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June 29, 2007

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
The Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Office of the Administrator, New Brunswick
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland
Registrar of Securities, Northwest Territories
Registrar of Securities, Nunavut
Registrar of Securities, Yukon Territory

c/o John Stevenson, Secretary
Ontario Securities Commission
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19th Floor, Box 55
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c/o Anne-Marie Beaudoin, Directrice du secrétariat
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Attention: Office of the Secretary

Dear Sirs/Mesdames:

Proposed Repeal and Substitution of Form 51-102F6 "Statement of Executive Compensation", Proposed Amendments to National Instrument 51-102 "Continuous Disclosure Obligations" and Proposed Consequential Amendments to Multilateral Instrument 52-110 "Audit Committees" and National Instrument 58-101

"Disclosure of Corporate Governance Practices" (the "Executive Compensation Materials")

This letter is being submitted in response to the Request for Comment dated March 30, 2007. Numbering in this letter follows the numbering in the specific requests for comment set forth in the published Notice and Request for Comment.

Specific Request for Comment

1. We think the provisions are comprehensive. However, we are not confident that disclosure will be clear as:

   (a) some of the requirements for disclosure overlap, leaving the impression that the executive is receiving more compensation than was actually awarded; and

   (b) assigning a dollar value to all forms of compensation is misleading in that it may differ from compensation value and may not reflect the value ultimately received by the executive.

   We cannot say, given the creativity underlying the development of compensatory mechanisms, whether over time all compensation will be captured.

2. The proposed criteria are acceptable. It is important to have an easy to administer rule based on level of compensation.

3. We generally find that investors are principally interested in CEO compensation. Therefore, the materials could simply require an aggregation of all remaining executives to provide information to investors on compensation payable to the senior executive team while better protecting the privacy interests of such executives.

4. Yes.

5. No.

6. We do not see the value in retaining the performance graph. The SEC does not include performance graphs as part of executive compensation disclosure. We doubt whether the discussion of the relationship between the trend in the graph and the trend in the compensation will provide any meaningful information for a variety of reasons, such as the fact that compensation may be linked in part to performance measures other than share price or may be dictated by competitive

pressures, and the aggregate compensation payable to all executive officers will depend on the number of executive officers as well as their individual pay levels.

7. Three years is fine, but there should be a transition period so that issuers do not need to restate compensation previously disclosed in accordance with the old form requirements. Such a transition rule exists under the SEC rule.

8. We do not believe that it provides meaningful disclosure to identify, through separate columns, bonuses that are based on pre-determined performance criteria from those that are not. Also, the distinction between "bonus" and "non-equity incentive" compensation drawn by the proposed disclosure requirement does not align with the common understanding of readers and is apt to be confusing as it is a common practice to set performance goals for payment of "bonus" amounts. It would be sufficient to identify in a footnote the portion of the bonus that was not based on pre-determined performance criteria.

9. We are concerned about the use of accounting expense values for assessing option awards and equity awards as noted below. The definitions of "option" and "stock" also could use some more precision. For example, what is meant by an "option-like feature"? Is it that increases in amounts to be paid out under the award are proportionate to share price increases and no amount is to be paid out under the award if there is a decline in share price below an exercise price fixed at the date of grant? The definitions of "stock" and "option" should be limited to instruments that fall within the scope of Section 3870 of the Handbook so that the instructions relating to valuing of such awards will work for Summary Compensation Table purposes. Some instruction should be provided as to where stock or option awards should be disclosed if they do not fall within the scope of Section 3870. They may fall under "Bonus" if payout is based on the expiration of time and there are no performance conditions to vesting or payout.

10. We are concerned about the use of accounting expense values for assessing option awards and equity awards (i) as it does not reflect the compensation value of the award, (ii) where there is vesting over time (as is generally the case), the accounting expense is recognized as the award vests, rather than at the time awarded and (iii) as the use of the accounting expense can lead to anomalous results, such as a report of negative compensation if the stock price should decline subsequent to the date of the award.

11. The actuarial valuation of a pension plan can fluctuate significantly from year to year based on many factors including a number of market based factors which are completely unrelated to plan members' compensation. For example, market based factors may cause the actuarial value of a pension plan to decrease year

over year even though current accruals and/or formula changes have increased benefit levels. As a result, the inclusion of changes in the actuarial present value of defined benefit pension benefits attributable to executives may be misleading and not truly reflective of the compensation value of any pension benefits earned by the executives in that year without some further explanation. In addition, given the complexity of defined benefit plans, the disclosure of such figures may be more appropriately made within the retirement plan benefits section of the Executive Compensation Disclosure. This would give better context to the actuarial figures being reported.

12. As noted above in respect of question #11, if the purpose of the table is to show compensation amounts earned by the executive, disclosure of the changes in the actuarial present value of the executive's accumulated benefit alone, without identifying the extent for which such changes actually relate to benefit amounts (i.e., the pension itself) may be misleading. Instead, if defined benefit pension reporting is to be maintained in the table then consideration should be given to showing that portion of the change in actuarial value that is attributable to the compensatory elements of the defined benefit plan, i.e., the value of the pension benefit earned in the year (which we assume was intended by the "service cost" reference made in this question 11 of the Specific Request for Comment) while not showing those elements that relate to non-compensatory factors (e.g., changes in interest). In this way, the disclosure in the summary compensation table could focus solely on the elements that reflect actual compensation to the executive.

13. There is no reason to decrease the thresholds for perquisite disclosure. In fact, the level should be increased to reflect inflation since 1994.

14. The guidance is satisfactory.

15. Since the number is based on quantifications of awards that bear no resemblance to compensation value or the value ultimately realized by an executive, we question the value of providing a total compensation number.

16. We are concerned that it will be confusing to provide a grant date fair value as well as the associated accounting expense. Investors may not understand the peculiarities of the way the accounting expense of awards is calculated so as to understand the relationship between the value in the Summary Compensation Table and the value reflected in the Grants of Equity Awards Table.

17. We prefer the approach reflected in the proposed Canadian requirements to the approach adopted by the SEC. The additional detail required by the SEC does not provide meaningful additional information to investors and the volume of

additional data can obscure an investor's understanding of what compensation is being awarded.

18. As defined contribution ("DC") plans are becoming more prevalent in Canada, it may be appropriate to provide greater disclosure in connection with such plans, in the form of tabular disclosure. Further consideration may also be warranted in this regard as increasingly supplemental unfunded DC arrangements are being provided to executives, which bring can bring with them increased (or different) financial reporting. In our view, information regarding real (and/or notional) contributions made to a DC plan on behalf of an executive is required in order to understand the complete compensation picture.

19. We believe that a distinction between CEO compensation and other executive compensation can be made and that quantification of termination payments should be limited to amounts payable to the CEO.

20. We believe it will be difficult to provide such estimates under all scenarios and will result in too much detail in many cases, which does not result in better disclosure. Instead, we suggest that the focus should be on key causes of termination – change of control, voluntary termination, termination for cause and involuntary termination without cause (including termination for good reason) – and the maximum payout under each of these causes.

21. Yes. Many larger issuers already provide this.

22. The management information circular is the best location for the disclosure.

23. No comment.

24. No comment.

25. We do not think that a prescribed measurement tool would provide meaningful information beyond the narrative disclosure to be provided in the CD&A.

26. Provided that the rules are published in final form by the end of September and provided that there is a transition rule as noted above in respect of question #7, we think there will be sufficient time to implement the requirements.

We are pleased to have had the opportunity to provide you with our comments. If you have any questions or comments please contact Andrew MacDougall at 416-862-4732.

Yours very truly,

OSLER, HOSKIN & HARCOURT LLP

AJM:JS:vkl