.
2.8	**Restricted stock** One commenter notes that the definition of "stock" includes references to "restricted stock" and "restricted stock units." The meaning of "restricted," as used in the definition of "restricted securities" in National Instrument 51-102, is quite different from its meaning when used in relation to "restricted stock" in the proposed form. A definition of "restricted stock" and "restricted stock units" should be provided, or different terminology should be used.	References to "restricted share" and "restricted share unit" in the Proposed Form are used in the context of compensation. As used in the Proposed Form, these terms have no relation to the defined term "restricted securities" in NI 51-102. A definition of these terms is unnecessary because we believe that their ordinary meaning in the context of compensation is well understood.
Question 2: Do you agree with our proposal not to substantially change the criteria for determining the top five named executive officers? Should it be based on total compensation or some other measure, such as those with the greatest policy influence or decision making power at the organization?		
2.9	**Current criteria for determining top five NEOs** Twenty-one commenters agree with the decision not to substantially change the criteria for determining the top five named executive officers (NEOs). Of these twenty-one commenters, eight believe that we should not use the accounting standards to value equity-based compensation. Some commenters noted that: • The use of accounting values will lead to unnecessary volatility and variability in the determination of NEOs.	We acknowledge these comments. In response to these comments, we added subsection 1.4(5) of the Proposed Rule to clarify that when calculating the total compensation to determine who is an NEO in a company's most recently completed financial year under the definition of "NEO", a company should use the total compensation that would be reported under column (i) of the SCT for each executive officer, as if that executive officer were an NEO for the company's most recently completed financial year. Accordingly, companies must use grant date fair value to determine who is an NEO.

Item	Summary of comments	CSA response
	• If the grant value rather than the accounting value of long-term incentive awards is used, then it is more acceptable to use long-term incentive awards in the determination of NEOs. • We should ignore the accounting obligation to expense the full grant of equity awards when an employee becomes eligible to retire and provide the flexibility to ignore special grants made in certain circumstances. Of the twenty-one commenters, two commenters address issues relating to the exclusion of change in pension value from determining who is an NEO. Specifically: • One commenter believes that all compensation other than a change in pension value should be included in determining who is an NEO. However, the commenter suggests that if the pension value were calculated to include only compensatory amounts, then total compensation including the pension amounts could be used to determine who is an NEO. Another commenter believes that not to include change in pension value in the calculation of total compensation could have a disproportionate impact on determining who the five highest paid officers are in a given year. • One commenter notes that contributions by the company to vested and unvested DC plans are included in the total compensation for determining the highest paid executive officers who must be included in the table. This could affect who is included in the table for companies which have executives who participate in a DB plan and some who participate in a DC plan. Eight commenters suggest changes to the definition of a "NEO".	We also note that clause 1.4(5)(a)(ii)(A) of the Proposed Form provides that any compensation that would be reported under column (g) of the SCT may be excluded from this calculation. Since both defined benefit and defined contribution plans are now reported under column (g) of the SCT, both are excluded from the calculation in determining who is an NEO. We have not made any of these suggested changes. In making this decision, we generally weighed the benefit of making each suggested change against the additional burden that we would be imposing on companies by complicating the calculation.
2.10	**Use of "greatest influence" in determining top five NEOs** Nine commenters do not support a test of "greatest influence" in determining the top five NEOs as this is too subjective a matter. Some commenters note that including subjective criteria, including decision-making power, would lead to inconsistencies within and between companies and make the determination easier to manipulate. Three commenters note that in determining the top five NEOs both policy influence and decision-making power should be included. Some criteria other than	We acknowledge these comments. See our response in item 2.9, above.

Item	Summary of comments	CSA response
	compensation is very relevant, and including an employee without any policy-making or senior management responsibilities on the list of NEOs wholly on the basis of their compensation is inappropriate. Four commenters note that the definition of "executive officer" in NI 51-102 builds in a policy-making element in any event.	
2.11	**Other matters** Four commenters disagree with the removal of Subsection 1.4(c) of Form 51-102F6 which currently allows issuers to exclude disclosure of an individual as an NEO due to unusual compensation. The exclusion should be retained and should also cover special grants made upon the hiring of new officers and exceptional payouts from incentive plans. One commenter is concerned that the definition of NEO does not contemplate situations where the most recently completed financial year is a transition year resulting from a change of year end situation. The commenter notes that National Instrument 51-102 can lead to transition years that can last up to 15 months, and that accordingly, some adjustment of the $150,000 amount may be required.	We have not made the suggested change. The intention was to include everything. If a "special grant" happens one year and would be reported in the SCT, it must be included in the calculation to determine who is an NEO. We have not made the suggested change. For a company with at least three executive officers, other than the CEO and CFO, earning compensation in excess of the threshold, the impact should not be significant since a longer transition year should have a similar impact on all of these individuals for the purposes of determining who is an NEO. The commenters suggested change would only affect companies that do not otherwise have at least three other executive officers earning compensation in excess of the threshold. We have decided against providing an exemption in the Proposed Form for these limited cases.
Section 1.4 Preparing the form (March Notice version of Proposed Form)		
2.12	**Subsection 1.4(3) of the version of the proposed form published for comment - Exclusion due to foreign assignment** One commenter notes that the section that addresses foreign assignments deals only with whether or not an individual will be categorized as an NEO, and that accordingly this section would be better positioned within the definition of NEO following the reference to the exclusion of the "Change in Pension Value."	We have not made the suggested change. The exclusion for foreign assignments is not in the nature of a definition but rather sets out how total compensation must be calculated for the purposes of the definition of "NEO". We believe its placement in clause I.4(5)(a)(ii)(B) of the Proposed Form is appropriate.
2.13	One commenter believes that the exclusion due to foreign assignment should be clarified, especially in regard to payments paid to offset the impact of higher Canadian taxes (which the commenter believes should not even be disclosed). Two commenters recommend that tax equalization or other expatriate payments be excluded from total compensation to make the comparisons more consistent.	We have not changed the proposed requirement. We believe that all payments (including those to offset the impact of higher Canadian taxes) should be included. Under clause 1.4(5)(a)(ii)(B) of the Proposed Form, when calculating total compensation to determine who is an NEO, companies may exclude any cash compensation: (a) that 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

Item	Summary of comments	CSA response
		payments satisfy these three conditions, they may be excluded from the calculation of total compensation to determine who is an NEO.
2.14	**Subsection 1.4(4) External management companies (March Notice version of Proposed Form)** One commenter takes issue with the section on "External Management Companies" and the requirement to disclose how an external management company structures its compensation arrangements. The commenter believes that: • This disclosure is not relevant to the issuer that has retained the external management company, and questions whether issuers have access to the compensation information or input into any of the compensation decisions. • If this section was drafted with Income Fund issuers in mind where a management company has been established for the purpose of providing management services to the Income Fund or its operating companies, then this provision should be clarified to reflect this. • If this provision is retained, a transition period is required to allow issuers to gain access to the requisite information or to make changes to their management structure as required. • It should be made clear that if (c) (where the external management company has clients other than the issuer) is applicable to a given issuer, then (b) (general requirement for disclosure of compensation provided to an external management company) is not applicable.	We have not made any of the suggested changes. We believe executive compensation disclosure for external management companies that have been retained by the company is relevant and important if the management functions provided by the external management company would ordinarily be performed by an executive officer. In these cases, executive compensation must be disclosed regardless of whether the management functions are provided internally or externally. Under paragraph 1.4(5)(b) of the Proposed Form, for the purposes of the definition of "NEO", an executive officer includes an individual who acts in a capacity similar to an executive officer. Similarly, under subsection 1.4(9) of the Proposed Form, references to "director" include an individual who acts in a capacity similar to a director. We note that the disclosure required by subsection.4(3) of the Proposed Form is only required under certain circumstances.
2.15	**Subsection 1.4(5)(b) Sources of compensation (March Notice version of Proposed Form)** Two commenters recommend that we clarify the section to confirm that only compensation for serving as an NEO or director of the applicable issuer is required.	We have not made the suggested change. We want to capture all compensation earned even for other services that may not relate to the position.
2.16	**Subsection 1.4(6) Compensation to associates (March Notice version of Proposed Form)** Two commenters recommend that we revise the section to clarify that we mean an associate of an NEO or director.	We have added the term "of an NEO or director" after the reference to "associate" in subsection 1.4(6) of the Proposed Form.

Item	Summary of comments	CSA response
ITEM 2 – COMPENSATION DISCUSSION AND ANALYSIS (March Notice version of Proposed Form)		
Question 4: Will the proposed CD&A requirements elicit a meaningful discussion of a company's compensation policies and decisions?		
3.1	**Will CD&A elicit a meaningful discussion?** Sixteen commenters believe that the proposed CD&A requirements will elicit a meaningful discussion of compensation policies and decisions. Four commenters do not believe that the proposed CD&A requirements will elicit a meaningful discussion of compensation policies and decisions. Many of the specific comments made by both groups relate to the use of grant date fair value rather than the accounting method for valuing equity awards. For example, • The disclosure will be meaningful if the discussion aligns with the disclosure of compensation awards made and disclosed for the most recent year using compensation values rather than accounting costs, and thus helps readers gain a deeper understanding of the link between pay and performance. • Enhancing the disclosure of the company's pay-for-performance linkages is a primary objective and using an accounting-based valuation approach for valuing equity awards in the SCT does not support this objective. • The CD&A needs to tie back to a SCT that makes sense and is clearly understood by investors. As the currently proposed SCT does not achieve this, supplementary tables would be required (Bank of America is a good example in the U.S.). These supplementary tables would be burdensome and potentially confusing. Only if the SCT were amended to be based on grant date fair value, would the requisite CD&A/SCT tie be established. • The use of accounting expenses will require the generation and disclosure of additional figures by issuers in their CD&A which will cause confusion among readers. Five commenters believe it is unclear whether the proposed CD&A will elicit a meaningful discussion of compensation policies and decisions and suggest that we provide further guidance to clarify that the disclosure should be presented in a succinct and clear manner. The U.S. experience has shown many CD&As are overly long and complex.	We have decided to depart from the March Notice, which included in the SCT the value of share awards and option awards derived using the accounting method. Instead, we propose including the grant date fair value in the SCT. As suggested by these commenters, the CD&A required under Item 2 of the Proposed Form must now include CD&A of the grant date fair values of share awards and option awards. Companies should use plain language when preparing their CD&A under the guidance in section 1.5 of the Companion Policy to NI 51-102. Comment 1 to section 2.1 of the Proposed Form also recommends avoiding the use of boilerplate language. Also, the objective of the Proposed Form is to communicate what the board of directors intended to pay or award certain executive officers and directors

Item	Summary of comments	CSA response
		for the financial year in order to provide insight into a key aspect of a company's overall stewardship and governance and help investors understand how decisions about executive compensation are made. We believe that an overly long and complex CD&A is inconsistent with that objective.
3.2	**Other suggested changes to CD&A** One commenter believes that showing different values in the CD&A will confuse the investor. A target amount should be shown using the human resources analysis for the value at the time of grant is disclosed combined with additional narrative indicating the potential minimum (zero) or maximum award. The requirement to explain the tie in of non-GAAP financial measures into the financial statements will only be useful if it is summary in nature.	We believe the disclosure of a single value for awards in the table is meaningful. We also believe that the CD&A should include a narrative of potential minimum and maximum values if that would satisfy the objective set out in section 1.1 of the Proposed Form. However, we have decided against adding such a requirement because such a discussion may not be necessary in every case.
	Three commenters raise concerns regarding the requirement in the proposed form to provide information about potential compensation in different hypothetical performance scenarios: • The disclosure of hypothetical pay scenarios will be difficult or impossible to provide if the compensation decisions take into account factors other than one specific formula. • It is overly difficult and speculative to ask issuers to try to forecast future compensation levels, especially given that NEOs may change from year to year.	We only expect companies to discuss scenarios that are contemplated with the compensation arrangements for NEOs. We have clarified comment 1 to section 2.1 of the Proposed Form by replacing the term "for the period might have been different, as well as expected compensation levels for future periods, under various performance scenarios" with "is tied to the NEO's performance".
	Two commenters express concerns that the CD&A may contain boilerplate discussions. One commenter is specifically concerned that the confidentiality provisions may facilitate "boiler plate" discussion of performance targets.	Boilerplate discussions may not provide insight into a key aspect of a company's overall stewardship and governance and may not help investors understand how decisions about executive compensation are made. Comment 1 to section 2.1 of the Proposed Form also recommends avoiding the use of boilerplate language. With respect to confidentiality provisions, companies may only exclude information if the information would seriously prejudice the company's interests. If the company does not disclose quantitative performance targets, it must still state what percentage of an executive officer's total compensation relates to these targets as well as the nature of the targets (i.e. the metric itself). We note that our ongoing continuous disclosure reviews generally include reviewing executive compensation disclosure. If the Proposed Form is adopted, these reviews may also include scrutinizing the use of the confidentiality exemption.
	One commenter recommends that one of the items to be discussed should be how the compensation program is linked to (i) company performance and (ii)	We believe that companies must disclose the link between the compensation program as a whole and company performance or share price performance in

Item	Summary of comments	CSA response
	share price performance, discussing both short-term and long-term elements of both pay and performance. The commenter notes that this discussion could be provided along with the performance graph, but indicates that discussion as part of the CD&A could be an alternative.	their CD&A if necessary to satisfy the objective of executive compensation disclosure as set out in section 1.1 of the Proposed Form. We also note that subsection 2.1(1) of the Proposed Form requires companies to describe and explain all significant elements of compensation awarded to, earned by, or paid to NEOs for the most recently completed financial year. Paragraph 2.1(1)(d) of the Proposed Form specifically requires companies to describe and explain why the company chose to pay each element of compensation. We believe that the link an element of executive compensation between company and share price performance must be discussed in the CD&A under this paragraph.
	Two commenters believe that the names of comparator companies should be disclosed, along with the rationale for their inclusion.	We believe that companies must disclose the names of comparator companies in their CD&A if necessary to satisfy the objective of executive compensation disclosure as set out in section 1.1 of the Proposed Form.
3.3	**Involvement of compensation committee in CD&A preparation** Seven commenters believe that there should be increased compensation committee involvement in the preparation of the CD&A. The following are specific comments. • While some agree that it would be inappropriate to require CEO/CFO certification of the CD&A, others believe we should require the CD&A to approved by the compensation committee to ensure their accountability in this process. • Like U.S. companies, Canadian companies should be required to include a separate report of the compensation committee in the proxy materials. • There should be a specific requirement for the names of the compensation committee members to be disclosed, in order to make it abundantly clear who is responsible.	We have not made the suggested changes. Companies are responsible for their CD&A. The level of involvement of the board of directors or a compensation committee in the preparation of the company's CD&A is a matter for each company to determine based on its own circumstances.
	One commenter is concerned that the CD&A is not subject to the "fair presentation" attestation required of CEOs/CFOs under Multilateral Instrument 52-109.	Form 52-109F1 *Certification of Disclosure in Issuers' Annual and Interim Filings* requires that an 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.
3.4	**Disclosure about compensation consultants** Five commenters believe that the information relating to an issuer's reliance on compensation consultants should be included in the proposed form's CD&A. These are the specific comments.	We agree that the compensation consultant disclosure suggested by the commenters is, in many cases, necessary to satisfy the objective of executive compensation disclosure under the Proposed Form. However, we believe that adopting the specific

Item	Summary of comments	CSA response
	• The CD&A should include a requirement for disclosure related to compensation consultants retained by the compensation committee, identifying the firm, terms of engagement, fees paid for consulting on the plan and fees paid for consulting services provided to the board or management for other services. • The information about compensation consultants that is currently required by s. 7(d) of Form 58-101F1 should be moved to the CD&A. The commenter believes that this information is required in order for a complete assessment of the compensation decisions made by the board to occur. • The identity and role of an independent compensation advisor would most usefully be disclosed alongside the discussion of the compensation structure resulting from that advisor's input (i.e. in the proposed form, as opposed to in Form 58-101F1 as currently is the case). • Issuers be required to disclose: - whether a compensation consultant was retained, - the name of the consultant and the fee paid thereto, - whether the consultant had also been engaged to provide services to the management of the issuer, and any fees associated with this work, and - if no consultant was retained, the reasons for doing so.	requirement suggested by the commenters is unnecessary. Companies must determine whether disclosure of any work performed by compensation consultants is necessary to satisfy the requirement in subsection 2.1(1) of the Proposed 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 disclosure suggested by the commenters to satisfy this requirement, there may be some cases when subsection 2.1(1) of the Proposed Form would not require this disclosure. We also believe that adopting a specific requirement is inconsistent with a principles-based approach. We also note that some of the disclosure suggested by the commenters is required to be disclosed under Form 58-101F1. We have declined to move those disclosure requirements into the Proposed Form as suggested by the commenters at this time. We also note that there is another CSA committee planning to undertake a broad review of NI 58-101 and to publish their findings together with any proposed amendments for comment in 2008. We have forwarded these comments to that CSA committee.
3.5	**Claw Backs** One commenter believes that an issuer's policy on the "claw-back" of any previously awarded compensation based on inaccurate financial results should be specifically disclosed. One commenter recommends that issuers should be required to disclose the absence of policies which are deemed to be material by the proposed form. As an example, the commenter indicates that if an issuer does not have a policy on compensation claw-backs, this fact should be disclosed.	We believe that adopting the specific requirements suggested by the commenters is unnecessary. Companies must determine whether disclosure of a policy or the absence of a policy on "claw backs" is necessary to satisfy the requirement in subsection 2.1(1) of the Proposed 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 disclosure suggested by the commenters to satisfy this requirement, there may be some cases when subsection 2.1(1) of the Proposed Form would not require this disclosure. We also believe that adopting a specific requirement is inconsistent with a principles-based approach.

Item	Summary of comments	CSA response
3.6	**Discussion of equity ownership guidelines** One commenter notes that the SEC rules suggest that any issuer-imposed equity ownership guidelines for directors and officers should be disclosed in the CD&A, and recommends that the proposed form suggest this as well. Another commenter similarly recommends that we require issuers to disclose equity ownership guidelines (along with actual equity holdings of NEOs).	We believe that adopting the specific requirements suggested by the commenters is unnecessary. Companies must determine whether disclosure of equity ownership guidelines is necessary to satisfy the requirement in subsection 2.1(1) of the Proposed 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 disclosure suggested by the commenters to satisfy this requirement, there may be some cases when subsection 2.1(1) of the Proposed Form would not require this disclosure. We also believe that adopting a specific requirement is inconsistent with a principles-based approach.
Section 2.1 Compensation discussion and analysis (March Notice version of Proposed Form)		
3.7	**Subsection 2.1(1) (March Notice version of Proposed Form) (disclosure of material principles underlying policies and decisions for compensation)** One commenter asks if subsection 2.1(1) should read "Discuss the material principles underlying policies that were in place and decisions that were made with respect to compensation…"	In response to this comment, we have changed subsection 2.1(1) of the Proposed Form to read "Describe and explain all significant elements of compensation awarded to, earned by, or paid to NEOs for the most recently completed financial year."
	Three commenters generally support the enumerated list of items that we require to be discussed in an issuer's CD&A, but suggest that it would be helpful to:	We have the following responses to these comments:
	• clarify and provide guidance regarding what is required as it appears that some of the required disclosure (such as identifying compensatory elements and how amounts are calculated) may lead to disclosure of proprietary or competitive information.	• Under subsection 2.1(4) of the Proposed Form, a company may exclude target information if it means disclosing confidential information that would seriously prejudice the company's interests. We have added a provision that to the extent that a performance target level or other factor or criteria has been publicly disclosed, a company cannot rely on this exemption. We have also added a provision that if this information is not disclosed, a company must disclose how difficult it could be for the NEO, or how likely it will be for the company, to achieve the undisclosed target levels or criteria. We have not provided further clarification at this time.
	• relating to the obligation to discuss "each element of compensation," specify that all types of awards should be described in full. • relating to the obligation to discuss "how each element of compensation and the company's decisions regarding that element fit into the	• We have not made the suggested changes. A fulsome description of all types of awards, a discussion of how the performance measures attached to the elements of compensation relate to the overall objectives for the corporation, and disclosure related to qualitative performance targets must each be provided if necessary to

Item	Summary of comments	CSA response
	company's overall compensation objectives and affect decisions regarding other elements," include an explicit reference describing how the performance measures attached to elements of compensation relate to the overall objectives for the corporation. • emphasize the importance of disclosure related to qualitative performance targets.	satisfy the requirement in subsection 2.1(1) of the Proposed 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.
3.8	**Subsection 2.1(2) (March Notice version of Proposed Form)(events occurring after financial year end)** One commenter believes that the first and second sentences of this section are redundant as both sentences appear to indicate that what occurred subsequent to the year end is important in understanding the compensation decisions that occurred before the year end.	We have deleted the first sentence in subsection 2.1(2) of the version of the Proposed Form published with the March Notice.
3.9	**Additional guidance and clarification** Ten commenters request that we provide some guidance of what is to be expected of issuers under the proposed form.	Under subsection 2.1(1) of the Proposed Form, companies must discuss the significant principles underlying policies in place and decisions made in respect to compensation provided to NEOs for the most recently completed financial year. In addition to the items specifically enumerated in paragraphs 2.1(1)(a) through (f) of the Proposed Form, companies must include in their CD&A any disclosure necessary to satisfy the objectives of executive compensation disclosure set out in section 1.1 of the Proposed Form.
Question 5: Should we require companies to provide specific information on performance targets?		
3.10	**Subsection 2.1(3) (March Notice version of Proposed Form)(performance targets)** Sixteen commenters do not support a requirement to provide specific information on performance targets. The commenters make the following specific points to support their position: • Companies will be reluctant to disclose internal performance targets as many incorporate "stretch" into the targets used for their incentive plans (i.e. the targets used to determine and calculate incentive plan awards can be higher than disclosed near mid-term targets for measures such as return on equity and earnings per share). Moreover, these stretch targets are not even disclosed to other employees within the same company. • Too much detail will add confusion. Shareholders may question the cost of targets set but should not be involved in setting targets.	We expect only performance targets that are significant to the decisions made in respect to compensation provided to NEOs. The objective of the Proposed Form is to provide information for a meaningful link between pay and performance. Consequently, if the individualized disclosure of performance targets is required to bring about clear and informative disclosure, this should occur. We believe that the inclusion of these targets, subject to the limited exemption provided for confidential information is necessary to bring about clear and informative disclosure of an issuer's compensation policies. We make the following observations in response to these comments. • **Aggregation**: We believe that companies may aggregate their disclosure relating to performance targets, so long as clear disclosure is provided and the disclosure adequately summarizes the

Item	Summary of comments	CSA response
	• Disclosure of performance targets does not provide the investor with a platform for comparability. Three of these sixteen commenters believe that we should only require issuers to disclose in general terms how targets are set and the level of performance achieved compared to the targets or that we should require issuers to disclose targets on an aggregate or general basis and make the following comments: • Companies should only be required to disclose the areas in which they set performance targets, how many targets and parameters are in each of the various areas and the overall results in each of the areas. There is some concern regarding the requirement under the proposed form to disclose any waivers or changes to specified performance targets. • The harm to the privacy concerns of an issuer's NEOs outweighs any benefit that could be derived from requiring disclosure of individual performance targets. • The requirement to disclose specific targets may indirectly result in issuers moving from shareholder-friendly performance based awards to non-performance-based awards. Eleven commenters support a requirement to provide specific information on performance targets. The commenters make the following specific points. • Issuers should be required to disclose in the CD&A specific quantitative and qualitative performance-related targets or factors, both objective and subjective, used by the compensation committee to determine performance-based pay. The growing number of companies that have voluntarily disclosed specific hurdles for the payment of performance-based awards both in the U.S. and Canada is evidence that disclosure of performance targets does not give rise to competitive concerns. The disclosure of performance criteria and targets is the single most important piece of information that verifies for investors the actual amount and type of compensation paid at a company is warranted and effective. • Requiring disclosure of specifics on all targets may result in the use of less appropriate benchmarks or larger numbers reported as "discretionary" bonus in an effort to elude disclosure, even though they were tied to performance.	compensation provided to NEOs. If the individualized disclosure of performance targets is required to bring about clear and informative disclosure, this should occur. • **Forward looking targets:** In most cases, we only require companies to disclose historical information about performance targets as the disclosure in the CD&A is focussed on the company's most recently completed financial year. The exception to this rule is where actions were taken by the company relating to executive compensation after the end of the financial year that are relevant to understanding the disclosure relating to the last completed financial year. In this circumstance a company may need to provide disclosure about prior, current or future periods. • **Competitive harm:** We believe that the requirement to disclose targets and the exemption from that requirement for confidential information work together in such a way that a company can provide meaningful information without providing confidential information or jeopardizing its position in the marketplace. • **Confidentiality**: To the extent that there is an issue of privacy it has been addressed through the company's ability to withhold information that is confidential or sensitive. We have not differentiated between those interests of companies and their individual NEOs.

Item	Summary of comments	CSA response
	• Discussion needs to be as specific as possible to provide an understanding of which performance measures were selected and why, the specific rationale for setting the specific targets, how achievement stacked up against the targets, and how discretion was used in the final awards. • One commenter supports scenario testing, and believes that this disclosure will give investors some indication of how pay is linked to short and long term performance criteria. Three commenters conditionally support the performance target requirement. They make the following comments. • Disclosure of targets should relate to an objective test regarding information that is public, such as total shareholder return. If non-public or subjective tests are involved, the disclosure of specific targets could be harmful to the issuer's competitive position. • Reporting on performance should be relative to their targets, but not necessarily through disclosure of actual performance targets. However, if we were to introduce the requirement to disclose specific performance targets, the commenter believes it should be mandatory for all issuers and there would need to be very specific guidelines for disclosure. • The requirement to disclose specific information on performance targets might have unintended consequences. • Requiring disclosure of actual performance targets in advance of the end of the performance period may raise "forecasting" concerns and prevent companies from setting "stretch" targets. If required to disclose all industry-specific targets and measures that are used, issuers may choose to revert to so-called "plain-vanilla" measures such as earnings per share. While this might satisfy investors who must know all of the details, this may ultimately lead to "one-size-fits-all" incentive plans that are poorly aligned with each company's unique business strategy. If this were to happen, it would be an unfortunate step backwards in executive compensation practices.	
3.11	**Subsection 2.1(3) (March Notice version of Proposed Form) (competitive harm exemption)** Six commenters believe that the competitive harm exemption is not required and provide the following reasons:	We have changed the competitive harm exemption in subsection 2.1(3) of the version of the Proposed Form published with the March Notice to harmonize it with the language in Part 12 of NI 51-102 in respect of the

Item	Summary of comments	CSA response
	• A company can work with a compensation consultant to establish appropriate performance targets that do not in any way compromise the competitiveness of the business if they are not publicly disclosed. • As current year performance targets are historical at the time of disclosure in the proxy circular, no competitive issues arise from their disclosure. • The proposed competitive harm exemption is very similar to that used by the SEC, which has led to insufficient disclosure of targets. Thirteen commenters believe that the disclosure of performance targets can result in competitive harm to a company. These are the specific comments. • Flexibility should be maintained so that target information may be excluded if it means disclosing confidential information that would result in competitive harm to the company. • Performance targets are data that are important to a company's competitive advantage. • Disclosure of specific information on performance targets will materially adversely affect an issuer's ability to keep competitive information confidential. • Not support the disclosure of all performance targets due to the concern of revealing competitive information, even "after the fact". Additionally, the commenter does not support the disclosure of performance targets used to evaluate the individual performance of each individual NEO.	omission or redaction of material contracts. Subsection 2.1(4) of the Proposed Form now provides an exemption for disclosure of target levels that would seriously prejudice the company's interests. We believe that this exemption strikes an appropriate balance between the interests of companies and investors. The exemption only applies to target levels concerning specific quantitative or qualitative performance related factors or criteria that would seriously prejudice the company's interests. Thus, even if the disclosure of a target level itself may seriously prejudice the company's interests in a particular case, disclosure of the metric itself would typically not. We have also added a provision that this exemption does not apply if a performance target level or other factor or criteria has been publicly disclosed. We have also added a provision that, if a company does not disclose specific target levels or criteria, the company must state how difficult it could be for the NEO, or how likely it will be for the company, to achieve the undisclosed target levels or criteria. Companies should also be prepared to explain any decision to omit target information on the basis that it would seriously prejudice their interests. This may be raised as a comment in the context of a continuous disclosure review.
3.12	**Subsection 2.1(3) (March Notice version of Proposed Form) (what should an issuer disclose when it relies on the competitive harm exemption?)** Nine commenters suggest that even if we retain a competitive harm exemption, we should require some alternative disclosure. Specifically: • Companies should be required to disclose the percentage of an executive's total compensation that relates to any performance target that is withheld in reliance on some form of a competitive harm exemption. • Even if specific target levels are excluded, the company must provide enough explanation so that a user can grasp the factors that define "performance".	The confidentiality exemption in subsection 2.1(4) of the Proposed Form allows a company to not disclose target levels that would seriously prejudice the company's interests. Other related information, however, must be disclosed. For example, even if disclosure of a target level itself would seriously prejudice the company's interests in a particular case, the metric itself must be disclosed.

Item	Summary of comments	CSA response
	• An alternative to eliminating the exemption is to provide additional guidance to issuers to avoid over-reliance on the exemption. • If a company cannot provide the specific quantitative thresholds for reasons related to competitive harm, it should at least name the metrics used. • Issuers relying on the competitive harm exemption should be permitted to merely disclose that there are business-specific criteria attached to awards and, in general terms, what those criteria are. • Issuers relying on the competitive harm exemption should at least disclose the percentage of an NEO's compensation that is subject to an undisclosed performance target. • An alternative to requiring the disclosure of performance target information on a year-to-year basis is requiring after-the-fact disclosure of performance targets so that shareholders can assess the adequacy of links that issuers say exist between pay and performance.	
3.13	**Forward looking information** Six commenters believe that any requirement to disclose forward looking information regarding performance targets is inappropriate. The commenters raised the following specific points: • While there should be a requirement to report actual achievement against completed targets, there should be no requirement to disclose forward targets. • There may be potential adverse effects of having to disclose confidential forward-looking information. • If forward-looking targets are required to be disclosed, issuers may choose to not establish plans based on performance criteria. • Suggest distinguishing between current and forward-looking performance criteria disclosure.	The requirement under subsection 2.1(4) of the Proposed Form to disclose performance targets relates to compensation awarded to, earned by, or paid to NEOs in the most recently completed financial year. In most cases, this compensation will have been awarded, earned or paid for the achievement of performance targets in the most recently completed financial year but there may be limited cases where reported compensation is subject to the achievement of performance targets in future periods. In these limited cases, there is a requirement to disclose forward-looking performance targets but not if it would seriously prejudice the company's interests.

Item	Summary of comments	CSA response
3.14	**Subsection 2.1(4) (March Notice version of Proposed Form)(duplication between NI 58-101 and the Proposed Form)** Three commenters believe corporate governance rules should interact directly with the new form. These are their specific comments. • An issuer should be able to satisfy the requirement to disclose board processes for determining compensation in Form 58-101F1 or F2 by complying with the requirements of the proposed form. • Issuers should be required to disclose the oversight of the compensation-setting process, including the composition of the compensation committee, its mandate, independence and use of consultants, even if there is potential overlap with National Instrument 58-101, as this disclosure is beneficial. • The corporate governance rules need to be cross-referenced into F6. • The CD&A is missing any sort of requirement for an issuer to establish a compensation committee and that there is no defined concept of "compensation literacy". The requirements associated with compensation lag behind that of requirements associated with audit committees.	We acknowledge that there may be some overlap between the disclosure required under the corporate governance rules and the Proposed Form. However, we have decided against providing explicit exemptions from such overlapping requirements. Though the required disclosure may appear to be the same, each requirement is satisfying different objectives, and so differences in the disclosure may be necessary.
Section 2.2 Performance Graph		
Question 6: Will moving the performance graph to the CD&A and requiring an analysis of the link between performance of the company's stock and executive compensation provide meaningful disclosure?		
3.15	**Section 2.2 Performance Graph (March Notice version of Proposed Form)** Six commenters do not support moving the performance graph to the CD&A. One of these commenters suggests that an alternative proposal is to leave the graph where it is but require a comment in the CD&A comparing remuneration to stock price performance. Thirteen agree that it would be meaningful to require an analysis of the link between the performance of the company's stock and executive compensation. One commenter provides the following explanation for its views: • The link between pay and performance is valuable if tracked over an extended period such as five years or more.	We have kept the performance graph in the CD&A because companies must discuss significant principles underlying compensation decisions in their CD&A. We believe that the link between the performance of the company's share price and executive compensation reported under the Proposed Form over a five-year period is meaningful in most cases. Though we have decided not to impose a requirement to do so, we have added comment 1 to section 2.2 of the Proposed Form to clarify that a company may also include other relevant performance measures in its CD&A. If the company also believes that such other relevant measures of performances are more meaningful than the link with share price, the company may also explain why.

Item	Summary of comments	CSA response
	Three of these thirteen commenters raise concerns about specific points relating to the graph and the metrics used in the graph: • Discussion of trends will increase the usefulness of the graph. • The graph should also include performance against the company's peers along with a narrative discussion of the actual peer group. Four commenters do not support a comparison between the trend in share performance to the trend in total compensation to executives. Eighteen commenters believe that there are factors other than share price performance that should be discussed as a good measure of performance. Specifically: • There are many compensation elements not tied to share price performance such as salary and pension values. • Narrative disclosure based on one measure, such as TSR, would be misleading and insufficient. • Moving the share performance graph to the CD&A and requiring the comparison to executive compensation gives too much prominence to one measure of success that will have widely varying relevance to companies based on how well established they are and where they are in their current growth cycle. • The performance graph should not be moved to the CD&A. The existing practice of requiring the graph under "Report of Executive Compensation" is appropriate. If additional commentary is necessary, it should be in narrative form and should discuss the links between a number of short-term and long-term components of the company's performance, of which share price is one aspect. • Moving the graph to the CDA or anywhere in the compensation section would suggest that the performance of the company's stock compared to the stock market does not have any meaning broader than in reference to remuneration and that the primary factor in measuring executive's remuneration can only be the stock performance. • Share price may be sensitive to factors unrelated to corporate performance, e.g. interest rates or currency fluctuations.	

Item	Summary of comments	CSA response
	• While it is important to align pay and performance, recent stock price performance is only one measure and is affected by factors that are unrelated to a company's overall performance.	
3.16	**Section 2.2 (March Notice version of Proposed Form)(which issuers must prepare a performance graph)** Two commenters request that we clarify which issuers must include a performance graph in their CD&A. Specifically: • We should clarify that a performance graph is not required unless the issuer has been a reporting issuer for more than one full calendar year. • We should clarify whether a "debt-only" issuer must prepare a performance chart. The comparison should be limited to the CEO's compensation.	In response to these comments, we added subparagraphs 2.2(a)(ii) and (iii) of the Proposed Form to clarify that: (a) a company, including any predecessor company, that has not been a reporting issuer in a jurisdiction in Canada for at least 12 calendar months before the date of the Proposed Form; or (b) a company that has distributed only debt securities to the public, is not required to provide a performance graph:
3.17	**Section 2.2 (March Notice version of Proposed Form)(including additional factors)** Nine commenters believe that additional disclosure is needed. Five of these nine suggest including additional or substituted factors against which executive compensation could be compared. Specifically, they believe that we should require issuers to: • Include a comparison of the total cumulative return of an index of the issuer's peer companies in this performance graph. • Show how executive compensation relates to issuer, division and individual performance. • Use the metric in the performance graph that the company predominantly uses in awarding compensation. • Use the metric that is sector- or geography-based. Four of these nine commenters recommend that additional disclosure accompany the stock performance graph in order to enhance its usefulness. Specifically: • The requirement for providing a link between performance and compensation should go beyond the placement of the stock performance graph and include specifics such as how actual compensation was linked with the issuer's performance and if the compensation is linked to	We have decided not to require the disclosure of additional or substituted factors in the performance graph because such factors may not be useful in every case. If the company also believes that such other relevant measures of performances are more meaningful than the link with share price, we believe that the company should disclose these other measures and explain why they are more relevant. If such other relevant measures of performance are necessary to provide insight into a key aspect of a company's overall stewardship and governance or help investors understand how decisions about executive compensation are made, we believe the company must provide such disclosure.

Item	Summary of comments	CSA response
	factors other than TSR, then the issuer should be required to include a discussion of such performance measures. • The CD&A should contain a more complete discussion of the other elements or measures of performance used by the compensation committee and how these various performance measures are linked to all elements of pay over both the short and long term. • To the extent that recent stock performance influences these policies and decisions, an issuer should discuss this relationship in the context of other factors that influence compensation decisions. • It should be clarified that where there is no relationship between pay and performance, issuers should be able to state that they do not believe there is a relationship. One commenter believes an analysis based on 5 years may not be appropriate for all compensation e.g. stock options with a 10-year life-term.	
Commentary		
3.18	One commenter notes that the Commentary currently found after Section 2.3 appears to only relate to Section 2.1, and that if this is the case it should be inserted directly after Section 2.1. The commenter also notes that the first bullet under part (iii) of the Commentary refers to "amounts disclosed for the current year" and assumes that this should mean "amounts disclosed for the most recently completed financial year." Additionally, reference is made to "future periods" and it is assumed that this should mean "current or future periods." One commenter believes that the discussion of why certain companies were excluded from the peer group sample does not add value. Any discussion should focus on why companies were added and why the peer group actually selected was chosen.	We have made the suggested changes. Our reference to future periods is intended to be in contrast to the most recently completed financial year and would therefore include the current period. We believe this is clear and have not made the suggested change. In response to this comment, we added subsection 2.1(3) of the Proposed Form.
3.19	**Requirement for narrative disclosure** One commenter is concerned that requiring narrative disclosure under various sections is unduly repetitive, confusing and inefficient. The commenter recommends that all narrative disclosure requirements be consolidated into one section or in the alternative	The purpose of the CD&A is to provide a narrative overview at the beginning of the Proposed Form that will put into perspective the disclosure that follows. Additional narrative is still needed in other parts of the Proposed Form as it covers a range of discrete topics.

Item	Summary of comments	CSA response
	that we closely review all sections discussing narrative disclosure to remove any overlapping requirements. One commenter requests clarification as to how the narrative disclosure required under section 2.3 of the proposed form differs from that required under CD&A.	Section 2.3 of the Proposed Form only requires companies to discuss the process they use to grant options. The CD&A is intended to discuss the overall significant policies underlying compensation decisions.
3.20	**Commentary (iii) to Item 2 (March Notice version of Proposed Form) (benchmarking)** Disclosure of benchmarking data used in determining compensation, including the peer group used and how companies were included or excluded is a concern. Fear is expressed that this could lead to a considerable competitive disadvantage. The commenter suggests that disclosure be required to indicate whether benchmarking is done and on what basis companies are included or excluded in the benchmark, without divulging the specific companies used. Where benchmarking is obtained through a confidential survey or exercise, it should be able to be excluded in order to ensure that these surveys and exercises continue to take place.	We have not made the suggested change. We believe that disclosure of benchmarking data generally would not seriously prejudice the company's interests and should be disclosed.
ITEM 3 – SUMMARY COMPENSATION TABLE		
Question 3: Should information be provided for up to five people individually, or should the information be provided separately for the CEO and CFO, then on an aggregate basis for the remaining three named executive officers?		
4.1	**Individual basis** Twenty-one commenters believe that information should be provided for the top five executives individually. Specifically: • It would reduce the quality of disclosure if information is provided on an aggregate basis. • Aggregating information would be confusing and would decrease transparency.	We agree with these comments and believe that individualized disclosure for each NEO provides the most meaningful disclosure of compensation policies and decisions.
4.2	**Aggregate basis** Three commenters do not believe that information should be provided for the top five executives individually as they believe that information should be provided for NEOs on an aggregate basis other than the CEO and CFO. Specifically: • The list of top five executive positions varies greatly such that comparison across even the same business or industry sector does not exist	We decided against requiring disclosure of the information on an aggregate basis because we believe aggregating information would reduce the quality of disclosure and would decrease transparency.

Item	Summary of comments	CSA response
	due to the particular nature of each issuer's business operations. Accordingly, aggregation of the remaining three will not detract from the comparability of issuer compensation practices. • Investors are principally interested in CEO compensation, and accordingly aggregation could strike a balance between the desire to disclose the compensation applicable to the senior executive team while better protecting the privacy interests of such executives. • Investors are interested in executive totals.	
4.3	**Other matters** One commenter believes there should be clarification that a non-executive chair is not considered an officer simply because the by-laws state that the position of Chairman of the Board is an officer position.	Companies must provide compensation disclosure for any individual who is an executive officer, as defined in section 1.1 of NI 51-102, and who is otherwise an NEO, as defined in the Proposed Form. The definition of "executive officer" in section 1.1 of NI 51-102 includes an individual who is a chair or vice-chair of the company.
Question 7: Should the summary compensation table continue to require companies to disclose compensation for each of the company's last three fiscal years, or is a shorter period sufficient?		
4.4	**Section 3.1 (March Notice version of Proposed Form)(number of years of disclosure**) Three commenters suggest that we limit the disclosure of NEO compensation in the SCT to two years as it is consistent with the reporting of other financial information in annual disclosure documents. Eighteen commenters believe that the SCT should show three years of NEO compensation. Three commenters believe that a five year period would be more appropriate than a three year period because it would be consistent with the period disclosed in the CD&A. Specifically, the disclosure in the SCT would be consistent with: • The five-year performance graph and would be a more useful tool to enable this pay-for-performance assessment. • The CD&A discussion of the five year trend in NEO compensation. • The CD&A discussion of pay vs. shareholder return over a minimum five year period.	We have not made the suggested change. We believe that requiring three years of disclosure is sufficient to provide a clear display of any trends in compensation policies, and that this length of time is not unduly onerous for companies.

Item	Summary of comments	CSA response
4.5	**Section 3.1 (March Notice version of Proposed Form)(need to phase in implementation**) Twenty-three commenters believe that the rule should include a transition period. In general, the commenters support a phased implementation over a three year period. Of the twenty-three, thirteen commenters have the following specific comments. • Clarify if the disclosure requirements will be phased in over a three-year period. • Clarify the introductory sentence to section 3.1 as it is not clear whether issuers must disclose three years of compensation for every individual who has served as an NEO for any portion of those past three fiscal years or whether issuers are required to disclose compensation only for those periods over the past three years in which an individual qualified as an NEO. • Phasing in over three years will significantly ease the burden of compliance by small and mid-sized issuers in calculating the value of LTI awards and pension liabilities associated with previous years. • For the full three years of disclosure that is required in the SCT for a company's first filing for financial years ending on or after December 31, 2007, if the disclosure requirements are not phased in over a three-year transition period, it may raise issues for companies where an accounting expense was not recorded for certain equity awards granted prior to the requirement to expense equity awards. • There should be a transition period so that issuers do not need to restate compensation previously disclosed in accordance with old form requirements. Such a transition rule exists under the SEC rule. Under the SEC approach in the first year, only one year of compensation data would be provided, in the second year, two years etc. • One commenter is concerned with the retroactive application of the new rules.	We have added a transition provision to subsection 3.1(1) of the Proposed Form. SCT disclosure will be phased in over a three year period. We believe that this addresses any concerns related to the lack of adequate records for previous years and retroactive application. The disclosure for NEOs is limited to the individuals identified as NEOs for the most recently completed financial year and three years of disclosure is required for those individuals. To clarify this requirement, subsection 3.1(1) of the Proposed Form now provides that "For each NEO in the most recently completed financial year, complete this table for each of the company's three most recently completed financial years".
Section 3.1 Summary Compensation Table (March Notice version of Proposed Form)		
4.6	**Section 3.1 (March Notice version of Proposed Form)(treatment of transition years)** One commenter suggests that provision needs to be made for situations where the most recently completed financial year is a transition year and that transition year is less than a designated number of months in length. The commenter believes that we should consider adding a provision that "where a financial	We have not made the suggested change. We do not believe that an additional year of disclosure is required where a transition year has occurred. The existence of a transition year for accounting purposes will be a one-time occurrence, and the adverse effect of not requiring a fourth year of disclosure will not generally

Item	Summary of comments	CSA response
	year is less than nine months in length, disclosure for a fourth completed financial year must be provided."	be significant. However, if disclosure for additional financial years is necessary to satisfy the objective of executive compensation disclosure as set out in section 1.1 of the Proposed Form, we believe companies must provide that disclosure.
4.7	**Subsection 3.1(1) (March Notice version of Proposed Form)(salary or bonus)** One commenter recommends that the words "earned during the year" be revised to read "earned during, for or in respect of" the year. Two commenters express concerns relating to the valuation and disclosure relating to stocks, options or other forms of non-cash compensation that is received in lieu of a salary or bonus. One of the commenters recommends that we replace the phrase "receipt of any form of non-cash compensation instead of salary or bonus" in Subsection 3.1(1)(ii) with the phrase "substitution of any form of non-cash compensation for salary or bonus." The commenter notes that the term "receipt" could be read to preclude the use of accrual accounting.	We have not made the suggested change. We believe that this subsection indicates that companies are expected to include the amount for the year in which it was earned even if the amount wasn't determined or paid during that period. The requirement is to disclose amounts earned rather than received. To clarify this requirement, we changed paragraph 3.1(2)(b) of the Proposed Form from "instead of salary or bonus" to "substituted for salary or other compensation earned".
4.8	**Subsections 3.1(2) & (3) (March Notice version of Proposed Form)(stock and option awards)** One commenter believes that there are instances where stock and option awards will not be recognized in the same year as the performance to which they relate. The commenter suggests that footnoting may be required explaining what year's performance the award is in recognition of.	We have not made the suggested change. Under subsection 3.1(3) of the Proposed Form, companies must use grant date fair value to reflect the value of awards. Therefore, this issue is no longer a concern.
4.9	**Subsection 3.1(4) (March Notice version of Proposed Form)(disclosure of forfeitures)** One commenter requests that we clarify for which individuals it is necessary to provide disclosure of forfeitures. The commenter presumes that this section applies to NEOs as set forth in the SCT. One commenter suggests that for the purposes of disclosing stock and option awards we disregard the estimate of forfeitures related to service-based vesting conditions.	We have deleted this requirement. Under subsection 3.1(3) of the Proposed Form, companies must use grant date fair value to reflect the value of awards. Therefore, this issue is no longer a concern.
4.10	**Subsection 3.1(5) (March Notice version of Proposed Form)(non-equity plan compensation)** One commenter requests that we clarify the meaning of "earnings on any outstanding awards". This appears to refer to items already captured by column (i) of the SCT. It is unclear whether this phrase was designed to relate to situations where criteria have now been met with respect to prior year's awards.	The two references are not duplicative. The first reference to earnings in subsection 3.1(5) of the version of the Proposed Form published with the March Notice was meant to capture any earnings on non-equity incentive plan awards or bonus amounts. The second reference in paragraph 3.1(7)(vi) of the version of the Proposed Form published with the March Notice relates to earnings on outstanding

Item	Summary of comments	CSA response
		equity awards that were not factored into the grant date fair value of these awards. The phrase does not relate to situations where criteria have now been met with respect to prior years awards.
4.11	**Subsection 3.1(5)(i) and (ii) (March Notice version of Proposed Form)(amounts earned)** Two commenters believe that we should clarify the meaning of "amounts earned" in item 3.1(5). For example, does it relate only to amounts that have no risk of forfeiture. One commenter suggests replacing the word "earned" with "unconditionally earned" in item 3.1(5). One commenter disagrees with the requirement imposed by Subsection 3.1 (5)(i) as this appears to require the quantification and description of incentives that have already been quantified in the table and should be described in the CD&A or elsewhere. The commenter proposes the following changes: • Add the word "earned" to the table heading. • Retain the lead-in wording of Section 3.1 Part 5, but delete sub (i) and sub (ii) of Part 5. • Delete the last sentence of Section 3.1 Part 1(ii). • Add into Section 3.1 Part 5: "The period in which the expense is recorded, potentially as an estimate, may be different to the period in which the award is ultimately confirmed, granted and therefore reported.	Paragraphs 3.1(5)(i) and (ii) of the version of the Proposed Form published with the March Notice have been moved to paragraphs 3.1(8)(a) and (b) of the Proposed Form. We have not changed "earned" to "unconditionally earned" in subsection 3.1(8) of the Proposed Form. Conditional grants under non-equity incentive plans and all earnings on any outstanding awards and bonus amounts for services performed during the covered financial year must be disclosed in column (f) of the SCT. In response to these comments, we changed the order of paragraphs 3.1(8)(a) and (b) of the Proposed Form and, in paragraph 3.1(2)(b) of the Proposed Form, we replaced "instead of salary or bonus" with "substituted for salary or other compensation earned". We have not made the deletions suggested by the commenter nor have we added the suggested language to paragraphs 3.1(8)(a) and (b) of the Proposed Form because we do not believe these paragraphs are repetitive Also, we have not added the suggested language to subsection 3.1(8) of the Proposed Form because the suggested clarification merely restates a consequence of the requirement and is unnecessary.
4.12	**Subsection 3.1(6) (March Notice version of Proposed Form)(change in pension value)** One commenter recommends that the words "each plan" in the final paragraph be replaced with the words "all plans" in order to be consistent with the opening paragraph of that same point. One commenter noted that if the change in pension value column is not adjusted to include only compensatory changes to a defined benefit plan, negative changes in pension value should still be included in the SCT (and not merely in a footnote). A negative value in effect indicates that defined benefit compensation values in previous years were overstated, and this should be reflected with a negative value.	In subsection 3.1(9) of the Proposed Form, we replaced "each plan" with "all plans". Column (g) of the SCT includes only compensatory amounts. Therefore, there will not be any negative amounts.
4.13	**Subsection 3.1(7)(iii) (March Notice version of Proposed Form)(all other compensation, Termination)** One commenter requests that we clarify the meaning of the term "a change that materially affects control," and requests that we provide examples. Additionally,	In response to this comment, we changed paragraph 3.1(10)(d) of the Proposed Form to reference the termination and change of control scenarios listed in

Item	Summary of comments	CSA response
	the commenter suggests that we change the sentence to read "a change that materially affects control of the issuer."	section 6.1 of the Proposed Form.
4.14	**Subsection 3.1(7)(v) (March Notice version of Proposed Form)(estate as beneficiary)** One commenter suggests that Point 7(v) of Section 3.1 be reworded so as to read "the dollar value of any insurance premiums paid by, or on behalf of, the company during the fiscal year for personal insurance for an NEO where the estate of the NEO is the beneficiary."	We made the suggested change to paragraph 3.1(10)(e) of the Proposed Form.
4.15	**Subsection 3.1(7)(vi) (March Notice version of Proposed Form)(all other compensation, Dividends or other earnings)** One commenter suggests including the words "or unless reported as earnings under any other column" in order to avoid any confusion with the opening wording in Subsection 3.1(5).	We have not made the suggested change. Subsection 3.1(10) of the Proposed Form states that the disclosure is required for items that cannot be properly reported in columns (c) through (g) of the SCT.
4.16	**Subsection 3.1(7)(viii) (March Notice version of Proposed Form)(all other compensation, above-market or preferential earnings)** One commenter is concerned about including compensation amounts in the Summary Compensation Table related to deferred compensation plans based on mutual fund or market index returns since it is possible to have negative returns in down-market years and the sponsoring company does not have control over the amount of earnings derived by the participant. However, the commenter believes that to the extent that the sponsoring company credits above-market earnings to deferred compensation accounts, the above-market portion should be treated as compensation. Another commenter similarly commented that above market earnings on non-registered deferred compensation should be reported as all other compensation. One commenter recommends that we replace the term "nonqualified" in Subsection 3.1(7)(viii) with the term "non-registered," in order to be consistent with Income Tax Act terminology.	The requirement captures only above-market earnings on deferred compensation plans and we believe that these should be disclosed regardless of whether the earnings are based on an index or calculated in another manner. We have removed the reference to "non-qualified" as part of our revisions to the Pension section. Therefore, this issue is no longer a concern.
4.17	**Subsection 3.1(8) (March Notice version of Proposed Form)(total compensation)** One commenter believes that the total compensation figure does not allow for "apples to apples" comparison. The commenter believes that the only way this can be accomplished is to include base pay, bonus and stock awards only. Further to this, the commenter recommends splitting the summary compensation table into two tables, with one relating to total compensation actually earned and another relating to total compensation potential.	We believe that providing one number for total compensation provides meaningful and beneficial disclosure of a company's compensation policies and provides readers with an informative figure for each NEO.

Item	Summary of comments	CSA response
4.18	**Compensation for directors who are also NEOs** One commenter requests that we clarify in which column to disclose amounts received by an officer as consideration for their duties as a director. Specifically, the commenter would like to know whether these amounts should be included under "Salary" or "Other Compensation."	The director compensation table required by subsection 7.1(1) is substantially similar to the SCT except that column (b) ("Fees earned") replaces columns (c) ("Salary") and (f) ("Non-equity incentive plan compensation") of the SCT. Consequently the types of compensation paid to directors would be disclosed in the director compensation table or in the SCT in the same columns except that compensation that would be included in column (b) of the director compensation table would be included in column (c) of the SCT with explanatory footnotes.
Question 8: Do you agree with the way bonuses and non-equity incentive plans will be disclosed in the summary compensation table?		
4.19	**Bonuses** Eight commenters agree with the way bonuses and non-equity incentive plans will be disclosed in the SCT. Three commenters make the following additional comments. • Replace the term "bonus" with the term "discretionary cash amounts". • Creating a column for non-equity incentive plan compensation highlights that "bonuses" of NEOs should be tied to performance and based on performance goals. • Clarify what types of compensation will now go into the Bonus column. Thirteen commenters disagree with the way bonuses will be disclosed in the SCT. The commenters make the following specific recommendations. • The terms "bonus" and "incentive plan" should be more clearly defined as the definition is inconsistent with how many companies currently view bonuses. Possible options are to replace the term "bonus" with the term "discretionary payments" or replace the term "bonus" with the term "discretionary awards" and "non-equity incentive category" to "non-discretionary awards". • The proposed definition of bonus moves away from the generally accepted definition of the term bonus as understood in the marketplace. Use the Bonus column to represent the value of annual incentive provided to each NEO based on the past year's performance, in the same manner as has been used by Canadian issuers in the past. Any additional	In light of these comments, we have decided that the distinction between bonuses and non-equity incentive plans could lead to potentially misleading or confusing disclosure. Accordingly, we have removed column (d) of the SCT from the version of the Proposed Form published with the March Notice. All non-equity incentive plan compensation, including bonuses, must be disclosed in column (f) of the SCT. This is the case whether the amount of non-equity incentive plan compensation was determined in accordance with a predetermined formula, or was a purely discretionary decision made by an issuer. Note that compensation that is discretionary in amount may otherwise be within the definition of "incentive plan". For example, an arrangement, under which a company establishes an annual bonus pool but the amount paid to an individual NEO out of the pool is discretionary, is an incentive plan under the Proposed Form if NEOs generally expect to be paid a share of that bonus pool. Accordingly, annual payments out of that bonus pool must be disclosed as "non-equity incentive plan compensation" from an "annual incentive plan" under column (f1) of the SCT. Only payments of a nature (and not just of an amount) that are truly unexpected (akin to a windfall) would be reported as "all other compensation" under column (h) of the SCT.

Item	Summary of comments	CSA response
	discretionary bonus payments are much less frequent and should be included and footnoted under the All Other Compensation column. • The proposed changes to the Bonus column in the SCT will lead to less disclosure under this heading which may lead to some confusion and/or inconsistency in the determination of who to report if the threshold is based solely on salary and bonus. • In many cases, the Bonus column may be eliminated as very few compensation payments will be truly discretionary and not based in some manner on pre-approved metrics. • The term "non-equity incentive plan" is defined only in the negative as "an incentive plan or portion of an incentive plan that is not an equity incentive plan." The term "equity incentive plan" is defined as "an incentive plan or portion of an incentive plan under which awards are granted that fall within the scope of Section 3870 of the [CICA] Handbook." Incentive plans should include plan-based awards and should be distinguished from discretionary awards, which are not plan-based awards. • The proposed rules should clarify what constitutes discretion. By basing the distinction between bonus and non-equity incentive plan on whether or not the payment is "discretionary," it is necessary for a company to understand exactly what is meant by "discretion". This issue would arise frequently given that most incentive plans have a discretionary aspect to them and few plans are based strictly on a formula. For example, it is unclear if a board's decision to reduce an executive's incentive payment that would otherwise be determined according to a formula would make the payment "discretionary". Many incentives may be based not only upon performance thresholds communicated in advance, but may also contain elements of discretion. • The CSA should provide guidance as to whether both “guaranteed” incentive compensation and discretionary cash awards should appear in the Bonus column, in accordance with the SEC rules. If this were true, the definition of “bonus” should include such guarantees, otherwise it appears that these guaranteed incentives would then fall under “All Other Compensation.”	

Item	Summary of comments	CSA response
	• The proposed form will result in the combination of annual and medium-term non-equity incentives (other than those that are purely discretionary) into one column. • Continue using a single Bonus column and include all annual or short term non-equity awards in the same column, including discretionary amounts. One of the commenters recommends that the Non-Equity Incentive Plan column would then be renamed "Multi-Year Non-Equity Incentive Plans" and would be used to show the intended grant date fair value of any multi-year cash award based on pre-determined objectives, payable in future years. This would then result in multi-year cash incentive plans being treated in the same way as stock-based plans for the purposes of valuing compensation earned by an NEO in a given year. • Annual incentives should continue to be reported separately from other cash incentives with terms longer than one year. • Differentiating between awards based on the level of discretionary judgment applied may not be meaningful to the average securities reader. • Split the Bonus column into two columns and require issuers to disclose bonus awards that are tied to predetermined performance goals separately from those that are discretionary. • Long-term cash awards are not included in the SCT (until earned, at which time they would be disclosed in the Non-Equity Incentive Plan Compensation column as currently proposed), and would only appear at the date of award. There should not be a difference in treatment of this and equity awards and recommend that the award of such grants be displayed in the SCT. Of these thirteen commenters who disagree with the way bonuses are disclosed, eight believe the Bonus column should be divided into current year and multi-year: • Provide separate columns for reporting annual incentive payouts and non-annual non-equity incentive plans. • Annual incentives are shown in the Bonus column and long-term equity and non-equity incentives should be separately disclosed under long-term compensation.	We have further divided non-equity incentive plan compensation into column (f1) of the SCT in respect of annual incentive plans and column (f2) of the SCT in respect of long-term incentive plans. Paragraph 3.1(8)(e) of the Proposed Form provides column (f1) includes annual non-equity incentive plan compensation, such as bonuses and discretionary amounts, and column (f2) includes all non-equity incentive plan compensation related to a period longer than one year.

Item	Summary of comments	CSA response
	• Replace the Bonus column with other columns such as short/mid-term compensation awards, other annual compensation, long-term compensation awards and LTIP payouts. • Suggests another alternative is for the non-equity compensation column to be divided into annual awards and long-term awards. • Investors are primarily interested in seeing an annual incentive compensation figure reported separately from long term cash compensation. The commenter recommends that discretionary or guaranteed payments of a long-term nature could be disclosed by footnotes in a separate table or alternatively in the "All Other Compensation" column.	
	Of the thirteen commenters, three commenters suggest that information be provided in a footnote instead of in the main table and provide the following specific comments. • It would be sufficient to identify in a footnote the portion of the bonus that was not based on pre-determined performance criteria. • It is rare that a purely formulaic approach is taken, which is implied by the wording in s. 3.1.1(iii) that non-equity incentive plan awards are "based on pre-determined performance criteria that were communicated to an NEO". The commenter recommends discretionary and/or guaranteed payments be disclosed by footnotes or in a special table. • The Bonus column is now limited to gratuitous payments and windfall payments. If this is not the intended result, then clarification is needed. The commenter recommends the CSA consider amalgamating as "non-equity incentive plan and bonus" and requiring footnote disclosure as to the portion of the amount that relates solely to bonus.	We have decided not to specifically require the footnote disclosure suggested by the commenters. If necessary to satisfy the objective of executive compensation disclosure set out in section 1.1 of the Proposed Form, a company must provide footnote disclosure of whether the amount of a bonus was based on pre-determined criteria or was discretionary .
	One commenter suggests the column after salary should include only incentives that are ultimately "cash-based" so that the other category includes only "stock-based" incentive awards.	We have decided to group disclosure by major forms of compensation rather than cash versus non-cash.

Item	Summary of comments	CSA response
Question 9: Do you agree with the proposed disclosure of equity and non-equity awards? Are the distinctions between the types of awards and how they will be presented clearly explained?		
4.20	**Disclosure of awards** Eight commenters agree with the proposed disclosure of equity and non-equity awards with one noting that it is an improvement.	We acknowledge these comments.
	One commenter asks the CSA to clarify whether a short-term incentive plan that has a portion of its award based on individual objectives but the remainder on corporate performance objectives would constitute an equity-based award or not.	See our response in item 2.4, above.
	Three commenters disagree with the proposed disclosure. Two commenters provided the following reasons: • The timing of the disclosure of certain pay elements is not consistent. i.e. inconsistent treatment of long-term cash awards, which are disclosed only at payout, and equity awards, which are disclosed at grant. This inconsistent treatment might result in anomalous disclosure. For example, the disclosure of performance share units (PSUs) and long-term cash awards that are based on the same performance measure and are both ultimately settled in cash would be different even though they are essentially equivalent from a compensation standpoint. This would make it more difficult for investors to factor the grant of long-term cash awards into total compensation. • Long-term cash plans should be disclosed on the same basis as equity plans rather than appearing in the SCT once they are earned. The commenter suggests that an estimate of long-term cash awards should be in the SCT at the time of grant and the ultimate payouts should appear in a "value realized" table when earned. • One commenter disagrees with the splitting of stock options into two categories (columns (e) and (f)) in the Summary Compensation Table. The commenter believes that the distinction between the two is confusing to the average reader.	We have considered the inconsistent treatment of long-term cash awards but have decided against making any changes to the Proposed Form. Subsection 3.1(8) of the Proposed Form provides that column (f) of the SCT includes the dollar value of all amounts earned for services performed during the covered financial year that are related to awards under non-equity incentive plans and all earnings on any outstanding awards and bonus amounts. Paragraph 3.1(8)(a) of the Proposed Form provides that if the relevant performance measure was satisfied during a covered financial year (including for a single year in a plan with a multi-year performance measure), companies must report the earnings for that financial year, even if they are payable at a later date. In addition, the actual payout eventually received by an NEO must be disclosed under section 4.2 of the Proposed Form, which has been revised to include non-equity incentive plan awards. Also, see our response in item 2.4, above.
	One commenter disagrees with mixing purely cash-based SARs or RSUs with stock options in the summary compensation table. The commenter proposes to include in one category any stock based plans that require different GAAP treatment and all other plans that are cash-based such as SARs in a second	Equity-based awards will be disclosed in the SCT at grant date fair value. Therefore, categorizing awards based on GAAP treatment is less relevant.

Item	Summary of comments	CSA response
	category.	
4.21	**Equity vs. non-equity** Six commenters believe the distinctions are clear. Eleven commenters do not think the distinctions are clear. Nine of the commenters express the following concerns. • Presenting equity awards in the SCT based on accounting expense is not appropriate. • On the one hand, for options, stock compensation expense is recognized evenly over the vesting period and does not change over the life of an option (fixed accounting). On the other hand, for RSUs, stock compensation expense is recognized evenly over the vesting period and changes over the vesting period, as it is revalued at each reporting date (variable accounting). • The instructions and column headings for the option awards table should clarify that disclosure is required for awards/grants made in the most recently completed year only. • Column (g) should not require disclosure of unvested stock awards. The commenter believes that the information circular is a core document for the purposes of secondary market civil liability so only information that is factually verifiable should be mandated disclosure (compliance with column (g) disclosure requires an issuer to calculate amounts based on assumptions relating to a hypothetical situation). • One commenter notes that it is unclear how DSUs awarded in lieu of all or a portion of annual bonus payouts would be disclosed. It is unclear to the commenter where any change in value or accumulated dividends would be disclosed. This commenter would like clarification on whether these items would be in the "Other Compensation" column. • Further clarification should be provided to explain the differences between equity and non-equity awards by referring to the fundamental nature of each of those awards. Referring to the CICA Handbook in the definition of equity incentive plan and throughout the proposed rule makes it difficult for readers without accounting backgrounds to understand.	We acknowledge these comments. Non-equity incentive plan compensation refers to cash payments based on satisfying specific criteria whereas share awards refers to awards such as shares, RSU, and DSU, which may be settled in shares or in cash. Share awards will be disclosed in the SCT using grant date fair value. This applies to all share awards including those granted in lieu of salary or bonus under paragraph 3.1(2)(b) of the Proposed Form. We acknowledge that the amount disclosed may differ from the amount actually received on payout or reported as earned under paragraph 3.1(8)(a) of the Proposed Form. Using grant date fair value eliminates some of the concerns raised by the commenters such as the inconsistent recognition of compensation expense for different types of share awards.

Item	Summary of comments	CSA response
	• The Proposed Rules are not clear about how certain equity awards should be disclosed. For example, it is not clear if it is necessary to disclose in the Grants of Equity Awards table when an NEO voluntarily defers compensation into an equity-based vehicle, such as deferred share units (DSUs) or restricted share units (RSUs). Under such circumstances, requiring disclosure of the DSUs and RSUs in this table may result in double-counting. The commenter recommends that the CSA clarify that such equity awards would not be included in the Grants of Equity Awards table but that an NEO's decision to voluntarily defer compensation into these equity vehicles should instead be disclosed in a footnote to the SCT.	
4.22	**General comments** One commenter suggests that we consolidate the tables set out in sections 3.2, 4.1 and 4.2 into one table.	We believe that consolidating the three tables would make it difficult to understand the information provided. Therefore, we continue to require separate tables for incentive plans. We have deleted section 3.2 of the version of the Proposed Form published with the March Notice.
Question 10: Is it appropriate to present stock and option awards based on the compensation cost of the awards over the service period? If no, how should these awards be valued?		
4.23	Twenty-four commenters support including grant date fair value of stock and option based awards in the SCT. Some commenters made the following comments: • The compensation cost of such awards should be disclosed elsewhere in the same document to provide more context for total pay evaluation. Accounting values should be disclosed in a table other than the SCT if the CSA is interested in this information. • Compensation cost is not appropriate in the SCT because the SCT should be focused on the total intended value of annual compensation provided to an NEO. The cost of the compensation awards in a given financial year would be unclear as prior years' grants would be included with this information. • Awards should not be recalculated after the initial grant date. The initial award value and explaining the range of potential values is more relevant.	We have considered the comments provided and believe that disclosure based upon grant date fair value better reflects the intended value of compensation provided to NEOs by a company. Additionally, such an approach appropriately reflects the full value of any awards given to an NEO in a given year. We also believe that requiring the disclosure of grant date fair value addresses many other concerns raised by commenters such as: • The possibility of negative compensation values in a given year arising from necessary adjustments based on the use of accounting values. • The adjustment of prior year grants until ultimate settlement, and the unclear effect of these adjustments on a given financial year. • The difficulty in understanding the values generated by the accounting approach unless readers have a firm understanding of the accounting methods underlying the disclosure.

Item	Summary of comments	CSA response
	• Provide supplementary disclosure of the value of awards that have vested during the year. This would enable investors to understand the value of annual compensation awarded by the board of directors in a given year as well as the amount that actually vests that year that was granted in prior years. The performance disclosure in the CD&A can then address the rationale for the grant date fair value as well as the actual performance (versus target) that resulted in the value that has vested. • Support grant date fair value if we cannot use the existing practice of disclosing the value based on current share prices. • Supports the use of grant date compensation fair value which is the full value of an award that is intended to be granted to a recipient. • Using accounting methodology may result in different individuals being disclosed as the vesting of options is accelerated when individuals are eligible for retirement. • The use of accounting values for long-term incentives and pension values will result in misleading information and make comparisons across companies difficult. Using financial statement values will result in significant volatility related to the timing of expense recognition, share price fluctuations and valuation assumption changes. • Reporting the compensation cost of the awards using the accounting standards will create some distortion as the disclosed amount will include the value of multi year awards. The accounting rules provide for early expensing when an executive reaches the retirement age. • Disclosing compensation cost does not reflect the fair value of the compensation decision at the time the decision is made nor does it communicate that compensation tables of future years will include compensation expense relating to compensation decisions that have already been made as of the date of the disclosure presented. It is difficult for an investor to understand the presentation provided unless that investor was fully informed of the accounting requirements underlying the disclosure requirements. • Since the SCT will reflect the portion of current and prior years' awards, investors may not understand that the amounts in the SCT	

Item	Summary of comments	CSA response
	reflects the cost of multiple years' award and may have trouble comparing compensation to company performance for the year. • Accounting guidelines do not measure the value of compensation consistently. For example, an option with a performance feature will have a different value than a SAR based on the same performance feature due to the accounting required for each. • Full grant date fair value of equity based awards is disclosed in the Grants of Equity Awards Table, but this would not impact the total compensation figure in the SCT. Thus, the grant date fair value would have to be added manually by investors to the total compensation figure in the SCT to produce a value for total compensation granted in a given year. • The information is not meaningful in the SCT if negative numbers are possible. • Due to tax concerns unique to Canada, most equity compensation programs are structured as "liability structures" for the purposes of Section 3870 of the CICA Handbook, which means that these awards are revalued at year end (variable accounting). This can result in negative amounts. • Many Canadian issuers are subject to accounting rule EIC 162 (equivalent to FAS 123R) which requires equity expensing to be accelerated in the years leading up to an employee's normal retirement age, whether or not the employee actually retires at that time. This would have a further effect of distorting the compensation disclosure for NEOs since the accelerated elements would not accurately reflect the intended compensation of that individual in the applicable year. Three commenters believe it is appropriate to reflect the cost of stock and option awards over the service period.	
Question 11: Should the change in the actuarial value of defined benefit pension plans be attributed to executives as part of the summary compensation table? **Question 12: Should we include the service cost to the company in the summary compensation table instead of the change in actuarial value or in addition to it?**		
4.24	**Change in actuarial value (DB plans)** Six commenters support the use of change in actuarial value of DB pension plans in the SCT.	We have considered these comments and confirm that the change in actuarial value includes non-

Item	Summary of comments	CSA response
	The commenters make the following points: • The change in actuarial values best reflects the company liability. • The change in actuarial value should be reported net of the executives' contributions. • Include an explanatory footnote to help investors understand the impact of both compensatory and non-compensatory elements on the total change in actuarial value. • In addition to disclosing actuarial value in the SCT, service cost should be disclosed in the retirement plan section. Fifteen commenters do not support the use of change in actuarial value of DB pensions plans in the SCT for the following reasons: • The change in actuarial value includes amounts that are not related to compensation and is therefore not readily comparable among companies. • The amount disclosed should include the increase in the pension value due to another year of service accrual including the value of the executive's own contributions, the impact of compensation increases on the value of previously accrued pension benefits and, the impact of any plan changes during the year. • The change in actuarial value is of interest to investors and should be disclosed in a note to the SCT. • It may be more useful to apply a present value calculation to determining the pension benefit. • If non-compensatory changes are considered compensation, then negative amounts (related to pension changes) should be in the SCT and be included in calculating total compensation. • Change in Pension Value would be better addressed as part of more detailed disclosure in the Retirement Plan Benefits section in proposed Item 6, such as that typically emerging under voluntary best practices. In addition, the change should be split into compensatory and non-compensatory elements. • Reconciliation of the total change in the actuarial value can be shown in an expanded	compensatory items related to an NEO's pension obligations. We have revised the SCT so that only those elements of a change in pension value that are compensatory in nature must be disclosed. Item 5 of the Proposed Form has also been revised to provide a disclosure of the total change in pension value, broken out to clearly illustrate the effect of compensatory and non-compensatory factors.

Item	Summary of comments	CSA response
	version of the new Retirement Plan Benefits table to provide full transparency. Under this approach the liability disclosed in the Retirement Plan Benefits table will be based on similar methods as under the US Rules, however only the compensatory amounts of the change in the liability will be disclosed in the SCT. Six of these 15 commenters support the use of service cost. Twelve commenters support the use of service cost in the SCT instead of the total change in actuarial value. Eight of these twelve commenters also do not support the use of change in actuarial value in the SCT. Two commenters provide the following reasons: • The inclusion of service cost would allow DB and DC plan disclosure to be included in a combined column which would help to provide more consistent treatment of the two types of plans and greater ability to compare pension benefits across companies. • This service cost could be calculated using the same assumptions used to prepare financial statements (including earnings projections and assumed retirement ages). This service cost would be similar to that voluntarily disclosed by many large Canadian employers in current proxy statements.	
4.25	**Alternative disclosure** Three commenters believe an alternative approach would be to include the employer-provided value of the following three compensatory items in the SCT: • the increase in the pension value due to another year of service accrual; • the impact of compensation increases on the value of accrued pension benefits; and • the impact of any plan changes during the year. One commenter suggests that the change in actuarial value that results from interest and the non-compensatory factors could be reported separately in a year-over-year pension benefit obligation table.	In response to these comments, we have changed the requirement in subsection 3.1(9) of the Proposed Form to only require disclosure of compensatory elements in the pension column in the SCT. This value will be comprised of the service cost and other compensatory amounts.
4.26	**Should pension value be included in determining NEOs?** Three commenters believe that modifying the measure for determining NEOs is necessary to more accurately	We do not believe that pension compensation should be included in total compensation for the purposes of

Item	Summary of comments	CSA response
	reflect the impact of pension earnings on executive compensation. The following specific comments were made. • Include some form of pension costs in the determination of NEOs as pension earnings or contributions are often a large part of the compensation for an executive where the issuer has a pension plan. • Disclosing only compensatory amounts in the SCT would eliminate concerns about a negative amount and the pension value could be included in total compensation for the purpose of identifying the NEOs to be disclosed (although it still may be preferable to exclude it for consistency with the SEC approach and to make it easier for companies to identify the NEOs).	determining who a company's NEOs are. Requiring companies to calculate the pension value for purposes of identifying the NEOs would put a burden on companies that we believe is disproportionate to the benefit. Accordingly, we did not change the provision that permits pension compensation to be excluded from total compensation for the purpose of identifying a company's NEOs.
4.27	**Inconsistent treatment of Defined Benefit (DB) and Defined Contribution (DC) plans** Thirteen commenters suggest that we should treat DB and DC plans consistently in the SCT. Some commenters note that: • DC pension disclosures should be included with DB pension disclosures in one column • So long as only compensatory elements are included in the SCT for DB plans, they should be reported in the same column as DC plans. • DC plans will continue to increase and the difference in disclosure requirements for the two types of pension plans has the potential to impact the selection of NEOs for disclosure purposes. Therefore, both DB and DC plans should be subject to the same disclosure requirements in order to reduce the potentially distorting effects. One commenter recommends that column H be re-titled "Pension Compensation" and should include the annual compensation value of whichever type(s) of plan(s) are used by the issuer, broken out by plan in a footnote if required. Four commenters believe that if DC plans are to be reported in the SCT, it should be included in the pension column instead of the "All Other Compensation" column. One commenter disagrees with the creation of a separate column for defined benefit plans and proposes that DB plans (like DC plans) be included in the "other" column.	While we acknowledge that the risk profile and characteristics of each type of plan are quite different in some respects, we agree that they should be treated consistently in the SCT. We have relocated the disclosure of defined contribution pension obligations from column (i) ("All Other Compensation") of the SCT of the version of the Proposed Form published with the March Notice, and now require companies to disclose all pension-related obligations in column (g) ("Pension value") of the SCT. Consequently, disclosure about both DB and DC plans will be included in column (g) of the SCT.

Item	Summary of comments	CSA response
4.28	**General comments** One commenter suggests that issuers be required to indicate whether the defined benefit and actuarial plans noted in the SCT are funded or unfunded. One commenter suggests that shareholders should have access to information regarding what an executive's deferred pension is worth in a lump sum as of reporting date.	We have not made the suggested change. Funding status must generally be disclosed as a note to the financial statements under generally accepted accounting principles and we believe repeating that disclosure in the Proposed Form is unnecessary. In response to this comment, we have changed Item 5 of the Proposed Form to require disclosure of the benefit payable and accumulated obligation.
Question 13. Have we retained the appropriate threshold for perquisite disclosure given the changes to compensation amounts included in the bonus column of the summary compensation table?		
4.29	**Subsection 3.1(7)(i) (March Notice version of Proposed Form)(appropriate threshold for determining perquisites)** Ten commenters believe that we have retained the appropriate threshold for perquisite disclosure given the changes to compensation amounts included in the Bonus column of the summary compensation table. Commenters noted that: • Meaningful information is not provided by disclosing each perquisite exceeding 25% of the total perquisites and other personal benefits. One commenter believes using percentage of salary and bonus as a threshold will create unfair distortions between companies, where companies that offer purely discretionary incentives will be advantaged and have less disclosure requirements. Therefore, the commenter recommends using the $50,000 threshold and removing references to salary and bonus in the threshold definition. Thirteen commenters do not believe that we have retained the appropriate threshold for perquisite disclosure given the changes to compensation amounts included in the Bonus column of the summary compensation table. The commenters make the following specific comments: • In light of the proposed definition of "bonus", which has effectively reduced the perquisite threshold, we should change the threshold to a percentage of salary only (e.g., 10% of salary or $50,000), or reconsider the definition of "bonus" and "non-equity compensation" as they relate to calculating the perquisite threshold. The threshold of less than $50,000 and less than 10% of the NEO's total salary and annual bonus is appropriate, where bonus is understood as a variable cash payment that is considered annually for award which may or	We have eliminated the column (d) ("Bonus") of the SCT in the version of the Proposed Form published with the March Notice. The concept of discretionary bonus must be reported in column (f) ("Non-equity incentive plan") of the SCT. Perquisites will be calculated based only on a percentage of salary. 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. Given these changes, the threshold associated with the requirement to disclose perquisites has been revised such that only the amount disclosed as a company's salary will be relied upon for the sake of comparing the value of the perquisites. We acknowledge these comments, however, we believe the revised thresholds are appropriate.

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	may not be based on pre-determined performance criteria. • The disclosure of perquisites should apply to forms of other remuneration. For example, insurance premiums of $8,000/year are no more relevant than a parking allowance of a similar amount. • The lower threshold established by the SEC is appropriate, for example, at and above a total of $10,000. • If the proposed concept of "bonus" is adopted, this will result in the decrease of the actual dollar value of bonus disclosed and therefore, suggest a threshold of 15% of the annual salary only. Of the thirteen commenters, four believe the threshold should be increased for the following reasons: • $50,000 was the amount set in 1994 and we should reflect inflation. • The threshold should be increased from $50,000 to $75,000. • The threshold may be too low, depending on whether "incremental cost" is appropriate to value all perquisites. For example, the use of a corporate condo for personal use, the incremental cost may be minimal but the "value" might be considerable.	
4.30	**Subsection 3.1(7)(i) (March Notice version of Proposed Form)(incremental cost of perquisites)** Many issuers do not keep records in such a way as to be able to readily ascertain the "incremental costs" of perquisites to the company and its subsidiaries as required by Subsection 3.1(7)(i). More flexibility should be provided to issuers in this regard, provided they describe the methodology used to determine the amounts. One commenter expresses concern with the wording of the second paragraph of Subsection 3.1(7)(i) and its apparent requirement for issuers to analyze whether a given item is one of "perquisites, property or other personal benefits." Clarify that the 25% threshold relates to the total of perquisites, property or other personal benefits, and not just perquisites.	We believe that since companies are already required to calculate the incremental costs of perquisites for financial reporting purposes, compliance with this requirement should not pose any difficulties for companies. The word "including" has been added to paragraph 3.1(10)(a) of the Proposed Form to address the potential confusion caused by the initial language.
4.31	**General** One commenter recommends that the total of all "other" compensation be subject to the same absolute	We have not made the suggested change. Under existing Form 51-102F6 *Statement of Executive*

Item	Summary of comments	CSA response
	limits as currently proposed for perquisites alone and any of the listed items for inclusion should be footnoted with explanation when exceeding the limit on its own.	*Compensation*, other compensation is not subject to any limits similar to those proposed for perquisites. We believe that there is no policy reason to adopt a limit since we have not historically noted any problems with disclosure provided under the existing form. We also note that the footnote disclosure suggested by the commenter must be provided, irrespective of the absence of any absolute limits, if such disclosure is necessary to satisfy the objective of executive compensation disclosure set out in section 1.1 of the Proposed Form.
	One commenter notes that: • Including the incremental cost to the corporation of perquisites rather than their costs if the executive paid for them directly is acceptable because what shareholders are concerned about is the cost the corporation will bear.	We acknowledge this comment.
	One commenter requests clarification as to whether the $50,000 perquisite disclosure threshold is intended to be in Canadian dollars or in the currency used in the financial statements.	References to "$" or "dollar" in the Proposed Form are to the Canadian dollar unless otherwise stated. Companies must translate payments made in a currency other than the Canadian dollar, including payments in the currency of the financial statements of the issuer, into Canadian dollars for the purposes of the $50,000 threshold for perquisite disclosure.
Question 14: Should we provide additional guidance on how to identify perquisites?		
4.32	**Additional guidance** Twelve commenters believe that sufficient guidance is provided on how to identify perquisites. One of these commenters suggests there should be an exclusion of items based on a *de minimus* rule (e.g. ad hoc basis items such as one-time parking or theatre tickets to all employees should not be included).	We acknowledge these comments.
	Eleven commenters believe additional guidance is needed. They comment on the following topics: **Using the word "integrally" in the proposed test for a perquisite.** They suggest that we: • Remove the word "integrally". If something is directly related to a person's job, that is a high enough standard to meet even if it is not "required" and "necessary" for their job (e.g. wireless device is not required and necessary and therefore is not integral and would be a perquisite). • Not remove the word "integrally". Even items that are integrally and directly related to the performance of an executive officer's duties	We have not provided additional guidance in the Proposed Form. Companies should use their judgement to determine what should be disclosed or considered "integrally" with reference to the objective set out in section 1.1 of the Proposed Form. Whether the wireless device in the example provided by the commenter is a perquisite depends not only on whether the wireless device is "integrally" and "directly" related to the NEO's employment duties but also on whether disclosure of the company's provision of the wireless device will provide insight into a key aspect of a company's overall stewardship and governance or will help investors understand how decisions about executive compensation are made.

Item	Summary of comments	CSA response
	may still be perquisites. Specifically, while the base level of an item may be directly related, the top level of an item may contain an element of perquisite. • Specify that all travel for business purposes is "integrally and directly related to the performance of an executive officer's or, if appropriate, a director's job."	
	Providing a carve out for items generally available to all employees. They suggest that we: • Remove the word "all" as a benefit being generally available to "all" employees is too high a standard. • Qualify the carve out by providing that the items are generally available to all employees working in the same location as the NEO. • Amend the carve out so that it applies to all "salaried employees" or possibly all "management employees" (The commenter also notes that this comment is relevant in point (ii) of the Commentary to this Item, where reference is again made to "all employees").	We believe that non-disclosure based on the availability of a perquisite to other employees should be a high threshold. In response to these comments, however, we have changed the requirement in paragraph 3.1(10)(a) of the Proposed Form by adding the term "generally" before "available to all employees". Accordingly, a company must only disclose perquisites that are not generally available to all employees, and that in aggregate are $50,000 or more, or are 10% or more of an NEO's total salary for the financial year.
	• Clarify whether the exemption for discounts for securities purchase plans for broadly based employee plans available to all employees on the same terms will be retained. This is consistent with the exclusions provided in the definition of the word "plan" but is not expressly exempted.	This exemption is set out in paragraph 28 of section 3870 of the Handbook. It applies to discounts for securities purchase plans for broadly based employee plans available to all employees on the same terms.
	Providing a bright line test: They suggest that we: • Establish a simple bright line test so that all perquisites exceeding $50,000 are disclosed and explained.	We have not made the suggested change. We believe that a bright line test is not appropriate in all cases because, in some cases, perquisites in excess of $50,000 may not need to be individually disclosed and explained in order to satisfy the objective of communicating what the board of directors intended to pay or award certain executive officers and directors for the financial year. However, if necessary to provide insight into a key aspect of a company's overall stewardship and governance or help investors understand how decisions about executive compensation are made, we believe any individual perquisite, irrespective of its dollar amount, must be disclosed and explained.
	One commenter requests that we clarify point (ii) of the Commentary, which states that "this concept is narrowly defined." It is unclear as to whether the concept being referred to is the concept of "being a perquisite" or the concept of "not being a perquisite."	The concept referred to is the concept of "not being a perquisite". We believe that this is clear in the commentary and have not made any changes.

Item	Summary of comments	CSA response
4.33	**Specific examples** One commenter recommends that we consider exempting items related to personal security from being classified as perquisites. One commenter suggests that we consider whether to split up the reference to "corporate aircraft or personal travel financed by the company" in item (ii) of the Commentary. The commenter wants clarification as to whether the use of a "corporate aircraft for corporate business" could still be a perquisite, or whether the concept just relates to personal travel whether by corporate jet or commercial flight.	We believe it is inappropriate to provide guidance on specific examples of possible perquisites without the relevant context being provided. Companies should use their judgement to determine what should be disclosed with reference to the objective set out in section 1.1 of the Proposed Form.
Question 15: Will a total compensation number calculated as proposed provide investors with meaningful information about compensation?		
4.34	Two commenters believe that the total compensation number (as proposed) will provide meaningful information. One commenter believes that a single figure for total compensation makes it easy to calculate total pay and may be useful to the corporation's directors, particularly those on the compensation committee. Twenty-five commenters believe that the total compensation number (as proposed) will not provide meaningful information for the following reasons: • The information will not be meaningful if the change in pension value and/or the current concept of equity valuation, the accounting method, are retained. • Total compensation will be of no value as it contains quantifications of awards that bear no resemblance to compensation value, or the value ultimately realized by an executive. • Column (i) "All Other Compensation" will include the value of DSU awards payable to an executive upon termination. This will result in double-counting as these awards have been reflected as compensation already. • The blend of compensation opportunity (potential value that is expected) and realized compensation (value actually delivered) is not properly addressed. For example, equity awards are shown on an annual opportunity value basis, while the non-equity payouts are shown on a realized cumulative basis. The SCT should be adjusted to reflect best practices in this area. For non-annual non-	We acknowledge these comments. Most commenters believe that the total compensation number would not be meaningful if the value of share awards and option awards is based on the accounting method and the value of pension plans is based on the change in actuarial value. In response to these two concerns, we have changed these requirements in the proposed form. See our response in item 2.1, above. We have made changes that have made the information more meaningful, such as using grant date fair value to reflect share awards and option awards. However, we acknowledge that this may not be the actual payments realized by an NEO. DSU awards will not be reflected in column (h) ("All other compensation") of the SCT unless related to termination. In this case, the DSUs would not have been captured in the SCT. We acknowledge the total compensation value is a mixture of items with different determinations. We believe that by requiring companies to value different types of awards, companies will be required to disclose one meaningful number.

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	equity awards, target pay-out value should be disclosed at the time of grant, instead of actual amount upon payout. • The total compensation value in the SCT is based on individual values which are not calculated consistently (between columns) and reflect the combination of current, historical and future compensation.	
Section 3.2 Grants of Equity Awards (March Notice version of Proposed Form)		
4.35	**Subsection 3.2(2) (March Notice version of Proposed Form)(incremental fair value)** One commenter requests that we clarify the meaning of the requirement to "disclose the incremental fair value". Specifically, whether to disclose incremental fair value in the table or in a footnote and, if in the table in a separate line or blended.	We have deleted section 3.2 of the version of the Proposed Form published with the March Notice. Under subsections 3.1(6) and (7) of the Proposed Form, the incremental fair value of equity based awards must be disclosed in the SCT.
Question 16. Will the disclosure of the grant date fair value of stock and option awards, along with the disclosure provided in the summary compensation table, provide a complete picture of executive compensation?		
4.36	Seventeen commenters do not believe that the disclosure provides a complete picture for the following reasons: • The use of accounting to value equity based awards in the SCT. • The disclosure regarding the grant date fair value of stock and option awards does not provide any link to the SCT. The SCT provides no information as to how much any of the numbers relate to current year compensation decisions or how much relate to specified prior years compensation decisions. • Separating disclosure into several tables is confusing. • SCT should provide grant date fair value and compensation cost of stock and options awards should be disclosed elsewhere. • It is confusing to provide both a grant date fair value as well as the associated accounting expense. • The Grants of Equity Awards table should also reflect the number of options and stock award units granted.	In response to these comments, we have decided to: • require disclosure of the grant date fair value of equity based awards in the SCT, and • delete section 3.2 of the version of the Proposed Form published with the March Notice. In addition, certain underlying details of equity-based awards must be disclosed under Item 4 of the Proposed Form.

Item	Summary of comments	CSA response
	Four commenters agree that the disclosure provides a complete picture but one commenter believes the valuation at grant date is the most appropriate number and the valuation for accounting purposes is of secondary importance. One commenter notes that grant date fair value is in line with the methodology used by boards to assess compensation. There should be clarification on how DSU are disclosed or whether DSUs should be disclosed at all under Item 4. The requirement to disclose stock awards under column (g) is confusing. It would be more appropriate to disclose target payouts.	We consider a DSU to be an equity-based award and should accordingly be included by companies in the SCT in the year of grant. We note that, at termination, the incremental fair value of any DSU that were previously granted must also be disclosed.
ITEM 4 – EQUITY-BASED AWARDS (March Notice version of Proposed Form)		
5.1	**Number of tables for outstanding equity-based awards** One commenter notes that if the grant date approach is used for the SCT, there will be no need for a separate grant of equity awards table. Three commenters suggest that we replace the table currently found in the proposed form with an alternatively structured table: They recommend that we • combine the two tables in Item 4 with the table in Section 3.2. • include three columns in the table: (i) grants, (ii) exercises, and (iii) outstanding. One of these three commenters suggests that we create an alternate form of table to disclose changes in equity positions. The proposed table would be split into "Employment Share Units", "Restricted Share Units" and "Options/SARs In-The-Money" and would provide a year-by-year breakdown of the opening and closing balances, along with any payouts that occurred during the year for each NEO. Latitude should be given to issuers to amend the table where they believe that such amendment would provide more complete and/or clearer information to shareholders.	We have deleted section 3.2 of the version of the Proposed Form published with the March Notice in keeping with our decision to require the disclosure of grant date fair value in the SCT. We believe that the remaining tables are required to provide disclosure that is meaningful and understandable. We have considered the alternatives, and still believe that the two tables required by sections 4.1 and 4.2 of the Proposed Form are required. We have made some modifications to the table required under section 4.2.
5.2	**Subsection 4.1(1) (March Notice version of Proposed Form)(disclose number of securities underlying unexercised options**) One commenter expresses concern regarding the meaning of the term "been transferred other than for value". The commenter requests that we clarify to whom these gratuitous transfers would be made.	In response to this comment, we have deleted the term "including awards that have been transferred other than for value" from subsection 4.1(1) of the Proposed Form.

Item	Summary of comments	CSA response
5.3	**Equity ownership** One commenter notes that the requirement to disclose equity holdings should apply not only to those NEOs that are members of the board of directors, but to all NEOs. This is especially true given the current Canadian governance model where few, if any, executive officers other than the CEO would be on the board.	We believe that SEDI does provide this information in accessible form, and that readers may consider this disclosure when assessing whether these holdings are related to executive compensation decisions.
5.4	One commenter expresses concern that this table does not adequately provide investors with sufficient information relating to how much vested and non-vested upside leverage and downside risk executives have with respect to changes in the stock price. Specifically, the commenter raises the following concerns: • The table does not provide the total in-the-money value for each NEO broken down between exercisable and non-exercisable options (as was previously required) • The disclosure of outstanding stock awards applies only to non-vested awards, and not to previously vested stock units that continue to be outstanding and will be settled in a subsequent year • There appears to be an inconsistency between the detail required for each outstanding option and the aggregate information required for outstanding non-vested stock awards. Specifically, the commenter expresses concern as this has led to extremely lengthy reports in the U.S. that are frustrating to investors. One commenter recommends that column (g) should not require disclosure of unvested stock awards. Calculation of this column would require issuers to make disclosure based on assumptions relating to a hypothetical situation. The commenter expresses concern about including this information as it cannot be factually verified and the classification of the information circular as a "core document" in most provinces for the purposes of secondary market civil liability.	We believe that the table required by subsection 4.1(1) of the Proposed Form generally captures the significant information required for companies to provide meaningful disclosure. We note, however, that all of the disclosure required in the Proposed Form must be filtered through the objective set out in section 1.1 of the Proposed Form. If necessary to satisfy this objective, we believe companies must disclose that an NEO has substantial non-vested upside leverage or downside risk with respect to changes in the stock price. We do not intend that assumptions based on hypothetical scenarios will be required. We merely want to provide an indication of value related to stock awards not vested at the end of a financial year and believe this is a reasonable way to do so.
5.5	**Section 4.2 Value realized on exercise of vesting of equity awards table (March Notice version of Proposed Form)** One commenter expresses the following concerns: • The table does not show the number of shares or units that were exercised or realized in the year, only the dollar value realized on those that vested in the year.	The table required by subsection 4.2(1) of the Proposed Form requires disclosure of value rather than units because we believe that disclosure of value is more meaningful.

Item	Summary of comments	CSA response
	• The table does not show the value realized from the settlement of previously vested equity-based awards, such as deferred stock units. (The commenter notes that this may arise from the adoption of this table from SEC regulations, which reflect the common practice of issuing restricted shares from treasury at the beginning of the vesting period. The commenter notes that the Canadian context is different due to the extensive use of cash-settled, liability-type stock award structures under which vesting and settlement may not necessarily occur in the same year. In such a case, amounts would have to be disclosed as value realized, even though some time may have to pass before their actual settlement.)	We view any of this growth as an investment decision made by the NEO as opposed to a compensation-based decision. Therefore, we have not required disclosure of vested amounts.
	• Deferred share units may vest immediately upon their grant or a few years thereafter, but may not be settled under termination/retirement. Reporting value realized only upon vesting would miss much subsequent potential value derived from price growth and dividends while these awards remain outstanding.	DSUs must be disclosed at grant date fair value in the SCT in the year of grant. Dividends or price growth not factored into grant date fair value in the year of grant must be disclosed in column (h) of the SCT under paragraph 3.1(10)(f) of the Proposed Form when paid.
	• The terminology for stock awards in the table should be changed to refer to "Value realized during year on settlement."	We intend to capture value realized on vesting.
5.6	**Reporting period** One commenter requests that we clarify that disclosure in the options awards table is required for awards made in the most recently completed year only. The commenter also recommends that the table take into consideration awards that are vested compared to those that have not vested (which the commenter notes would have the effect of making the disclosure consistent with the disclosure required for stock awards). One commenter requests that Point 4 of Item 4 be clarified such that it is clear that the disclosure is "as at the last day of the most recently completed financial year."	We have revised the language of section 4.1 of the Proposed Form to indicate that disclosure is required for all awards granted on a cumulative basis and not just for awards for the most recently completed financial year. We have also revised the language to clarify that disclosure is required as at the end of the most recently completed financial year.
5.7	**Additional disclosure** One commenter recommends that it be required for issuers to disclose whether options are vested or unvested, and to include any option grant dates.	We have not made the suggested change because such disclosure may not be required in every case. We note, however, that all of the disclosure required by the Proposed Form must be filtered through the objective set out in section 1.1 of the Proposed Form. If necessary to satisfy this objective, we believe that a company must disclose the information suggested by the commenter.

Item	Summary of comments	CSA response
ITEM 5 – PLAN-BASED AWARDS (March Notice version of Proposed Form)		
Section 5.1 Narrative disclosure for plan-based awards (March Notice version of Proposed Form)		
Question 17: Is the information a company will provide in the tables required by item 4 the most relevant information for investors? Do you agree with our decision to take a different approach to the SEC? Could material information be missed by this approach?		
6.1	Twelve commenters support the decision to take a different approach than the SEC and made the following additional comment: • Agrees with the decision to separate information regarding stock and option type compensation from incentive compensation that is not based on the value of the corporation's shares. Nine commenters believe that material information is missing by using this approach. • Do not support disclosure on an award-by-award basis in the "Outstanding equity-based awards table" column (c) should report the lowest and highest option exercise price for the unexercised grant and column (d) should include the range of applicable option expiry dates. • Disclosure of options should be split between vested and unvested options as is currently required. The split is meaningful information in that it shows the value that is realizable. • Point 6 to Table 4 requires an estimate of potential value of awards based only on the prior year's fiscal performance. For grants that have a service period longer than one year, it is not appropriate to estimate the value of performance measures on the value of a stock award before the end of the service period (i.e. in year 1 of 3 year period). • The amount to be disclosed for stock awards (upon exercise or vesting) should represent the actual amount paid or the value distributed in accordance with the actual plan rules and not the market value of the share units on the vesting date. • Disclosure of grants should be split into exercisable and unexercisable as is currently done. This information is relevant as it demonstrates how vesting provisions have been used.	We acknowledge these comments. We acknowledge these comments. Though some of the information suggested by the commenters may be relevant in many cases, we have decided against explicitly adding such information to the requirements in Item 4 of the Proposed Form because such disclosure may not be required in every case. We note, however, that all of the disclosure required in the Proposed Form must be filtered through the objective set out in section 1.1 of the Proposed Form. If necessary to satisfy this objective, we believe that a company must disclose the information suggested by the commenters.

Item	Summary of comments	CSA response
	• The grant date of individual awards should be disclosed. • Information on individual awards such as stock or units granted will not be transparent because it will be aggregated in the "Outstanding equity-based awards table" with prior grants. This commenter also believes the reference to "vested" should be clarified. The commenter further suggests the Outstanding Equity-based awards table be modified so that stock awards are detailed on an award-by-award basis in column (f). • The tables and narrative in Items 4 and 5 will enhance the complete disclosure of equity and plan-based awards, however a more complete disclosure of individual grant details should be provided and the use of tabular disclosure is suggested. • The two tables do not include stock awards that vested in a prior year and which were either outstanding at the end of the year, or were settled during the year (even though changes in the stock price and dividend equivalents on these awards would affect the SCT if the accounting approach is used). • Investors want to see how much vested and non-vested leverage and downside risk executives have with respect to changes in stock price. Table 4.1 does not fully provide this as in-the-value options are not broken down between exercisable and unexercisable options. Table 4.2 does not show the number of shares or units exercised or realized nor does it show the value realized from settlement of previously vested awards. • The tables required under Item 4 should be expanded to provide information as to the portion of the value of the awards that has been included in the SCT as well as the value of the awards that will be recognized in future years (if accounting is used for equity awards in the SCT).	

Item	Summary of comments	CSA response
ITEM 6 – RETIREMENT BENEFITS (March Notice version of Proposed Form)		
Section 6.1 Retirement plans benefits table (March Notice version of Proposed Form)		
7.1	**Plan-by-plan or aggregate disclosure** Three commenters believe that disclosing defined benefit obligations on a plan-by-plan basis is problematic and made the following comments: • Tabular disclosure of all pension obligations in one line will be adequately supplemented by the obligation for issuers to provide narrative disclosure of each plan on an individual basis. • An issuer should only be required to disclose the aggregate entitlement for each NEO.	We agree that an NEO's participation in multiple pension plans does not preclude the meaningful tabular disclosure of pension obligations in aggregate form. Companies may provide additional narrative disclosure to accompany any aggregate tabular disclosure in order to clarify the significant elements of each individual plan available to an NEO if necessary to understand the disclosure.
7.2	**Subsection 6.1(1) (March Notice version of Proposed Form)(number of years of service)** One commenter notes that the table in Item 6 requires disclosure of "Number of Years Credited Service" and suggests that we consider whether it should additionally require disclosure of "Number of Years Actual Service."	We believe that the requirement to disclose (in footnote and narrative form) company policies relating to the granting of extra years of credited service is sufficient to adequately discuss any issues relating to extra years of credited service. We believe that this disclosure will effectively present any attempts by users to use the crediting of extra years of service as a compensatory technique.
7.3	**Subsection 6.1(4) (March Notice version of Proposed Form)(retirement age)** One commenter sees the use of normal retirement ages for the purpose of disclosing accrued pension obligations as problematic in that it will make comparisons across issuers difficult and may understate the values reported in the DB Pension Table and in the SCT. The commenter recommends the use of assumed retirement ages consistent with those use for financial reporting purposes in order to more accurately depict accrued pension obligations and service costs. One commenter notes that the SEC rules require issuers to assume normal retirement age (for disclosure purposes) even if for financial accounting purposes a less than 100% chance of retirement is contemplated. The commenter suggests that the CSA not stay silent on this matter to avoid the interpretation that any financial reporting assumptions can be relied on, and allow for an adjustment based on the likelihood of continued employment. The commenter is concerned that the departure of the CSA from the SEC approach may have been unintentional, and suggest that the CSA consider this.	Subsection 5.1(1) of the Proposed Form permits the use of an estimated retirement age consistent with the practices relating to the estimated retirement age used for financial reporting purposes. We have chosen to depart from the SEC requirements. Subsection 5.1(1) of the Proposed Form permits companies to rely on the actuarially determined likely retirement age as used by companies for financial reporting purposes.

Item	Summary of comments	CSA response
	One commenter notes that using normal retirement age ("NRA") for purposes of disclosing the value of defined benefit benefits should enhance the comparability of pension benefits across different executives and issuers. However, the commenter notes that the problem with using NRA is that it does not capture the value of early retirement subsidies. The commenter notes that the use of the earliest unreduced age at which an NEO will be entitled to retire would capture early retirement subsidies, but will lead to an overstatement of the present value of accumulated benefits if the NEO continues working past this earliest unreduced age. The commenter notes that either approach has pros and cons, and does note that the commentary to Section 6.2 does address this to some degree.	We acknowledge this comment. The disclosure required under subsection 5.1(1) of the Proposed Form is the same number used for the financial statements. Financial statements use an average number rather than the individual date.
	One commenter believes the vast majority of pension plans, but not all, define the normal retirement age as age 65. This is the case for pension plans that allow for unreduced or subsidized retirement at an earlier age. The commenter suggests using financial statement assumptions.	In response to this comment, we changed subsection 5.1(1) of the Proposed Form to allow companies to rely on the same actuarial assumptions used in the preparation of financial statements.
Section 6.3 Defined contribution/deferred compensation plans (March Notice version of Proposed Form)		
Question 18. Should we require supplemental tabular disclosure of defined contribution pension plans or other deferred compensation plans? Is a breakdown of the contributions and earnings under these plans necessary to understand the complete compensation picture?		
7.4	**Tabular disclosure of DC plans** Eleven commenters support a requirement to disclose a defined contribution table and made the following comments: • Information on real &/or notional contributions made to DC plans on behalf of an executive is required to understand the complete compensation picture. • Tabular disclosure should be required for non-registered DC pension plans as large liabilities can accumulate for a given NEO. • We should require disclosing DC or other deferred compensation plans in tabular form as required by the SEC rules. • We should require tabular disclosure of all pension costs and contributions supplemented by appropriate narrative.	In response to these comments, we have revised section 5.2 of the Proposed Form to include a table clearly detailing the defined contribution plans made available to an NEO. However, we believe that the details of deferred compensation plans can be provided in a narrative discussion. For example, to the extent that the value reported in the SCT needs to be explained, this can be included in the narrative provided in this section.
	Four commenters believe that there should not be supplemental disclosure of DC plans or other deferred compensation plans or a breakdown of the	We acknowledge these comments.

Item	Summary of comments	CSA response
	contributions and earnings under these plans. If this disclosure is determined to be necessary, the information should be presented in a tabular format as it is easier to understand. Four commenters believe that deferred compensation plans should be disclosed with the following comments: • We should require supplemental tabular disclosure of deferred compensation plans. • Deferred compensation may not be adequately disclosed within the proposed tables. Values disclosed at the time of grant are based on target but the payout in deferred shares may be bigger or smaller than the initially reported payout. • Deferred compensation reporting should include only the value not already reported (most of it is voluntary deferral of already reported incentive-based earnings). • Deferred compensation requirements should be clarified. For example, should the value of deferred amounts be reported or simply the increase in value? When deferred amounts are matched by the company with DSUs which vest over time, should all DSUs be reported or only the vested portion?	We note that these amounts must be disclosed in the SCT. We have decided not to specifically require supplemental disclosure of deferred compensation plans because many companies do not currently have such plans. We emphasize, however, that all disclosure must be filtered through the objective set out in section 1.1 of the Proposed Form. If supplemental disclosure is necessary to satisfy this objective, a company must provide such disclosure. We also note that deferred compensation plans must be disclosed at grant date fair value in the SCT in the year of grant. Above-market or preferential earnings that is deferred on a basis that is not tax exempt must be disclosed in column (h) of the SCT under paragraph 3.1(10)(h) of the Proposed Form when paid. To the extent that the values reported in the SCT need to be explained, the explanation can be included in the narrative discussion in this section.
7.5	**Relevant information for DB plans** One commenter supports the DB table, and feels that this will provide more meaningful information than the generic table it replaces. Two commenters believe that several large Canadian issuers already provide more information than is proposed (i.e. breakdown of service cost and other components that comprise the change in accrued obligations). One commenter believes the defined benefit pension table should be expanded to include the liability at the beginning and at the end of year, together with identification of what portion of the change relates to compensatory and non-compensatory factors. This commenter suggests that if this approach is adopted, disclosure of DC plans should also be included in the same table where the value of contributions made during the year could be disclosed in the column that relates to changes in liability based on service and compensation for DB plans. This commenter also suggests disclosing years of service accrued and projected annual pension at the normal retirement date under DB plans.	We acknowledge this comment. In response to these comments, we have changed the tabular disclosure required under section 5.1 of the Proposed Form. We have revised the table in subsection 5.1(1) of the Proposed Form to include accrued obligation at start of year, change during the year and accrued obligation at end of the year. DC plans will be disclosed in the separate table required under subsection 5.2(1) of the Proposed Form in a similar manner.

Item	Summary of comments	CSA response
	One commenter suggests that a Retirement Benefits table with four "present value columns" would more appropriately present the compensatory and non-compensatory factors that impact defined benefit pension entitlement. The four "present value columns" would be: • Present value of accumulated benefits at prior year-end • Change in present value due to compensatory factors (this being shown in the SCT) • Change in present value due to non-compensatory factors • Present value of accumulated benefits at current year-end	In response to this comment, we have changed the tabular disclosure of defined benefit pension plans required under subsection 5.1(1) of the Proposed Form.
	One commenter believes column (e) in Item 6 should be removed from the table as it will only be applicable in limited circumstances.	We have removed column (e) from the table required under Item 6 of the version of the Proposed Form published with the March Notice. We believe that if such payments are made, they must be disclosed in the SCT under paragraph 3.1(10)(i) of the Proposed Form.
	Two commenters believe that tabular disclosure is only required for DB plans and that the current disclosure requirements are sufficient. One commenter notes that if additional detail is necessary, items that would be most relevant include: • Any compensation treatment during the year which impacts the value of the accrued pension benefit • Impact on accrued value of pension resulting from another year of service • Narrative which provides relevant context for changes in NEO accrued pension value resulting form changes in the pension plan itself.	We acknowledge these comments.
7.6	**Relevant information on DC plans** One commenter suggests that a table, along the same lines as that proposed by the commenter for DB plans, be required for DC plans. The columns would be substantially as follows: • Value of accumulated benefits at prior year-end (the DC account accumulation at the prior year-end). • Change in present value due to compensatory factors (the amount of any employer contributions to the account plus the value of any above-market or preferential earnings on the DC	In response to this comment, we have added the tabular disclosure for defined contribution pension plans required under subsection 5.2(1) of the Proposed Form.

Item	Summary of comments	CSA response
	account). • Change in present value due to non-compensatory factors (member contributions and market-based investment growth). • Present value of accumulated benefits at current year-end (the DC account accumulation at the current year-end).	
7.7	**General comments** One commenter agrees a breakdown of the contributions and earnings would be necessary to understand the full compensation picture. As tabular disclosure of DB pension plans includes both registered and non-registered pension plans, consideration should be given to including both types of plans in a DC pension plan table unlike the SEC requirements where only non-registered DC pension plans are included in the tabular disclosure. Most relevant information will be the amounts associated with the retirement plan benefits payable upon retirement, the pension obligation and the annual service cost as is voluntarily disclosed by many companies in previous years.	We have made a distinction between registered and non-registered defined contribution plans under the requirements of subsections 5.2(2) and (3) of the Proposed Form. We acknowledge this comment.
ITEM 7 – TERMINATION AND CHANGE OF CONTROL BENEFITS (March Notice version of Proposed Form)		
8.1	**Reasons for termination and change of control benefits** One commenter believes that issuers should be required, either in the CD&A or elsewhere, to explain why they decided to enter into their current termination and change of control agreements with their NEOs. The commenter points to comparable U.S. provisions that it views as more appropriately requiring an issuer to explain its decision making process.	In response to this comment, we have added a requirement to explain each of the items set out in paragraphs 6.1(1)(a) through (e) of the Proposed Form.
8.2	**Disclosing benefits triggered by a change of control** One commenter requests that we clarify whether Item 7 applies only to those changes of control which result in a termination of employment or also to any compensation obligations triggered by a change in control that does not result in a termination of employment.	We have changed section 6.1 of the Proposed Form to clarify that benefits triggered by a change of control must be disclosed whether the change of control results in termination of employment or not.
8.3	**Clarification regarding incremental payments** Ten commenters suggest that we clarify whether the disclosure contemplated by Item 7 requires the disclosure of all amounts that would be paid to an NEO on termination or change of control or only those incremental amounts that are considered enhancements triggered by the termination or the	We have changed section 6.1 of the Proposed Form to clarify that only disclosure of the incremental value of the benefit provided to an NEO is required. Any benefits of an equal or lesser value that would be provided to an NEO without a triggering event having occurred do not need to be disclosed as any such

Item	Summary of comments	CSA response
	change of control event (e.g. where the vesting of stock options is accelerated as a result of a change of control). One of the commenters specifically believes that clarification is required regarding the following items: • deferred share units (which by definition are redeemed upon termination of service); • equity awards that accelerate upon a change of control; and • the incremental value that accrues under an NEO's pension versus the entire lump sum or present value at retirement.	benefits are required to be disclosed under other Items of the Proposed Form. With respect to the specific examples raised by the commenter, a company must disclose the amount of any benefit that accrued to the NEO that would not have otherwise been provided had a triggering event not occurred.
8.4	**Clarification of assumptions** One commenter suggests that we clarify that issuers are not expected to factor in assumptions regarding future share price appreciation when determining payments and benefits due on termination or change in control. One commenter suggests that we specify whether we require disclosure of the annual amount of pension payable or the present value of that pension.	Companies are not required to factor in assumptions regarding share price appreciation under subsection 6.1(2) of the Proposed Form. Companies must disclose the annual benefit payments payable as well as the present value of the pension under Item 5 of the Proposed Form.
8.5	**Format: tabular disclosure** Six commenters recommend tabular disclosure rather than narrative disclosure. Some commenters note that: • If we extend the new requirement to all NEOs, these four commenters recommend disclosure in a table with appropriate footnotes. One commenter suggests that we prescribe an additional table which shows as a baseline what each NEO is entitled to receive, either immediately or in the future, if they resign of their own free will and all incremental payments each NEO is entitled to receive either immediately or in the future in the event of a standard set of termination scenarios. One commenter recommends tabular disclosure of: • cash payments of severance and other unvested amounts, • cash payments of previously vested amounts, • number of shares (and value) of previously unvested stock options and awards that become vested due to severance or change in control, and	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 Proposed 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
	• the number of shares (and value) of previously vested stock options and stock awards.	
8.6	**Format: narrative disclosure** Three commenters believe narrative disclosure is more appropriate than tabular disclosure. Specifically, one commenter believes that where there is no accelerated vesting or forfeiture for a particular type of termination, narrative disclosure is more appropriate than table format. One commenter recommends narrative disclosure of: • Whether a retired executive is simultaneously receiving both severance and retirement payments, • Whether a severance benefit is payable on the death or disability of the executive, • Whether the issuer is permitted to cease or claw-back any retirement benefits, • Whether severance pay and other benefits continue on or after normal retirement date, and • Whether a change in control would affect any of the above.	See our response in item 8.5, above.
8.7	**Format: future enhancements** One commenter recommends that we closely monitor issuers' attempts to comply with these requirements with a view towards developing a suggested table format at a later date.	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 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.
Question 19. Should we require estimates of termination payments for all NEOs or just the CEO?		
8.8	**Support disclosure of termination payments for all NEOs** Thirteen commenters believe issuers should be required to disclose termination payments for all NEOs. Four commenters believe extending new requirements to all NEOs will result in a lengthy discussion of termination payments and inflated termination payments.	Based on the comments received, we believe the requirement in section 7.1 of the version of the Proposed Form published with the March Notice imposes an undue burden on companies without necessarily enhancing the value of the disclosure to readers. Accordingly, we changed the requirement in section 6.1 of the Proposed Form so that it only applies to four standard scenarios – termination, resignation, change of control and retirement. To the extent that information about other termination or change of control scenarios is potentially significant to readers, such information should be disclosed if

Item	Summary of comments	CSA response
		necessary to satisfy the objective set out in section 1.1 of the Proposed Form.
8.9	**Support disclosure of termination payments only for CEO** Eleven commenters believe issuers should be required to disclose termination payments only for the CEO. • One commenter recommends a standard template for the disclosure of termination arrangements such as resignation, retirement, termination without cause and change of control for the CEO. • Detailed tables of assumptions as to unit prices and salary amounts in tabular form is not appropriate disclosure. • Estimates of such termination payments may provide misleading disclosure. • Termination arrangements should be disclosed in general terms for NEOs other than the CEO, including a general narrative in the CD&A. One commenter recommends that we require disclosure on a general and aggregate basis for all NEOs of the range of payments that may be required to be made for a prescribed set of change of control scenarios. One commenter recommends that disclosure should only be required for those individuals and circumstances in which a payment is expected over the ensuing 12 month period. If there is a requirement to disclose various scenarios, none of which appear to be likely in the ensuing 12 month period, there is no value to the investor and may cause confusion as to what is really being paid in the reporting year. One commenter is concerned the disclosure of material conditions or obligations that apply to receipt of payments or benefits may require disclosure of competitively sensitive and confidential arrangements or conditions and recommends that there should be a carve-out for any disclosure that is competitively sensitive or confidential for the issuer.	We do not believe that disclosure of this information for only the CEO is sufficient to allow investors to understand a company's compensation policies in this regard. We do not agree that a "general description" of the potential termination benefits available to NEOs would provide sufficient information for investors to understand the decisions made by the company in regards to these payments. We have not made this suggested change because we believe a company may not be aware of expected payments over the ensuing 12 months. We believe that, in most cases, the value of this disclosure to investors outweighs the costs of disclosing it to the company.

Item	Summary of comments	CSA response
Question 20. Will it be too difficult to provide estimates of potential payments under different termination scenarios? Should we only require an estimate for the largest potential payment to the particular NEO?		
8.10	**Do not support providing estimates of potential payments under different termination scenarios** Fifteen commenters do not support the disclosure of all potential termination scenarios, or at least believe that providing these estimates would be difficult. Some of the specific points raised by commenters include: • Such estimates may not be meaningful or reflective of the amount that an NEO will receive. • This requirement may lead to manipulation by issuers. • The requirement to quantify is too broad to value. • The proposed scope of disclosure regarding termination events will be too difficult to provide and of little practical use as companies don't have specific programs, plans or documented arrangements to define all of the various types of payments and benefits that may be provided under various types of terminations or a change in control. Consequently, the amounts would in many cases be hypothetical. The commenter does however support the disclosure of vesting and payment or distribution of amounts related to equity compensation plans for various types of terminations of employment and change in control as many companies do have specific and relatively standard rules regarding these scenarios. Three commenters believe that requiring the disclosure of all potential payouts associated with termination-related events is not appropriate, and that the disclosure required by the form should be limited to a list of standard scenarios. While the commenters differed in the precise classification of the specific scenarios they thought should be discussed, they generally recommended that disclosure be limited to the consequences associated with the following general scenarios: • Change in control • Resignation • Retirement • Voluntary termination • Involuntary termination (including termination for cause and without cause)	See our response in item 8.8, above.

Item	Summary of comments	CSA response
	One commenter further recommended that if any alternative scenario other than these standard scenarios could result in a higher incremental payout, this should be disclosed as well.	
8.11	**Do support providing estimates of potential payments under different termination scenarios** Eight commenters support disclosing the potential consequences of all scenarios relating to changes of control or termination. One commenter believes that every component of the total compensation package should be identified and discussed in detail, including all material terms of agreements regarding payments on termination or change of control. Three commenters believe it would not be difficult to provide estimates of potential payments under different scenarios as the details should be contained in a written document and investors are entitled to this potentially significant information. One commenter believes it would be difficult to provide estimates of potential payments, commenter believes the vesting of securities is easy to provide.	We acknowledge the support for the requirement to disclose the incremental payouts due to an NEO in all termination-related scenarios. On further consideration, we believe the requirement in section 7.1 of the version of the Proposed Form published with the March Notice imposes an undue burden on companies without necessarily enhancing the value of the disclosure to readers. Accordingly, we changed the requirement in section 6.1 of the Proposed Form so that it only applies to four standard scenarios – termination, resignation, change of control and retirement. To the extent that information about other termination or change of control scenarios is potentially significant to readers, such information should be disclosed if necessary to satisfy the objective set out in section 1.1 of the Proposed Form.
8.12	**Largest potential payout only** Two commenters support requiring only estimates for the largest potential payment to NEOs. Six commenters do not support estimates of the largest potential payment as such disclosure might grossly overstate an NEO's potential severance benefits under other scenarios and might result in an escalation of severance benefits across companies. One commenter recommends that the value of outstanding or deferred compensation forfeited should be included in order to provide a balanced perspective.	See our response in item 8.8, above. See our response in item 8.8, above. Paragraph 6.1(1)(b) of the Proposed Form only requires the estimated incremental payments and benefits that are provided in each scenario be disclosed. Section 6.1 of the Proposed Form does not explicitly preclude companies from disclosing the estimated value of outstanding or deferred compensation forfeited in each of the four scenarios. In fact, if this disclosure is necessary to satisfy the objective set out in section 1.1 of the Proposed Form, we believe it must be disclosed.
8.13	**Legal impact of estimating value of termination payments** Three commenters are concerned with potential adverse legal implications as a result of estimated termination disclosure. The commenters raised the following issues: • Reporting estimated or hypothetical values may have adverse legal implications for the company in the event of a wrongful dismissal suit.	While we acknowledge these comments, we do not intend that the disclosure required under section 6.1 of the Proposed Form will have the effect of exposing companies to undue legal liability. Specifically, as this requirement is only intended to require the disclosure of contractually defined consequences, (and not consequences which may arise from the application of the common law, civil law or equitable remedies) we

Item	Summary of comments	CSA response
	• The requisite calculations should not inadvertently expose companies to legal actions. • This disclosure may cause employers to limit their liability related to executive termination benefits by formalization of these benefits, which the commenter believes would not be beneficial.	do not intend that any liability will be created in excess of that already in existence.
	One commenter believes that the current wording could be interpreted as requiring an estimate of the amounts that would be required in lieu of any reasonable notice of termination without cause, and indicates that this would be extremely problematic in the context of Canadian employment law. The commenter believes that this may be remedied by including the word "written" in front of the word "contract" in Section 7.1.	We are in agreement with the commenter's belief that the disclosure required under section 6.1 of the Proposed Form is limited to written obligations, and not the application of general principles of employment law under common law. We have also deleted the requirement to disclose *ad hoc* payments in section 7.1 of the version of the Proposed Form published with the March Notice.
ITEM 8 – DIRECTOR COMPENSATION (March Notice version of Proposed Form)		
9.1	**Trustee fees** One commenter notes that this section should take into consideration the different types of structures for non-corporate entities and the differing capacities in which trustees may act. The commenter recommends that corporate trustees or trust companies that act as trustees but effectively delegate most duties to management or other entities should not be caught by this disclosure. The commenter further seeks clarification that disclosure is only required if the compensation has not been previously disclosed under Item 8.	We have added subsection 1.4(9) of the Proposed Form to clarify that any requirements in the Proposed Form that references to the term "director" in the Proposed Form includes an individual who acts in a capacity similar to a director. Accordingly, we have deleted section 8.5 of the version of the Proposed Form published with the March Notice. With this change, we believe that trustee fees paid to a trustee that is acting in the capacity of a director must be disclosed under section 7.1 of the Proposed Form. A corporate trustee or trust companies that act as trustees but effectively delegate most duties to management or other entities are not be caught by this requirement if they are not acting in the capacity of a director. In this case, however, an individual employed by the management or other entity would likely be acting in the capacity of a director of the company. In this case, the requirements in subsection 1.4(3) of the Proposed Form may also apply.
9.2	**Conflict issues regarding non-executive directors** One commenter is pleased with the clarification that is provided regarding compensation paid to outside directors, but recommends that the CSA require an explicit statement as to whether outside directors are entitled to participate in any compensation plans on a discretionary basis. The commenter feels that such participation could give rise to self-dealing and conflicts of interest.	While we acknowledge that the entitlement to participate in any such plans may give rise to some of the issues touched on by the commenter, we do not believe that it is necessary for us to require disclosure of this information. However, all of the disclosure required in the Proposed Form must be filtered through the objective set out in section 1.1 of the Proposed Form. If necessary to satisfy this objective, we believe a company must disclose that outside directors are entitled to participate in any compensation plans on a discretionary basis.

Item	Summary of comments	CSA response
9.3	**Former directors** One commentator requests clarification as to whether compensation is required to be disclosed for former directors who received compensation for part of the fiscal year and that compensation should include any consulting arrangements, according to the SEC rules.	Companies must disclose any compensation paid to former directors who received compensation for part of the financial year. Companies must also disclose, in accordance with paragraph 7.1(3)(c) of the Proposed Form, compensation for services provided to the company by the director in any capacity.
Question 21. Will expanded disclosure of director compensation provide useful information?		
9.4	**Expanded disclosure of director compensation** Twenty-two commenters agree that the proposed director compensation table provides useful information. Individual commenters noted that:	We acknowledge these comments.
	• Director disclosure might lead to inflation of compensation, particularly given the total compensation figure, which allows directors to compare their total compensation to that of other directors.	While we acknowledge this comment, we believe that the benefits of clear and meaningful disclosure of director compensation outweighs this concern.
	• Disclosure should cover the same three-year period as that of executives.	While we acknowledge this comment, we believe that the more limited concerns regarding director compensation, in contrast with the greater concerns regarding NEO compensation, supports our decision to only require director disclosure for the most recently completed financial year.
	• Disclosure should be based on the grant date fair value of stock options and the total market value of all stock grants and deferred units as of the fiscal year end as opposed to the accounting value derived for financial reporting. • Clarification of the expectations regarding the information required for identification of amounts in column (g) is necessary. • Requirements for directors should be consistent with requirements for NEOs.	Subsection 7.1(3) of the Proposed Form states that each column of the director compensation table required by subsection 7.1(1) of the Proposed Form must be completed in the same manner required for the corresponding column in the SCT, in accordance with the requirements set out in Item 3 of the Proposed Form, as supplemented by the commentary to Item 3 of the Proposed Form. Except as provided in subsection 7.1(3) of the Proposed Form, the requirements for directors are consistent with the requirements for NEOs. Specifically, we note that section 3.1 of the Proposed Form provides that, for the purposes of the SCT, options and share-based awards be disclosed using grant date fair value. Accordingly, options and share-based awards to directors must be disclosed using grant date fair value.
	• The "Fees Earned" column of the proposed director compensation table should be more specifically delineated to disclose retainers rather than meeting fees and disclose that portion of a directors' fees that was deferred or taken in the form of equity.	We believe that both meeting fees and annual retainers must be disclosed in the director compensation table required by subsection 7.1(1) of the Proposed Form. With respect to the voluntary deferral of cash compensation, we believe that paragraph 3.1(2)(b) of the Proposed Form governs the treatment of such deferrals in the case of a director as provided by subsection 7.1(3) of the Proposed Form.

Item	Summary of comments	CSA response
	Six commenters agree with the requirement to disclose director compensation on the condition that certain changes to the SCT are made in order to ensure that this requirement leads to the disclosure of meaningful information relating to director compensation. Specifically, • Grant date fair value should be used to value equity awards and the value of pension benefits required to be disclosed should not be the total change in actuarial cost . • One commenter believes where DSUs are voluntarily elected by directors rather than receiving a cash payment, they are essentially an investment decision, where additional DSUs credited as dividend equivalents represent a return on investment rather than additional compensation. Accordingly, these DSUs and dividend equivalents should not be required to be disclosed. One commenter believes disclosure should only be required if the total compensation to each director reaches a specified dollar threshold.	We acknowledge these comments and have made several changes to the SCT (i.e. grant date fair value) that we believe will lead to more meaningful disclosure of both NEO and director compensation. We emphasize that all of the disclosure required in the Proposed Form must be filtered through the objective set out in section 1.1 of the Proposed Form. If disclosure of any specific director compensation, regardless of its form or dollar amount, is necessary to satisfy this objective, we believe a company must disclose that compensation.
GENERAL COMMENTS (March Notice version of Proposed Form)		
Question 22. Do you agree that executive compensation disclosure should remain in the management information circular? Would moving it to another disclosure document provide a clearer link between pay and performance?		
10.1	**Including disclosure of executive compensation in the management information circular** Twenty-one commenters agree that executive compensation disclosure should remain in the management information circular. • One commenter believes that executive disclosure should logically be proximately located with the main governance disclosures of an issuer. As these are currently included in the information circular pursuant to National Instrument 58-101, the circular remains the ideal location for the proposed form. • Four commenters believe that requiring executive compensation disclosure to be made in the MD&A to enforce the link between pay and performance is inappropriate as MD&A is often prepared and published in advance of the circular and compensation decisions being finalized.	We acknowledge these comments. We have decided to continue to require disclosure of executive compensation in the management information circular.

Item	Summary of comments	CSA response
Question 23. Are there elements of compensation disclosure that are not relevant to venture issuers and that they should not be required to provide? For example, should we allow venture issuers to disclose compensation for a smaller group of executives as the SEC has done?		
10.2	**Should venture issuers be treated differently from non-venture issuers** Eight commenters believe special treatment for venture issuers may be required. The commenters suggest that we: • conduct a cost-benefit analysis prior to requiring ventures to disclose executive compensation because such venture issuers often do not have the same human resource and compensation experts as other reporting issuers. • consider whether a different level of disclosure of director compensation would be appropriate for venture exchange listed companies. • phase in the executive compensation requirements for venture issuers as follows: three NEOs in year one after listing, four NEOs in year two and five in year three. • consider increasing limit of $150,000 threshold for inclusion as NEO to allow venture and other issuers to exclude lower paid executives. With respect to the $150,000 compensation threshold, one commenter noted that it is likely to reduce the number of NEOs that venture issuers are required to disclose. Nine commenters do not believe that special rules are required for venture issuers. These are the specific comments: • Disclosure for venture issuers will be simpler because their compensation systems are typically simpler. • Disclosure becomes key to ensuring independent oversight and management of conflicts as many venture issuers do not have a separate compensation committee and commercial and other relationships between directors and the company or among directors is not uncommon. While two of these commenters believe that venture issuers should be subject to the same disclosure requirements are non-venture issuers they note that: • Venture issuers should provide a response indicating at least the non-existence of certain elements of executive compensation, for example, pension plans.	We acknowledge the comments suggesting that venture issuers have unique concerns relating to the disclosure contemplated by the Proposed Form. However, we believe that executive compensation disclosure should be provided by all companies. Consequently, we do not propose to make specific modifications or carve-outs for these companies other than in respect of the performance graph required under section 2.2 of the Proposed Form. However, we note that venture issuers may have simpler compensation structures and may have less than five NEOs. Consequently, many items in the Proposed Form may not apply.

Item	Summary of comments	CSA response
	• Venture issuers should be allowed to apply for discretionary relief but would have to provide reasons.	
Question 24. Are there other specific elements of the requirements that are not relevant for venture issuers?		
10.3	**Companies that only issue asset backed securities** The rules should not apply to venture issuers (such as issuers of asset-backed securities which are administered by the Banks) which have no officers or employees who are paid by the venture issuer. Section 11.6 of the proposed form should be clarified to this effect.	We acknowledge and thank the commenters for their input regarding the distinctive issues relevant to companies that issue asset-backed securities. 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. As such, we do not believe that specific 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.
Question 25. Would the prescription of a performance measurement tool provide useful information on the link between pay and performance?		
10.4	**Disagree with using single performance metric** Five commenters disagree with any use of a single performance metric. Commenters raised the following specific points: • Two commenters do not believe it is not possible to find a single performance measurement tool of how executive compensation relates to company performance. Measurements vary by industry and linking pay to performance should be relevant and meaningful and therefore specific to the company and industry. • One commenter agrees that to enhance investors' ability to assess the pay-for-performance link, the CSA rules should encourage companies to include a "robust" discussion of performance at the end of the performance period. While it would be difficult to prescribe a single performance measurement or analysis, it would be helpful if the disclosure included a requirement for the board to discuss the company's and the executives' performance versus their performance targets and versus peer company performance. • One commenter does agree with the inclusion of the stock performance graph with the CD&A (provided that issuers may discuss any discrepancies between performance and compensation) but does not believe any other form of a single prescribed	We agree that there is not any one particular performance metric that can be applied to all companies. Therefore, apart from the requirement to include a share performance graph comparing total share performance with compensation trends, we do not require companies to use a single metric in isolation. We consider share performance to be a universal metric that can easily be applied by all companies. Companies may use any performance metric they see fit in an effort to describe and justify their compensation policies, provided that these metrics do not detract from the provision of meaningful and accessible disclosure of compensation information: Companies should disclose other performance metrics that are necessary to provide meaningful and accessible disclosure of compensation information.

Item	Summary of comments	CSA response
	performance measure is at all useful in determining the link between pay and performance.	
Question 26. Do you think the suggested timeline will give companies enough time to implement these proposed disclosure requirements?		
10.5	28 out of these 38 commenters who commented on the proposed form provided their views on the proposed effective date. Eight commenters believe that the proposed timeline will provide enough time for companies to implement the requirements of the proposed form. However, two commenters provided the following qualifications: • Transition periods for issues such as those relating to external management companies (and the renegotiation of any contractual terms) may be required. • The anticipated SEC rules could still take several years to review and implement. Accordingly, the CSA should proceed as planned but leave open the possibility for amendments down the road in light of possible changes in the U.S. and the implementation experience in Canada. Two commenters believe that while it is likely possible for companies to comply with the proposed timeline, the CSA should nonetheless consider delaying implementation. One commenter believes that if the CSA uses an accounting costs method of valuing equity awards, it should wait for the completion of the anticipated SEC review of 2007 proxy statements. The commenter appears to support the proposed timeline (depending on the timing of any re-publication and further comment) if a method other than accounting costs is used. Nineteen commenters believe that the timeline for implementation should be delayed until December 31, 2008, if not longer. Commenters based this conclusion on the following reasons: • Six commenters believe the CSA needs this time to observe the results of the U.S. Rules and any SEC comments or guidance on them after the SEC completes its review of 2007 proxy statements. • One commenter believes additional time is needed so that smaller entities can hire new staff or additional consultants.	We acknowledge these comments. We have republished for comment and, therefore, implementation of the Proposed Form is delayed. We anticipate the effective date of the Proposed Form will be December 31, 2008.

Item	Summary of comments	CSA response
	• Four commenters believe that publishing these rules in final form in December 2007 will make it extremely difficult for issuers to properly prepare for the implementation of the new rules before compensation decisions are made. Moreover, delaying implementation would have the added benefit of allowing the CSA to take into account any potential changes made by the SEC. Eight of the nineteen commenters believe that compliance with the proposed form is possible only if certain deadlines (that are not practical given the proposed timeline) are met. In total, the eight commenters each believe that publication in final form after September 30, 2007 (as is currently planned) would not provide sufficient time to issuers. Specifically: • Two commenters believe that the form must be published in final form by July 31, 2007. One of the commenters further indicated that this would only be suitable if the final form of the proposed form was in substantially the same form as the proposed version included in the March 29, 2007 Notice and Request for Comment. • Two commenters believe that the form must be published in final form by no later than mid-August. If the release date is later, the commenters recommend postponing implementation for one year. • One commenter believes that the form must be published in final form by the end of September 2007, and that there should be a transition rule (similar to that under the SEC rule) providing that issuers do not need to restate compensation previously disclosed in accordance with the old form requirements. • Two additional commenters support September 30, 2007 as a deadline before which the CSA should publish the proposed rule in finalized form in order for it to apply to the 2007 financial year. • One commenter stated that so long as the proposed rule was published in final form by no later than August 1, 2007 and the CSA committed to not make any further changes to the rules for the 2008 proxy season, the proposed timeline is feasible. However, as noted below, the commenter still recommends delaying until December 31, 2008 so as to be able to take into account any SEC comments following its review of 2007 proxy disclosure.	

Item	Summary of comments	CSA response
	One commenter recommended that the CSA review the anticipated SEC guidance, but made no recommendation as to whether the proposed rule should be delayed. One commenter recommended the CSA consider whether to proceed with one of three courses of action: • proceed as planned, and only make consequential amendments when and if the SEC makes changes, • delay implementation of the proposed rule until 2009, or • make certain changes now to the proposed rule that are expected to be made by the SEC following their review of 2007 proxy disclosure.	

APPENDIX B

Summary of Changes to the 2007 Proposal

The following summarizes the notable changes to the 2007 Proposal reflected in the 2008 Proposal.

A. THE PROPOSED FORM

(a) ITEM 1 – GENERAL PROVISIONS

(i) Objective

Item 1 now includes a section setting out the objective of the Proposed Form. The Proposed Form is intended to disclose all direct and indirect compensation arrangements provided to a company's CEO, CFO, other highest paid executive officers, and members of the board of directors, for the services they have provided to the company or a subsidiary of the company. We believe that enhanced disclosure will:

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

(ii) Definition of "stock"

The definition of "stock" has been amended and substituted with "shares", which is a more commonly accepted term in Canada. For the purpose of the Proposed Form, shares include instruments such as common shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, stock or any similar instruments that do not have option features.

(b) ITEM 2 – COMPENSATION DISCUSSION AND ANALYSIS (CD&A)

(i) Generally

Item 2 requires a discussion and analysis of the executive compensation provided to NEOs (as defined in the Proposed Form) in the most recently completed financial year. The purpose of the CD&A is to provide a narrative overview at the beginning of the form that will put into perspective the disclosure that follows.

In addition to discussing its compensation policies and decisions, as reflected in the 2007 Proposal, companies will be required to analyze and discuss the significant elements of compensation awarded to, earned by, or paid to NEOs (as defined in the Proposed Form). The 2008 Proposal enhances disclosure by requiring companies to provide a discussion of how the board of directors determined the amounts of specific compensation elements paid to the NEOs and why they paid that compensation. In certain circumstances, companies will be required to disclose information about the current period to explain fully compensation decisions made during the most recently completed financial year.

(ii) Performance graph

We have amended the proposed executive compensation form to clarify that companies that have distributed only debt securities to the public are exempt from the performance graph requirements.

In addition, a performance graph is not required for companies that were not a reporting issuer in a jurisdiction in Canada for at least 12 calendar months. We believe that a company that has not been a public company for a 12 calendar months would not be able to prepare a meaningful discussion of the link between executive compensation and the performance graph.

(iii) Performance targets

Among the elements of a company's compensation policies and decisions that may be significant and warrant disclosure is the company's use of corporate and individual performance targets. Disclosure of performance targets used by companies to determine the compensation of NEOs, subject to the limited exemption provided for competitive harm, is necessary to bring about clear and informative disclosure of a company's compensation policies. Because CD&A will be subject to continuous disclosure review, a company relying on the competitive harm exemption may subsequently be required to demonstrate how

disclosing specific target information would seriously prejudice its interests. If it cannot demonstrate serious prejudice, the company will be required to disclose the information.

(c) ITEM 3 – SUMMARY COMPENSATION TABLE (SCT)

(i) Plan-based awards

We propose including the grant date fair value of compensation to reflect the value of equity awards. We believe such an approach will more appropriately reflect the value of any awards given to a NEO in a given year and allow investors to assess decisions made by the board of directors.

As such, we have departed from the 2007 Proposal which followed the SEC approach of including in the SCT the value of equity awards equal to the accounting compensation expense for shares, options and other equity-based compensation. To obtain the accounting compensation expense, the fair value amount is amortized over the service period which is generally the vesting period. Under this approach, cash-settled awards are revalued at year end, which can result in negative compensation in certain circumstances.

The commentary in our 2008 Proposal goes on to specify that the value should reflect what the board of directors intended to award as compensation. This value may be based on the valuation methodologies set in Section 3870 of the Handbook (Section 3870) or another reasonable methodology the board of directors used. We have added subsection 3.1(5) to require disclosure in a footnote to the table or in a narrative after the table, if the grant date fair value is different from the accounting fair value, the amount of the difference and an explanation of the difference. By requiring a reconciliation, our aim is to provide an acceptable benchmark and also to allow for greater comparability between companies. Subsection 3.1(5) also requires a description of the methodology used to calculate the grant date fair value, disclosure of the key assumptions and estimates used for each calculation, and an explanation of why the company chose that methodology.

(ii) Bonus and non-equity incentive plan columns

We have reconsidered how "bonus" and "non-equity incentive plans" in the Proposed Form are disclosed. We have decided that the distinction between bonuses and non-equity incentives could lead to potentially misleading or confusing disclosure. All payouts under non-equity incentive plans must be disclosed in column (f) of the SCT ("Non-equity incentive plan compensation"). This will be the case whether the amount of the non-equity payment was determined in accordance with a predetermined formula, or included discretionary elements.

In response to the comments, we have split the "Non-equity incentive plan compensation" column (f) into two columns based on the length of the performance period associated with the awards:

- column (f1) ("Annual incentive plans") includes annual non-equity incentive plan compensation such as bonuses and discretionary amounts. Bonuses relate only to a single financial year.

- column (f2) ("Long-term incentive plans") includes all non-equity incentive plan compensation related to a period longer than one year.

(iii) Pension value

We have departed from the 2007 Proposal of including in the SCT the change in the actuarial value, which combines compensatory and non-compensatory amounts. Instead, we propose including only compensatory values in the pension column in the SCT for both defined benefit and defined contribution plans. This value will be comprised of the service cost and other compensatory amounts.

We also note that Item 6 of the 2007 Proposal has also been revised to provide a disclosure of the total change in pension value, broken out to clearly illustrate the effect of compensatory and non-compensatory factors. This level of detail will apply to both defined benefit and defined contribution plans.

(iv) Grants of equity awards

We have deleted the table under section 3.2 of the 2007 Proposal in keeping with our decision to use grant date compensation fair value in the SCT. Since compensation grant date fair value will now be captured in the SCT, this table is no longer required.

(d) ITEM 4 – EQUITY AND NON-EQUITY INCENTIVE PLAN AWARDS

The table required by subsection 4.2(1) captures the value of awards that is realized during the year regardless of when they are settled. We have focused on capturing equity based awards at vesting rather than at settlement.

We have added a new column (d) entitled "Non-equity incentive plan compensation – Pay-out during the year" to capture non-equity incentive payments. Non-equity incentive payments are captured when the payment is made.

(e) ITEM 5 – RETIREMENT PLAN BENEFITS

(i) Defined benefit plans

We have departed from the 2007 Proposal, which followed the SEC approach, in favour of a table more aligned with emerging best practices in Canada. We changed the format of the defined benefit retirement plan table so that it now provides a continuity schedule with respect to the accrued obligation to date. To this end, we deleted three columns from the table required under Item 6 of the 2007 Proposal:

- column (b) entitled "Plan Name";
- column (d) entitled "Present Value of Accumulated Benefit"; and
- column (e) entitled "Payments During Last Fiscal Year".

As a replacement, we added five new columns to the table required under subsection 5.1(1):

- column (c) entitled "Annual benefits payable";
- column (d) entitled "Accrued obligation at start of year";
- column (e) entitled "Compensatory";
- column (f) entitled "Non-compensatory"; and
- column (g) entitled "Accrued obligation at year end".

The requirements under these new columns better reflect emerging Canadian best practices in this area.

(ii) Defined contribution plans

We added a new table under subsection 5.2(1) for defined contribution plans, similar to that proposed for defined benefit plans, to provide complete disclosure of NEO pension obligations and provide complete and consistent disclosure of NEO obligations and a better basis to compare across issuers.

(f) ITEM 6 – TERMINATION AND CHANGE OF CONTROL BENEFITS

Item 6 requires issuers to provide detailed disclosure of payments made to NEOs that are related to a triggering event such as their termination or a change of control of the company. This Item now includes a standard set of scenarios where companies are required to disclose payments or other benefits received. We have decided the following four termination scenarios are most appropriate:

- retirement;
- resignation;
- termination; and
- change of control.

Item 6 applies to payments related to changes of control regardless of whether the change of control results in termination of employment. Companies must quantify, describe and explain only the incremental payments and benefits that would be provided in each circumstance. In addition, we are proposing that companies disclose why they structured the significant terms and payments provisions in their termination or change of control arrangements as they did.

(g) ITEM 7 – DIRECTOR COMPENSATION

The revised director compensation table in Item 7 is substantially similar to the SCT and reflects the changes made to the SCT, discussed above. As a result, the types of compensation paid to directors would be disclosed in the director compensation table or in the SCT in the same manner. If a director is also an NEO, compensation received for services rendered as a director will be reflected in the SCT. A footnote to the director compensation table will indicate that the relevant disclosure has been provided under section 3.4.

(h) ITEM 8 – COMPANIES REPORTING IN THE UNITED STATES

We have not changed Item 8 (formerly Item 9 of the 2007 Proposal) and continue to allow SEC issuers (generally, reporting issuers that are also reporting companies in the United States) to satisfy the requirements of the Proposed Form by satisfying certain requirements under the SEC compensation rule currently in force.

(i) ITEM 9 – EFFECTIVE DATE

(i) Generally

We anticipate that the 2008 Proposal will come into force on December 31, 2008 and will apply to companies with financial years ending on or after December 31, 2008. Given our 2007 Proposal and the length of our republication for comment, we believe companies will have enough time to consider these changes and prepare for the coming into force of the 2008 Proposal.

(ii) Transition

We have not added a general transition provision. A general provision is unnecessary because only the disclosure required under the SCT looks back to financial years prior to the company's most recently completed financial year. Accordingly, we have added a transition provision only in respect of the SCT.

Under subsection 3.1(1), the disclosure required by the SCT only applies to a company's three most recently completed financial years that occur on or after December 31, 2008. We have added commentary to subsection 3.1(1) providing guidance that a company may have less than three financial years completed on or after December 31, 2008 until about December 31, 2010 and that during this transition period, a company is not required to present SCT disclosure under Form 51-102F6 as it existed on December 30, 2008.

(j) GENERALLY

The terms "material" and "materially" modified certain requirements in the 2007 Proposal. We have changed those terms to "significant" and "significantly" to avoid confusion with the use of those terms under provincial and territorial securities legislation, and with the concept of materiality under generally accepted accounting principles. We believe that the concept of significance must be determined in relation to the objective of executive compensation disclosure set out in section 1.1.

B. THE PROPOSED AMENDMENTS

(a) NI 51-102

We have changed the proposed consequential amendment to section 11.6 of NI 51-102 to include any reporting issuer that does not send an information circular under Item 8 of Form 51-102F2 to its securityholders or file an AIF under section 18.1 of Form 51-102F2. These reporting issuers will be required to prepare and file a completed Proposed Form within 140 days of their most recently completed financial year. Our intention in proposing this change was to ensure that all reporting issuers provide executive compensation disclosure at least once a year.

(b) Form 51-102F5

We have added a proposed consequential amendment to the incorporation by reference provision in subpart 1(c) of Form 51-102F5. Under this proposed consequential amendment, a company may not incorporate by reference the information required to be included in a Proposed Form into its information circular.

The disclosure required by the Proposed Form will provide insight into a key aspect of a company's overall stewardship and governance and will also help investors understand how decisions about executive compensation are made. We believe this disclosure is critical information that securityholders need when making their voting decisions regarding director nominees. Consequently, we believe this disclosure must be delivered directly to securityholders with an information circular rather than being incorporated by reference.

We do not believe that this proposed consequential amendment will affect reporting issuers that do not send an information circular to their securityholders but rather provide the disclosure required by the Proposed Form through the requirement in section 18.1 of Form 51-102F2 or the proposed requirement in section 11.6 of NI 51-102.

APPENDIX C

PROPOSED FORM 51-102F6
STATEMENT OF EXECUTIVE COMPENSATION

Table of Contents

FORM 51-102F6
STATEMENT OF EXECUTIVE COMPENSATION

ITEM 1 – GENERAL PROVISIONS

1.1 Objective

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

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

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

1.2 Format

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

(a) omit a table or column of a table if it does not apply, and

(b) add tables and columns if they are needed to meet the objective in section 1.1.

1.3 Definitions

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

In this form,

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

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

"closing market price" means the price at which the company's security was last sold, on the date that the price is determined,

(a) in the security's principal marketplace in Canada, or

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

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

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

"external management company" includes a subsidiary, affiliate or associate of the external management company;

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

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

"incentive plan award" means an award provided under an incentive plan;

"NEO" stands for named executive officer, which means each of the following individuals:

(a) each CEO;

(b) each CFO;

(c) each of the company's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose individual total compensation was more than $150,000 for that financial year; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was not an executive officer of the company at the end of that financial year;

"non-equity incentive plan" means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

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

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

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

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

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

"share award" means an award of shares under an equity incentive plan;

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

1.4 Preparing the form

(1) All compensation covered

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

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

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

(2) Information for full financial year

If the CEO, CFO or any other NEO worked in that capacity for the company during part of a financial year that is being disclosed in the summary compensation table, provide details of all of the compensation that an NEO received from the company for that financial year. This includes compensation the NEO earned in any other position with the company during the financial year.

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

(3) External management companies

(a) If the company does not have direct employees who act as executive officers and directors, disclose the individuals who performed the functions of executive officers or directors, whether or not they performed these functions under a written or unwritten contract or any other direct or indirect arrangement.

(b) If an external management company employs or retains the company's executive officers and the company has entered into an understanding, arrangement or agreement with the external management company to provide executive management services to the company directly or indirectly, disclose any compensation that:

(i) the company paid directly to anyone employed or retained by the external management company and who is acting as an executive officer or director of the company; and

(ii) the external management company paid to these individuals that is attributable to the services they provided to the company directly or indirectly.

(c) If an external management company provides the company's executive management services and provides management services to other companies, disclose:

(i) the portion of the compensation paid to the officer or director that the external management company attributes to services the external management company provided to the company; or

(ii) the entire compensation the external management company paid to the officer or director. If the management company allocates the compensation paid to the officer or director, disclose the basis or methodology used to allocate this compensation.

Commentary

1. Executive officers may be employed by an external management company and provide their services to the company under a contract. In this case, the CEO and CFO disclosed under this form are the individuals who performed similar functions to the CEO and CFO. They are generally the same individuals who signed and filed annual and interim certificates to comply with Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

(4) Sources of compensation

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

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

(a) the company, its subsidiaries, or an NEO or director of the company or its subsidiaries; and

(b) the other entity.

(5) Determining NEOs

(a) When calculating the total compensation to determine who is an NEO in a company's most recently completed financial year under the definition of NEO in section 1.3,

(i) use the total compensation that would be reported under column (i) of the summary compensation table required by section 3.1 for each executive officer, as if that executive officer were an NEO for the company's most recently completed financial year, and

(ii) despite subparagraph (i), exclude from the calculation,

(A) any compensation that would be reported under column (g) of the summary compensation table required by section 3.1, and

(B) any cash compensation that relates to foreign assignments that is specifically intended to offset the impact of a higher cost of living in the foreign location, and is not otherwise related to the duties the executive officer performs for the company.

(b) For the purposes of the definition of NEO in section 1.3, an executive officer includes an individual who acts in a capacity similar to an executive officer.

Commentary

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

(6) Compensation to associates

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

(a) any of the company, its subsidiaries or another entity and

(b) the NEO or director.

(7) New reporting issuers

(a) Do not provide information for completed financial years during which the company was not a reporting issuer at any time. Disclose information in the summary compensation table for up to the three most recently completed financial years since the company became a reporting issuer.

(b) Despite paragraph (a), if the company was not a reporting issuer at any time during the most recently completed financial year and the company is completing the form because it is preparing a prospectus, discuss all significant elements of the compensation to be awarded to NEOs of the company once it becomes a reporting issuer, to the extent this has been determined.

(8) Issuers that comply with foreign GAAP

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

(9) Use of the term "director"

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

ITEM 2 – COMPENSATION DISCUSSION AND ANALYSIS

2.1 Compensation discussion and analysis

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

(a) the objectives of the compensation program;

(b) what the compensation program is designed to reward;

(c) each element of compensation;

(d) why the company chooses to pay each element;

(e) how the company determines the amount (and, where applicable, the formula) for each element; and

(f) how each element of compensation and the company's decisions about that element fit into the company's overall compensation objectives and affect decisions about other elements.

(2) Where applicable, describe any new actions, decisions or policies that were made after the end of the most recently completed financial year that could affect a reasonable understanding of an NEO's compensation for the most recently completed financial year.

(3) Where applicable, clearly state the benchmark and explain its components, including companies included in the benchmark and selection criteria. Where relevant, explain how the peer group sample was formed and why certain companies were included in the group.

(4) Where applicable, disclose targets that are based on objective, identifiable measures, such as the company's share price or earnings per share. If targets are subjective, the company may describe the target without providing specific measures.

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

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

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

Commentary

1. *The information disclosed under section 2.1 will depend on the facts and the company's circumstances. Provide enough analysis to allow a reader to understand the disclosure elsewhere in this form. Describe the significant principles underlying policies and explain the decisions relating to compensation provided to an NEO. Disclosure that merely describes the process for determining compensation or compensation already awarded, earned or paid is not adequate. The information contained in this section should give readers a sense of how compensation is tied to the NEO's performance. Avoid boilerplate language.*

2. *If the company's process for determining executive compensation is very simple, for example, the company relies solely on board discussion without any formal objectives, criteria and analysis, then make this clear in the discussion.*

3. *The following are examples of items that will usually be significant elements of compensation:*

    - *contractual or non-contractual arrangements, plans, process changes or any other matters that might cause the amounts disclosed for the most recently completed financial year to be misleading if used as an indicator of expected compensation levels in future periods;*
    - *the process for determining perquisites and personal benefits;*
    - *policies and decisions about the adjustment or recovery of awards or payments if the performance measures on which they are based are restated or adjusted to reduce the payment or award;*
    - *the basis for selecting events that trigger payment for any arrangement that provides for payment at, following or in connection with any termination or change of control;*
    - *whether the company used any benchmarking in determining compensation or any element of compensation;*
    - *any waiver or change to any specified performance target, goal or condition to payout for any amount, including whether the waiver or change applied to one or more specified NEOs or to all compensation subject to the target, goal or condition;*
    - *the role of executive officers in determining executive compensation; and*
    - *target levels for specific quantitative or qualitative performance-related factors for NEOs.*

2.2 Performance graph

(a) This section does not apply to

(i) venture issuers,

(ii) companies that have distributed only debt securities to the public, and

(iii) companies, including any predecessor companies, that were not reporting issuers in a jurisdiction in Canada for at least 12 calendar months before the date of this form.

(b) Provide a line graph showing the company's cumulative total shareholder return over the five most recently completed financial years. Assume that $100 was invested on the first day of the five-year period. If the

company has been a reporting issuer for less than five years, use the period that the company has been a reporting issuer.

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

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

Commentary

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

2.3 Option awards

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

ITEM 3 – SUMMARY COMPENSATION TABLE

3.1 Summary compensation table

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

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

Commentary

*1. A company may have less than three financial years completed on or after **[December 31, 2008]** until about **[December 31, 2010]**. During this transition period, a company is not required to present summary compensation table disclosure under Form 51-102F6 Statement of Executive Compensation, as it existed on **[December 30, 2008]**.*

(2) Include in column (c) the dollar value of cash and non-cash base salary an NEO earned during a financial year covered in the table (a covered financial year).

(a) If the company cannot calculate the amount of salary earned in a financial year, disclose this in a footnote, along with the reason why it cannot be determined. Restate the salary figure the next time the company prepares this form, and explain what portion of the restated figure represents an amount that the company could not previously calculate.

(b) If an NEO elected to forego any salary or other compensation earned in a financial year under a program that allows an executive officer to receive shares, options or other forms of non-cash compensation instead of a portion of annual compensation, include this amount in the salary column. State in a footnote any form of non-cash compensation substituted for salary or other compensation earned.

(3) For share awards disclosed in column (d), disclose the dollar amount based on the grant date fair value for a covered financial year.

(4) For option awards disclosed in column (e), with or without tandem share appreciation rights, disclose the dollar amount based on the grant date fair value of the award for a covered financial year.

(5) For an award disclosed in column (d) or (e), in a footnote to the table or in a narrative after the table,

(a) if the grant date fair value is different from the fair value determined in accordance with Section 3870 of the Handbook (accounting fair value), state the amount of the difference and explain the difference, and

(b) describe the methodology used to calculate the grant date fair value, disclose the key assumptions and estimates used for each calculation, and explain why the company chose that methodology.

Commentary

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

2. The value disclosed in columns (d) and (e) of the summary compensation table should reflect what the board of directors intended to award as compensation (grant date fair value) as set out in comment 3, below.

3. While compensation practices vary, there are generally two approaches that boards of directors use when setting compensation. A board of directors may decide the value of securities of the company it intends to award as compensation. Alternatively, a board of directors may decide the portion of the potential ownership of the company it intends to transfer as compensation. A fair value ascribed to the award will normally result from these approaches.

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

4. In some cases, the grant date fair value disclosed in columns (d) and (e) may differ from the accounting fair value. For financial statement purposes, the accounting fair value amount is amortized over the service period to obtain an accounting cost (accounting compensation expense), adjusted at year end as required.

5. While the most commonly used methodologies for calculating the value of most types of awards are the Black-Scholes-Merton model and the binomial lattice model, companies may choose to use another valuation methodology if it produces a more meaningful and reasonable estimate of fair value.

6. Under Section 3870 of the Handbook, a company does not recognize any accounting compensation expense at grant date for awards that call only for settlement in cash and if the exercise price is not equal to fair market value. The amount disclosed in the table should reflect the grant date fair value following the principles described under comments 2 and 3, above.

7. Column (d) includes instruments such as restricted shares, restricted share units, phantom share or units, common share equivalent or any similar instruments that do not have option-like features.

(6) In column (e), include the incremental fair value, computed as of the repricing or modification date in accordance with Section 3870 of the Handbook, if at any time during the covered financial year, the company has adjusted, amended, cancelled, replaced or significantly modified the exercise price of options previously awarded to an NEO.

This requirement does not apply to any repricing that equally affects all holders of the class of securities underlying the options and that occurs through a pre-existing formula or mechanism in the plan or award that results in the periodic adjustment of the option exercise or base price, an antidilution provision in a plan or award, or a recapitalization or similar transaction.

(7) Include a footnote to the table quantifying the incremental fair value of any adjusted, amended, cancelled, replaced or significantly modified options that are included in the table.

(8) In column (f), include the dollar value of all amounts earned for services performed during the covered financial year that are related to awards under non-equity incentive plans and all earnings on any outstanding awards and bonus amounts.

(a) If the relevant performance measure was satisfied during a covered financial year (including for a single year in a plan with a multi-year performance measure), report the amounts earned for that financial year, even if they are payable at a later date. The company is not required to report these amounts again when they are actually paid to an NEO.

(b) Include a footnote describing and quantifying all amounts earned on non-equity incentive plan compensation, whether they were paid during the financial year, were payable but deferred at the election of an NEO, or are payable by their terms at a later date.

(c) Include any discretionary cash awards that were not based on pre-determined performance criteria that were communicated to an NEO. Report any performance plan awards that include pre-determined performance conditions in column (f).

(d) If an NEO elected to forego any annual cash compensation (such as a bonus) earned in a covered financial year under a program that allows an executive officer to receive shares, options or other forms of non-cash compensation instead of a portion of annual compensation, include this amount in the salary column. Describe and quantify in a footnote to the table any form of non-cash compensation substituted for annual cash compensation (such as bonus) earned.

(e) In column (f1), include annual non-equity incentive plan compensation, such as bonus and discretionary amounts. For column (f1), bonuses relate only to a single financial year. In column (f2), include all non-equity incentive plan compensation related to a period longer than one year.

(9) In column (g), include all compensatory items for defined benefit and defined contribution plans. These include service cost plus other compensatory items such as plan changes and earnings that are different from the estimated earnings for defined benefit plans and above-market earnings for defined contribution plans.

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

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

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

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

(b) other post-retirement benefits such as health insurance or life insurance after retirement;

(c) all "gross-ups" or other amounts reimbursed during the covered financial year for the payment of taxes;

(d) the amounts paid or payable as a result of an event that occurred before the end of the covered financial year to an NEO in the scenarios listed in section 6.1;

(e) the dollar value of any insurance premiums paid by, or on behalf of, the company during the covered financial year for personal insurance for an NEO if the estate of the NEO is the beneficiary;

(f) the dollar value of any dividends or other earnings paid on share or options awards that were not factored into the grant date fair value required to be reported in columns (d) and (e);

(g) any compensation cost for any security that the NEO bought from the company or its subsidiaries at a discount from the market price of the security (through deferral of salary, bonus or otherwise). Calculate this cost at the date of purchase in accordance with Section 3870 of the Handbook;

(h) above-market or preferential earnings on compensation that is deferred on a basis that is not tax exempt other than for defined contribution plans covered in the defined contribution plan table in Item 5. Above-market or preferential applies to non-registered plans and means a rate greater than the rate ordinarily paid by the company or its subsidiary on securities or other obligations having the same or similar features issued to third parties; and

(i) payments received related to retirement during the covered financial year;

(i) report non-equity incentive plan awards and earnings, and earnings on shares and options, except as specified in paragraph (f), in the columns of the table that relate to these forms of compensation. Do not report them in column (h); and

(ii) report benefits under defined benefit plans and defined contribution plans in column (h) when they have been accelerated as a result of any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the company or a change in an NEO's responsibilities. Report information other than accelerated payments for these plans in column (g) and under Item 5.

Commentary

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

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

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

- *Cars, car lease and car allowance;*
- *Corporate aircraft or personal travel financed by the company;*
- *Jewellery;*
- *Clothing;*
- *Artwork ;*
- *Housekeeping services;*
- *Club membership;*
- *Theatre tickets;*

- *Financial assistance to provide education to children of executive officers;*
- *Parking;*
- *Personal financial or tax advice;*
- *Security at personal residence or during personal travel; and*
- *Reimbursements of taxes owed with respect to perquisites or other personal benefit.*

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

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

3.2 Narrative discussion

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

Commentary

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

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

3.3 Currencies

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

3.4 Officers who also act as directors

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

ITEM 4 – INCENTIVE PLAN AWARDS

4.1 Outstanding share awards and option awards

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

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

(2) In column (b), for each award, disclose the number of securities underlying unexercised options.

(3) In column (c), disclose the exercise or base price for each award reported in column (b).

(4) In column (d), disclose the expiration date for each award reported in column (b).

(5) In column (e), disclose the aggregate dollar amount of in-the-money unexercised options held at the end of the year. Calculate this amount based on the difference between the market value of the securities underlying the instruments at the end of the year, and the exercise or base price of the option.

(6) In column (f), disclose the total number of shares or other units that have not vested.

(7) In column (g), disclose the aggregate market value or payout value of share awards that have not vested. Assume for this calculation that an NEO achieved the threshold performance goals (the minimum amount payable for a certain level of performance).

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

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

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

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

(2) In column (b), disclose the aggregate dollar value realized upon the exercise of options, or on the transfer of an award for value. Compute the dollar value realized by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options. Do not include the value of any related payment or other consideration provided (or to be provided) by the company to or on behalf of an NEO.

(3) In column (c), disclose the aggregate dollar value realized on share vesting, or upon the transfer of an award for value. Compute the dollar value realized by multiplying the number of shares or units by the market value of the underlying shares on the vesting date. For any amount realized upon exercise or vesting for which receipt has been deferred, include a footnote that states the amount and the terms of the deferral.

4.3 Narrative discussion

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

Commentary

1. The items included in the narrative required by section 4.3 will vary depending on the terms of each plan, but may include:

- *the number of securities underlying each award or received on vesting or exercise;*
- *general descriptions of formulae or criteria that are used to determine amounts payable;*
- *exercise prices and expiry dates;*
- *dividend rates on share awards;*
- *whether awards are vested or unvested;*
- *performance-based or other significant conditions;*
- *information on estimated future payouts for non-equity incentive plan awards (threshold, target and maximum amounts); and*
- *the closing market price on the grant date, if the exercise or base price is less than the closing market price of the underlying security on the grant date.*

ITEM 5 – RETIREMENT PLAN BENEFITS

5.1 Defined benefit plans

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

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

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

(3) In column (b), disclose the number of years of service credited to an NEO under the plan. If the number of years of credited service in any plan is different from the NEO's number of actual years of service with the company, include a footnote that states the amount of the difference and any resulting benefit augmentation, such as the number of additional years the NEO received.

(4) In column (c), disclose the annual benefit payable at age 65 in column (c2) and at the end of the most recently completed financial year in column (c1) based on years of credited service and pensionable earnings at the end of the most recently completed financial year.

(5) In column (d), disclose the accrued obligation at the start of the most recently completed financial year.

(6) In column (e), disclose the compensatory change in the accrued obligation for the most recently completed financial year. This includes service cost net of employee contributions plus plan changes and differences between actual and estimated earnings, and any additional changes that have retroactive impact.

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

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

(8) In column (g), disclose the accrued obligation at the end of the most recently completed financial year.

5.2 Defined contribution plans

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

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

(2) In column (c), disclose the employer contribution and above-market or preferential earnings credited on employer and employee contributions. Above-market or preferential applies to non-registered plans and means a rate greater than the rate ordinarily paid by the company or its subsidiary on securities or other obligations having the same or similar features issued to third parties.

(3) In column (d), disclose the non-compensatory amount, including employee contributions and regular investment earnings on employer and employee contributions. Regular investment earnings means all investment earnings in registered defined contribution plans and earnings that are not above market or preferential in other defined contribution plans.

(4) In column (e), disclose the accrued obligation at the end of the most recently completed financial year.

5.3 Narrative discussion

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

Commentary

1. Significant factors included in the narrative required by sections 5.3 will vary, but may include:

- *the significant terms and conditions of payments and benefits available under the plan, including the plan's normal and early retirement payment, benefit formula, contribution formula, calculation of interest credited under the defined contribution plan determined and eligibility standards;*
- *provisions for early retirement, if applicable, including the name of the NEO and the plan, the early retirement payment and benefit formula and eligibility standards. Early retirement means retirement before the normal retirement age as defined in the plan or otherwise available under the plan;*
- *the specific elements of compensation (e.g., salary, bonus) included in applying the payment and benefit formula. If a company provides this information, identify each element separately; and*
- *company policies on topics such as granting extra years of credited service, including an explanation of who these arrangements relate to and why they are considered appropriate.*

5.4 Deferred compensation plans

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

(a) the types of compensation that can be deferred and any limitations on the extent to which deferral is permitted (by percentage of compensation or otherwise);

(b) significant terms of payouts, withdrawals and other distributions; and

(c) measures for calculating interest or other earnings, how and when these measures may be changed, and whether an NEO or the company chose these measures. Quantify these measures wherever possible.

ITEM 6 – TERMINATION AND CHANGE OF CONTROL BENEFITS

6.1 Termination and change of control benefits

(1) For each contract, agreement, plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the company or a change in an NEO's responsibilities, describe, explain, and where appropriate, quantify the following items:

(a) the circumstances that trigger payments or the provision of other benefits, including perquisites;

(b) the estimated incremental payments and benefits that are provided in each circumstance, including timing, duration and who provides the payments and benefits;

(c) how the payment and benefit levels are determined under the various circumstances that trigger payments or provision of benefits;

(d) any significant conditions or obligations that apply to receiving payments or benefits. This includes but is not limited to, non-compete, non-solicitation, non-disparagement or confidentiality agreements. Include the term of these agreements and provisions for waiver or breach; and

(e) any other significant factors for each written contract, agreement, plan or arrangement.

(2) Disclose the estimated annual payments and benefits even if it is uncertain what amounts might be paid in given circumstances under the various plans and arrangements, assuming that the triggering event took place on the last business day of the company's most recently completed financial year. For valuing equity-based awards, use the closing market price of the company's securities on that date.

If the company is unsure about the provision or amount of payments or benefits, make a reasonable estimate (or a reasonable estimate of the range of amounts) and disclose the significant assumptions underlying these estimates.

(3) The company may exclude perquisites and other personal benefits if the aggregate of this compensation is less than $50,000. State the individual perquisites and personal benefits as required by paragraph 3.1(10)(a).

(4) Disclose any incremental retirement benefits that result from the triggering event.

(5) The company is not required to disclose information about possible termination scenarios for an NEO whose employment terminated in the past year. The company must only disclose the consequences of the actual termination.

Commentary

1. The company may exclude any requirements under common law or civil law from the incremental estimate.

2. Item 6 applies to changes of control regardless of whether the change of control results in termination of employment.

ITEM 7 – DIRECTOR COMPENSATION

7.1 Director compensation table

(1) Complete this table for all amounts of compensation provided to the directors for the company's most recently completed financial year.

Name (a)	Fees earned ($) (b)	Share awards ($) (c)	Option awards ($) (d)	Non-equity incentive plan compensation ($) (e)	Pension value ($) (f)	All other compensation ($) (g)	Total ($) (h)
A							
B							
C							
D							
E							

(2) All forms of compensation must be included in this table.

(3) Complete each column in the same manner required for the corresponding column in the summary compensation table in section 3.1, in accordance with the requirements of Item 3, as supplemented by the Commentary to Item 3, except as follows:

(a) In column (a), do not include a director who is also an NEO if his or her compensation for service as a director is fully reflected in the summary compensation table and elsewhere in this form. If an NEO is also a director who receives compensation for his or her services as a director, reflect the director compensation in the summary compensation table required by section 3.1 and provide a footnote to this table indicating that the relevant disclosure has been provided under section 3.4.

(b) In column (b), include all fees earned or paid in cash for services as a director, including annual retainer fees, committee, chair, and meeting fees.

(c) In column (g), include compensation from any other arrangement under which the company directly or indirectly compensated the director for services provided to the company in any capacity. In a footnote to the table, disclose these amounts and describe the nature of the services provided by the director that are associated with these amounts.

(d) In column (g), include programs where the company agrees to make donations to one or more charitable institutions in a director's name, payable currently or upon a designated event such as the retirement or death of the director. Include a footnote to the table disclosing the total dollar amount payable under the program.

7.2 Narrative discussion

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

Commentary

1. While significant factors included in the narrative discussion required by section 7.2 will vary depending on the facts, they may include:

- *disclosure for each director who served in that capacity for any part of the most recently completed financial year;*
- *standard compensation arrangements, such as fees for retainer, committee service, service as chair of the board or a committee, and meeting attendance;*
- *any compensation arrangements for a director that are different from the standard arrangements, including the name of the director and a description of the terms of the arrangement; and*
- *any matters discussed in the compensation discussion and analysis that do not apply to directors in the same way that they apply to NEOs, for example, practices for issuing share options.*

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

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

ITEM 8 – COMPANIES REPORTING IN THE UNITED STATES

8.1 Companies reporting in the United States

(1) Except as provided in subsection (2), SEC issuers may satisfy the requirements of this form by providing the information required by Item 402 "Executive compensation" of Regulation S-K under the 1934 Act.

(2) Subsection (1) does not apply to companies that, as a foreign private issuer, satisfy Item 402 of Regulation S-K by providing the information required by Items 6.B "Compensation" and 6.E.2 "Share Ownership" of Form 20-F under the 1934 Act.

ITEM 9 – EFFECTIVE DATE AND REPEAL

9.1 Effective date

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

9.2 Repeal

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

APPENDIX D

Schedule 1

PROPOSED AMENDMENT INSTRUMENT FOR
NATIONAL INSTRUMENT 51-102
CONTINUOUS DISCLOSURE OBLIGATIONS

1. National Instrument 51-102 *Continuous Disclosure Obligations* is amended by this Instrument.

2. Part 11 is amended by adding the following section after section 11.5:

"11.6 Executive Compensation Disclosure for Certain Reporting Issuers

A reporting issuer that does not send an information circular under Item 8 of Form 51-102F2 to its securityholders or file an AIF under section 18.1 of Form 51-102F2 must provide the disclosure required by Form 51-102F6 by filing a completed Form 51-102F6 not later than 140 days after the end of its most recently completed financial year."

3. This Instrument comes into force on [December 31, 2008].

APPENDIX D

Schedule 2

**PROPOSED AMENDMENT INSTRUMENT FOR
FORM 51-102F5 *INFORMATION CIRCULAR* OF
NATIONAL INSTRUMENT 51-102
*CONTINUOUS DISCLOSURE OBLIGATIONS***

1. Form 51-102F5 *Information Circular* is amended by this Instrument.

2. Subpart 1(c) is amended by adding the following after "securityholder of the company.":

> "However, you may not incorporate information required to be included in Form 51-102F6 *Statement of Executive Compensation* by reference into your information circular."

3. This Instrument comes into force on [December 31, 2008].

Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesScource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORMS 45-106F1 AND 45-501F1

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
11/27/2007	1	0808718 B.C. Ltd. - Common Shares	6,000.00	600,000.00
02/01/2008	8	4465792 Canada Inc. - Common Shares	394,950.00	2,633,000.00
01/30/2008	5	Advantex Dining Corporation - Debentures	590,000.00	1.00
01/01/2007 to 12/31/2007	4	Altamira Pooled Balance Fund - Units	1,462,041.00	149,908.20
02/01/2008	1	Altus Group Limited Partnership - Limited Partnership Units	408,000.00	22,921.00
02/08/2008	1	Aquiline Resources Inc. - Debenture	17,500,000.00	1.00
01/23/2008	16	ARA Safety Inc. - Common Shares	771,002.00	513,999.00
02/05/2008	18	Atlanta Gold Inc. - Common Shares	4,507,079.00	7,388,654.00
09/07/2007	7	Ausam Energy Corporation - Common Shares	678,700.06	1,256,852.00
03/30/2007 to 11/30/2007	3	Canso Canadian Equity Fund - Units	54,868.51	N/A
01/01/2007 to 12/31/2007	7	Canso Catalina Fund - Units	14,417.87	N/A
12/02/2007 to 12/20/2007	4	Canso Corporate and Infrastructure Debt Fund - Units	9,880,246.18	N/A
01/01/2007 to 06/30/2007	6	Canso Corporate Bond Fund - Units	51,440.82	N/A
01/01/2007 to 12/31/2007	4	Canso Corporate Bond Fund - Units	2,348,298.32	N/A
01/01/2007 to 12/31/2007	11	Canso Corporate Value Fund - Units	3,428,688.82	N/A
01/30/2007 to 06/29/2007	2	Canso Hurricane Fund - Units	300.00	N/A
03/30/2007 to 12/14/2007	1	Canso Income Fund - Units	800.00	N/A
01/01/2007 to 12/31/2007	9	Canso India Fund - Units	62,679.08	N/A
01/31/2007 to 12/14/2007	3	Canso Inflation-Linked Fund - Units	45,266.75	N/A

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/01/2007 to 08/31/2007	2	Canso North Star Fund - Units	8,427.97	N/A
08/31/2007	1	Canso Preservation Fund - Units	402.67	60.59
01/01/2007 to 12/31/2007	5	Canso Private Debt Fund - Units	7,188,242.77	N/A
01/01/2007 to 12/31/2007	3	Canso Reconnaissance Fund - Units	2,010.32	N/A
02/07/2008	27	CareVest Blended Mortgage Investment Corporation - Preferred Shares	436,704.00	436,704.00
02/07/2008 to 02/08/2008	24	CareVest First Mortgage Investment Corporation - Preferred Shares	2,731,520.00	2,731,520.00
02/06/2008	3	Caymus Capital Corp. - Common Shares	400,000.00	4,000,000.00
02/14/2008	1	CFI Trust - Notes	100,000,000.00	1.00
01/01/2007 to 12/31/2007	30	CIBC Global Canadian Bond Index Fund - Units	258,270,854.45	N/A
01/01/2007 to 12/31/2007	5	CIBC Global Canadian Bond Index Plus Fund - Units	206,690,859.74	N/A
01/01/2007 to 12/31/2007	5	CIBC Global Canadian Equity TSE 300 Index Fund - Units	59,357,727.92	4,872,916.17
01/01/2007 to 12/31/2007	13	CIBC Global Canadian Equity Value Fund - Units	286,178.86	N/A
01/01/2007 to 12/31/2007	25	CIBC Global Canadian Money Market Fund - Units	14,128,756.25	N/A
01/01/2007 to 12/31/2007	15	CIBC Global EAFE Equity Fund - Units	24,629,912.45	N/A
01/01/2007 to 12/31/2007	17	CIBC Global Fixed Income Fund - Units	96,207,901.40	N/A
01/01/2007 to 12/31/2007	6	CIBC Global International Equity Index Fund - Units	73,584,768.37	7,606,891.04
01/01/2007 to 12/31/2007	17	CIBC Global Long Term Bond Index Fund - Units	450,878,004.39	N/A
01/01/2007 to 12/31/2007	8	CIBC Global Small Cap Fund - Units	502,152.79	N/A
01/01/2007 to 12/31/2007	6	CIBC Global U.S. Equity Fund - Units	4,494,568.76	N/A
01/01/2007 to 12/31/2007	9	CIBC Global U.S. Equity S&P 500 Index Fund - Units	360,280,405.67	N/A
01/01/2007 to 12/31/2007	22	CIBC Global U.S. Equity S&P 500 Synthetic Index Fund - Units	53,276,940.38	N/A
02/04/2008 to 02/08/2008	8	CMC Markets Canada Inc. - Contracts for Differences	25,140.01	7.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
02/04/2008	18	Condor Petroleum Inc. - Common Shares	1,114,000.00	2,228,000.00
01/31/2008	15	Credit Suisse International - Notes	1,077,000.00	2.00
01/31/2008	2	Credit Suisse International - Notes	712,000.00	1.00
01/31/2008	6	Credit Suisse International - Notes	815,000.00	2.00
03/30/2007 to 07/19/2007	3	Dakota Fund - Units	70,000.00	N/A
02/12/2008	93	DB Mortgage Investment Corporation #1 - Common Shares	9,689,000.00	9,689.00
09/05/2007	1	Diamond Key Capital Corporation - Bonds	10,000.00	100.00
12/31/2007	89	Eagle Peak Resources Inc. - Common Shares	1,990,800.00	1,990,800.00
02/28/2006 to 03/31/2007	47	Eagle Peak Resources Inc. - Common Shares	1,980,032.45	13,200,222.00
01/31/2008	30	EnerMad Corp. - Common Shares	1,506,749.00	2,022,332.00
01/01/2008 to 01/31/2008	8	Falcon Ridge RMH Limited Partnership - Limited Partnership Units	260,000.00	20.00
01/28/2008	12	FIC Investment Ltd. - Common Shares	73,779.70	27,362.00
02/01/2008	1	Firm Capital Mortgage Investment Corporation - Preferred Shares	400,000.00	400,000.00
01/01/2007 to 12/31/2007	170	Front Street Canadian Hedge - Units	14,724,382.47	767,317,343.00
01/01/2007 to 12/31/2007	134	Front Street Mining Opportunities Fund - Units	9,402,317.44	336,824,003.00
01/01/2007 to 12/31/2007	5	GEM Balanced Pool - Units	1,982,612.37	182,369.00
01/04/2007 to 12/31/2007	5	GEM Canadian Equity Pool - Units	4,810,854.77	398,048.00
01/01/2007 to 12/31/2007	2	GEM Diversified Income Pool - Units	28,710.34	2,755.00
01/01/2007 to 12/31/2007	5	GEM Fixed Income Pool - Units	4,290,060.52	432,984.00
01/01/2007 to 12/31/2007	4	GEM Global Equity Pool - Units	1,891,336.13	177,093.00
01/30/2008	61	Geodex Minerals Ltd. - Units	1,701,502.00	1,479,567.00
02/05/2008	33	Inter-Citic Minerals Inc. - Common Shares	16,000,000.00	8,000,000.00
02/11/2008	1	Jovian Capital Corporation - Common Shares	25,880,000.00	32,350,000.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/21/2008 to 01/29/2008	44	Lake House Capital Ltd. - Bonds	2,041,000.00	10,305.00
01/21/2008 to 01/29/2008	46	Lake House Investments Ltd. - Common Shares	1,030.50	10,305.00
02/06/2008	3	Largo Resources Ltd. - Flow-Through Units	1,999,999.65	3,636,363.00
01/25/2007 to 12/28/2007	2	LifePoints 2010 Portfolio (Class A) - Units	656,377.14	N/A
01/01/2007 to 12/31/2007	2	LifePoints 2020 Portfolio (Class A) - Units	14,272,141.88	N/A
01/01/2007 to 12/31/2007	2	LifePoints 2030 Portfolio (Class A) - Units	597,633.31	N/A
01/01/2007 to 12/31/2007	4	LifePoints All Equity Portfolio (Class A) - Units	4,798,356.03	N/A
01/01/2007 to 12/31/2007	14	LifePoints Balanced Growth Portfolio - Units	144,408,491.68	N/A
01/01/2007 to 12/31/2007	10	LifePoints Balanced Income Portfolio - Units	64,301,104.94	N/A
01/01/2007 to 12/31/2007	11	LifePoints Long-Term Growth Portfolio - Units	94,136,734.79	N/A
01/01/2007 to 12/31/2007	90	Manitou Partners Registered Fund - Units	9,316,180.48	71,013.75
03/01/2007	1	Marketing Exchange Network Inc. - Common Shares	200,000.00	160,000.00
03/12/2007	1	Marketing Exchange Network Inc. - Common Shares	5,000,000.00	4,000,000.00
04/05/2007	10	Marketing Exchange Network Inc. - Common Shares	200,000.00	160,000.00
05/11/2007	1	Marketing Exchange Network Inc. - Common Shares	150,000.00	120,000.00
06/15/2007	1	Marketing Exchange Network Inc. - Common Shares	5,000,000.00	4,000,000.00
02/04/2008	10	Marketing Exchange Network Inc. - Units	10,328,550.00	5,583,000.00
01/01/2007 to 12/31/2007	75	Natcan Canadian Bond Fund - Units	101,580,130.00	1,191,634.86
01/01/2007 to 12/31/2007	19	Natcan Corporate Bond Fund - Units	108,535,764.00	1,000,397,400.00
01/01/2007 to 12/31/2007	22	Natcan Corporate Universe Bond Fund - Units	36,277,000.00	N/A
01/01/2007 to 12/31/2007	42	Natcan Global Equity Fund - Units	43,644,300.00	399,579.94
01/01/2007 to 12/31/2007	273	Natcan Money Market Fund - Units	4,098,155,958.00	4,098,159.96

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
02/04/2008	21	New Dimension Resources Ltd. - Units	512,919.20	2,564,596.00
02/05/2007	1	New Solutions Financial (II) Corporation - Debentures	25,000.00	1.00
02/06/2008	25	Noront Resources Ltd. - Units	26,000,000.00	6,500,000.00
02/01/2008	15	North American Financial Group Inc. - Debt	1,029,663.60	35.00
01/01/2007 to 12/03/2007	18	Oakstreet Income Trust - Trust Units	442,216.94	46,302.61
01/01/2007 to 12/31/2007	1	OCP Senior Credit Fund International, Ltd. - Common Share	10,029,000.00	1.00
02/08/2008	1	Octopz Inc. - Debentures	500,000.00	N/A
01/01/2007 to 12/03/2007	28	Onefund Diversified Plus - Trust Units	518,204.76	44,469.77
09/04/2007 to 10/01/2007	3	Peer Diversified AMP Opportunities Fund - Trust Units	60,000.00	6,001.83
01/01/2007 to 12/17/2007	67	Peer Diversified Mortgage Fund - Trust Units	5,838,113.32	575,763.74
01/01/2007 to 12/31/2007	16	RBC $CA ARC Fund - Units	1,504,000.00	12,013.84
01/01/2007 to 12/31/2007	14	RBC $US ARC Fund - Units	725,000.00	4,937.13
01/01/2008 to 01/31/2008	30	Rockport Mining Corp. - Common Shares	5,499,452.05	6,000,000.00
01/01/2007 to 12/31/2007	26	Russell Canadian Equity Fund - Units	386,684,349.43	N/A
01/01/2007 to 12/31/2007	26	Russell Canadian Fixed Income Fund - Units	119,132,582.50	N/A
01/01/2007 to 12/31/2007	7	Russell Global Equity Fund - Units	11,540,192.20	N/A
01/01/2007 to 12/31/2007	28	Russell Overseas Equity Fund - Units	286,057,586.50	N/A
01/01/2007 to 12/31/2007	29	Russell US Equity Fund - Units	243,784,972.34	N/A
01/02/2008 to 01/07/2008	2	Santa Clara Real Estate Investment Fund Limited Partnership - Limited Partnership Units	30,000.00	3.00
01/01/2007 to 12/31/2007	2	Scheer, Rowlett & Associates Balanced Fund - Trust Units	9,641,260.14	760,166.94
01/01/2007 to 12/31/2007	3	Scheer, Rowlett & Associates Bond Fund - Trust Units	92,421,110.23	8,898,527.24
01/01/2007 to 12/31/2007	4	Scheer, Rowlett & Associates Canadian Equity Fund - Trust Units	63,162,046.29	3,664,966.87

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/01/2007 to 12/31/2007	2	Scheer, Rowlett & Associates EAFE Fund - Trust Units	20,784,005.98	2,042,827.23
01/01/2007 to 12/31/2007	3	Scheer, Rowlett & Associates Money Market Fund - Trust Units	76,597,764.85	7,659,776.49
01/01/2007 to 12/31/2007	1	Scheer, Rowlett & Associates Short Term Bond Fund - Trust Units	411,406.59	41,575.70
01/01/2007 to 12/31/2007	2	Scheer, Rowlett & Associates US Equity Fund - Trust Units	14,230,046.16	1,679,419.60
05/17/2007 to 06/29/2007	35	Sillenger Exploration Corp. - Common Shares	51,150.00	5,823,000.00
01/01/2007 to 12/31/2007	6	SSgA Australia Index Fund - Units	35,891,795.62	611,077.50
01/01/2007 to 12/31/2007	6	SSgA Austria Index Fund - Units	5,265,032.03	79,215.81
01/01/2007 to 12/31/2007	6	SSgA Belgium Index Fund - Units	10,290,933.20	165,851.96
01/01/2007 to 12/31/2007	3	SSGA Canadian Active Fixed Income Fund - Units	171,755,302.83	16,658,926.68
01/01/2007 to 12/31/2007	27	SSgA Canadian Fixed Income Index Fund - Units	507,964,958.32	44,886,320.20
01/01/2007 to 12/31/2007	6	SSgA Denmark Index Fund - Units	6,659,943.56	60,836.21
01/01/2007 to 12/31/2007	2	SSgA EAFE Futures Fund - Units	478,813.17	60,102.08
01/01/2007 to 12/31/2007	5	SSgA Finland Index Fund - Units	10,145,412.30	76,123.66
01/01/2007 to 12/31/2007	6	SSgA France Index Fund - Units	69,428,775.82	944,265.54
01/01/2007 to 12/31/2007	6	SSgA Germany Index Fund - Units	68,982,260.84	1,014,920.18
01/01/2007 to 12/31/2007	6	SSgA Greece Index Fund - Units	6,957,186.69	451,138.25
01/01/2007 to 12/31/2007	6	SSgA Hong Kong Index Fund - Units	11,950,269.04	117,425.26
01/01/2007 to 12/31/2007	6	SSgA Ireland Index Fund - Units	5,179,598.21	158,971.18
01/01/2007 to 12/31/2007	6	SSgA Italy Index Fund - Units	36,361,958.81	1,084,144.88
01/01/2007 to 12/31/2007	7	SSgA Japan Index Fund - Units	135,440,307.56	14,147,043.13
01/01/2007 to 12/31/2007	3	SSGA Long Canadian Government Fixed Income Index Fund - Units	237,289,351.02	20,358,803.90
01/01/2007 to 12/31/2007	6	SSgA Long Term Canadian Fixed Income Index Fund - Units	162,715,914.30	19,239,510.71

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/01/2007 to 12/31/2007	3	SSgA Ma Nasdaq 100 Stock Index Futures Fund - Units	2,776,200.00	680,613.10
01/01/2007 to 12/31/2007	13	SSgA MSCI Eafe Index Fund - Units	387,282,305.90	29,889,016.10
01/01/2007 to 12/31/2007	6	SSgA Netherlands Index Fund - Units	19,527,183.84	231,904.84
01/01/2007 to 12/31/2007	4	SSgA New Zealand Index Fund - Units	1,375,233.00	49,091.18
01/01/2007 to 12/31/2007	6	SSgA Norway Index Fund - Units	8,366,621.28	109,882.47
01/01/2007 to 12/31/2007	6	SSgA Portugal Index Fund - Units	3,154,372.66	235,745.62
01/01/2007 to 12/31/2007	13	SSgA Short Term Investment Fund - Units	544,679,434.90	N/A
01/01/2007 to 12/31/2007	6	SSgA Singapore Index Fund - Units	6,079,771.04	108,564.28
01/01/2007 to 12/31/2007	6	SSgA Spain Index Fund - Units	29,559,704.93	400,934.31
01/01/2007 to 12/31/2007	6	SSgA Sweden Index Fund - Units	14,405,183.36	140,430.48
01/01/2007 to 12/31/2007	6	SSgA Switzerland Index Fund - Units	32,236,823.73	373,006.08
01/01/2007 to 12/31/2007	5	SSgA S&P 500 Index Fund for Canadian Pension Plan - Units	93,509,092.89	7,954,538.14
01/01/2007 to 12/31/2007	20	SSgA S&P 500 Index Fund for Canadian Pension Plan - Units	759,575,076.17	10,762,849.97
01/01/2007 to 12/31/2007	6	SSGA S&P 500 Stock Index Futures Fund - Units	98,918,304.50	6,890,105.47
01/01/2007 to 12/31/2007	1	SSgA S&P/TSX Capped Composite Index Fund - Units	6,821,008.16	682,988.70
01/01/2007 to 12/31/2007	3	SSgA S&P/TSX Capped Equity Composite Index Fund - Units	25,276,272.82	2,097,448.89
01/01/2007 to 12/31/2007	6	SSgA United Kingdom Index Fund - Units	120,102,478.37	2,187,175.92
12/31/2007	5	Tamerlane Ventures Inc. - Flow-Through Shares	1,849,998.80	2,846,152.00
01/01/2007 to 12/31/2007	34	The Alpha Scout Fund - Units	8,380,000.00	8,380.00
01/01/2007 to 12/31/2007	5	The Canso Fund - Units	8,726.28	N/A
01/01/2007 to 12/31/2007	54	Thornmark Fixed Income Fund - Units	10,175,826.55	1,011,532,239.00
02/12/2008	6	VSS Communications Parallel Partners IV, L.P. - Limited Partnership Interest	13,767,628.00	N/A

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
02/07/2008	19	Walton AZ Sunland View Investment Corporation - Common Shares	493,530.00	223,971.00
02/07/2008	9	Walton AZ Sunland View Limited Partnership - Units	787,477.68	77,814.00
02/07/2008	4	Walton Brant County Land 3 Investment Corporation - Common Shares	98,000.00	9,800.00
02/01/2008	21	Walton International Group Inc. - Notes	3,185,000.00	N/A
02/04/2008	43	Walton TX Cottonwood Limited Partnership - Limited Partnership Units	1,119,613.95	111,150.00
01/31/2008	96	Wave Energy Ltd. - Common Shares	81,999,999.00	18,222,222.00
01/31/2008	11	Wavefront Energy and Environmental Services Inc. - Units	9,158,999.40	9,641,052.00
03/30/2007	3	Wellington Fund - Units	50,000.00	10,000.00
01/30/2008	2	Westboro Mortgage Investment Corp. - Preferred Shares	150,000.00	15,000.00
02/02/2008	2	Wi2Wi Corporation - Notes	56,250.00	56,250.00
02/01/2008	17	Yale Resources Ltd. - Units	487,500.00	3,250,000.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Blackmont Corporate Bond Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated February 15, 2008
Mutual Reliance Review System Receipt dated February 15, 2008
Offering Price and Description:
Class F Units
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Promoter(s):
CI Investments Inc.
Project #1217273

Issuer Name:
BTB Real Estate Investment Trust
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated February 19, 2008
Mutual Reliance Review System Receipt dated February 19, 2008
Offering Price and Description:
$25,000,000 - SERIES B I% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES
Price: $1,000 per Series B Debenture
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
Dundee Securities Corporation
Raymond James Ltd.
Genuity Capital Markets G.P.
Promoter(s):
-
Project #1217603

Issuer Name:
Catalyst Paper Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated February 19, 2008
Mutual Reliance Review System Receipt dated February 19, 2008
Offering Price and Description:
$ * - Offering of Rights to Subscribe for up to * Subscription Receipts each Subscription Receipt representing the right to receive one Common Share at a price of $ * per Subscription Receipt
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Genuity Capital Markets
Promoter(s):
-
Project #1217855

Issuer Name:
Ceramic Protection Corporation
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated February 14, 2008
Mutual Reliance Review System Receipt dated February 14, 2008
Offering Price and Description:
Up to $ * - Up to * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Clarus Securities Inc.
Paradigm Capital Inc.
Varsant Partners Inc.
Promoter(s):
-
Project #1216428

Issuer Name:
Challenger Energy Corp.
Principal Regulator – Alberta
Type and Date:
Preliminary Short Form Prospectus dated February 13, 2008
Mutual Reliance Review System Receipt dated February 14, 2008
Offering Price and Description:
$ * - * Units Price: $ * per Unit
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Thomas Weisel Partners Canada Inc.
Wolverton Securities Ltd.
Promoter(s):
Gregory S. Noval
Project #1216399

Issuer Name:
Intrinsyc Software International, Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated February 13, 2008
Mutual Reliance Review System Receipt dated February 13, 2008
Offering Price and Description:
$30,030,000.00 - 28,600,000 Common Shares Price: $1.05 per Common Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Canaccord Capital Corporation
Haywood Securities Inc.
Raymond James Ltd.
Promoter(s):
-
Project #1216158

Issuer Name:
Russell Retirement Essentials Portfolio
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated February 15, 2008
Mutual Reliance Review System Receipt dated February 15, 2008
Offering Price and Description:
Class B, E, E-5, E-6, E-7, F, F-5, F-6, F-7, I-5, I-6 and I-7 Units
Underwriter(s) or Distributor(s):
Russell Investments Canada Limited
Promoter(s):
-
Project #1217143

Issuer Name:
Strategic Resource Acquisition Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated February 15, 2008
Mutual Reliance Review System Receipt dated February 15, 2008
Offering Price and Description:
$10,000,000.00 - 10,000 Unsecured Subordinated Convertible Notes Price: $1,000.00 per Convertible Note
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Haywood securities Inc.
Paradigm Capital Inc.
Promoter(s):
-
Project #1217205

Issuer Name:
Visa Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated February 13, 2008
Mutual Reliance Review System Receipt dated February 14, 2008
Offering Price and Description:
US$ * - * Shares of Class A Common Stock Price: $ * per Share
Underwriter(s) or Distributor(s):
J.P. Morgan Securities Canada Inc.
Goldman Sachs Canada Inc.
CIBC World Markets Inc.
RBC Dominion Securities
TD Securities Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #1216282

Issuer Name:
Creststreet 2008 Limited Partnership
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated February 15, 2008
Mutual Reliance Review System Receipt dated February 19, 2008
Offering Price and Description:
$50,000,000.00 (maximum offering) - 5,000,000 limited partnership units @ $10/unit; $3,000,000.00 (minimum offering) - 300,000 limited partnership units @ $10/unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
GMP Securities L.P.
Peters & Co. Limited
Raymond James Ltd.
Macquire Capital Markets Canada Ltd.
Tristone Capital Inc.
Promoter(s):
Creststreet 2008 General Partner Limited
Creststreet Asset Management Limited
Project #1202130

Issuer Name:
Series A Units, Series F Units and Series I Units of :
frontierAlt Opportunistic Global Fund
(formerly frontierAlt All Terrain World Fund)
frontierAlt Opportunistic Bond Fund
(formerly frontierAlt All Terrain Bond Fund)
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated February 11, 2008 to the Simplified Prospectuses and Annual Information Forms dated June 7, 2007
Mutual Reliance Review System Receipt dated February 19, 2008
Offering Price and Description:
Series A Units, Series F Units and Series I Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
FrontAlt Funds Management Limited
Project #1090867

Issuer Name:
GGOF 2008-I Mining Flow-Through Limited Partnership
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated February 19, 2008
Mutual Reliance Review System Receipt dated February 19, 2008
Offering Price and Description:
Maximum Offering: $50,000,000.00 (2,000,000 Units); Minimum Offering: $5,000,000.00 (200,000 Units)
Minimum Subscription: 200 Units $25.00 per Unit
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Richardson Partners Financial Limited
Blackmont Capital Inc.
Raymond James Ltd.
Berkshire Securities Inc.
Genuity Capital Markets
Promoter(s):
GGOF 2008-I Mining Flow-Through Corporation
Guardian Group of Funds Ltd.
Project #1200353

Issuer Name:
Greater Toronto Airports Authority
Principal Regulator - Ontario
Type and Date:
Final Short Form Base Shelf Prospectus dated February 13, 2008
Mutual Reliance Review System Receipt dated February 13, 2008
Offering Price and Description:
$2,000,000,000.00 - Medium-Term Notes (Secured)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #1212407

Issuer Name:
Green Park Capital Corp.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated February 12, 2008
Mutual Reliance Review System Receipt dated February 14, 2008
Offering Price and Description:
$300,000.00 - 3,000,000 COMMON SHARES Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Haywod Securities Inc.
Promoter(s):
Anthony Dutton
Project #1170231

Issuer Name:
Homeland Uranium Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated February 11, 2008
Mutual Reliance Review System Receipt dated February 13, 2008
Offering Price and Description:
28,434,100 Private Placement Units issuable on the exercise of 28,434,100 Subscription Receipts,
each Private Placement Unit being comprised of one Private Placement Unit Share and one-half of one Private Placement Warrant The issuance of up to $1,000,000 (1,000,000 New Units)
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Homeland Energy Corp.
Project #1180166

Issuer Name:
Horizons Global Contrarian Fund
Principal Regulator - Ontario
Type and Date:
Amended and Restated Prospectus dated January 30, 2008 amending and restating the Prospectus dated August 24, 2007
Mutual Reliance Review System Receipt dated February 13, 2008
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Horizons Funds Inc.
Project #1129605

Issuer Name:
Jaguar Mining Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 14, 2008
Mutual Reliance Review System Receipt dated February 14, 2008
Offering Price and Description:
C$110,550,000.00 - 8,250,000 Common Shares Price: C$13.40 per Offered Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
TD Securities Inc.
Blackmont Capital Inc.
BMO Nesbitt Burns Inc.
Raymond James Ltd.
Promoter(s):
-
Project #1213813

Issuer Name:
Norrep Performance 2008 Flow-Through Limited Partnership
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated February 13, 2008
Mutual Reliance Review System Receipt dated February 13, 2008
Offering Price and Description:
$60,000,000.00 (maximum offering) - 6,000,000 @ $10.00 per Unit; $10,000,000.00 (minimum offering) - 1,000,000 @ $10.00 per Unit
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Richardson Partners Financial Limited
TD Securities Inc.
Blackmont Capital Inc.
Canaccord Capital Corporation
FirstEnergy Capital Corp.
GMP Securities L.P.
Macquarie Capital Markets Inc.
Wellington West Capital Inc.
Promoter(s):
Hesperian Capital Management Ltd.
Project #1203454

Issuer Name:
Oroco Resource Corp.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated February 12, 2008
Mutual Reliance Review System Receipt dated February 14, 2008
Offering Price and Description:
$4,400,000.00 - 8,000,000 Units at $0.55 per Unit
Underwriter(s) or Distributor(s):
PI Financial Corp.
Promoter(s):
-
Project #1172786

Issuer Name:
Precious Metals and Mining Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 15, 2008
Mutual Reliance Review System Receipt dated February 15, 2008
Offering Price and Description:
Two Rights and $10.28 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Promoter(s):
-
Project #1214193

Issuer Name:
Steadyhand Equity Fund
Steadyhand Global Equity Fund
Steadyhand Income Fund
Steadyhand Savings Fund
Steadyhand Small-Cap Equity Fund
Principal Regulator - British Columbia
Type and Date:
Final Simplified Prospectuses and Annual Information Forms dated February 12, 2008
Mutual Reliance Review System Receipt dated February 13, 2008
Offering Price and Description:
Mutual Fund Units @ Net Asset Value
Underwriter(s) or Distributor(s):
Steadyhand Investment Funds Inc.
Steadyhand Investment Funds Inc.
Promoter(s):
Steadyhand Investment Management Ltd.
Project #1184579

Issuer Name:
Syracuse Capital Corp.
Principal Regulator - British Columbia
Type and Date:
Final CPC Prospectus dated February 14, 2008
Mutual Reliance Review System Receipt dated February 14, 2008
Offering Price and Description:
$300,000.00 - 2,000,000 Common Shares Price: $0.15 per Common Share
Underwriter(s) or Distributor(s):
PI Financial Corp.
Promoter(s):
Steve Bajic
Project #1201079

Issuer Name:
Tech Titans Trust
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Prospectus dated December 6th, 2007
Withdrawn on February 13th, 2008
Offering Price and Description:
Maximum $ * (* Units)
Each Unit consisting of one Trust Unit and one Warrant to purchase one Trust Unit
Price: $12.00 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
National Bank Financial Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Blackmont Capital Inc.
Desjardins Securities Inc.
Laurentian Bank Securities Inc.
Richardson Partners Financial Limited
Wellington West Capital Inc.
Promoter(s):
QUADRAVEST CAPITAL MANAGEMENT INC.
Project #1196105

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: Macquarie Securities (USA) Inc. To: Macquarie Capital (USA) Inc.	International Dealer	January 31, 2008
Name Change	From: Canaccord Capital Management Inc. To: Canaccord Asset Management Inc.	Investment Counsel and Portfolio Manager Limited Market Dealer	February 8, 2008
New Registration	Ubequity Capital Partners Inc.	Limited Market Dealer	February 14, 2008
Change of Category	Ecorock Asset Management Inc.	From: Investment Counsel and Portfolio Manager To: Limited Market Dealer Investment Counsel and Portfolio Manager	February 14, 2008

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