



Marie E. Beyette  
Vice President, General Counsel & Corporate Secretary  
Torstar Corporation

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Canadian Securities Administrators

c/o John Stevenson, Secretary  
Ontario Securities Commission  
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Toronto, Ontario M5H 3S8

Anne-Marie Beaudoin, Corporate Secretary  
Autorite des marches financiers  
Tour de la Bourse  
800, square Victoria  
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Dear Sirs and Mesdames:

**Re: Request for Comments on Proposed Repeal and Substitution of Form 51-102F6  
Statement of Executive Compensation**

On behalf of Torstar Corporation, we appreciate the opportunity to provide comments on the proposed repeal and substitution of Form 51-101F6 Statement of Executive Compensation. We continue to be supportive of the objective of the proposed changes to improve the quality and transparency of executive compensation disclosure. We wish to comment on the following three issues:

1. *The treatment of benefits received under defined benefit plans in column (h) of the summary compensation table (SCT).*

Item 3.1(10)(i)(ii) of the Proposed Form indicates that benefits under defined benefit plans should be included in column (h) when they have been accelerated as a result of any termination, retirement, change in control or a change in an NEO's responsibilities. Information other than accelerated payments for these plans is to be reported in column (g) and under Item 5.

The retirement plans of a number of companies, including Torstar, provide for payment of a retirement benefit in the form of a lump sum rather than in the form of an annuity. We believe that

the intent of Item 3.1(10)(i)(ii) is to make it clear that pension payments are not to be included under the “all other compensation” column of the SCT unless there has been an acceleration of a pension annuity otherwise payable due to a specific event such as a change of control. Where a retirement plan provides for payment of the retirement benefit in a lump sum in each of the circumstances specified in section 6.1 of the Proposed Form, there is no acceleration of the benefit and, therefore, no amount to include under the “all other compensation” column of the SCT. It will be clear from item 5 of the Proposed Form whether a retirement plan provides for payment of the retirement benefit in a lump sum in each of the circumstances specified in section 6.1 of the Proposed Form.

However, we note that the introduction to Item 3.1(10) includes all amounts other than those reported elsewhere in the SCT, which could be read as including amounts reported in Item 5. In addition, Item 3.1(10)(d) purportedly includes all amounts paid or payable as a result of the scenarios listed in Item 6.1, thereby duplicating the requirement in Item 3.1(10)(i) but without the exception provided in Item 3.1(10)(i)(ii). To correct this inconsistency, the exception provided in Item 3.1(10)(i)(ii) should apply to all of Item 3.1(10), not just Item 3.1(10)(i).

If the entire lump sum retirement amount is included as part of “all other compensation”, it would artificially inflate total compensation amounts for the executive compared to an executive at another company who is not entitled to a lump sum payment (but who is entitled to receive ongoing payments for future years that will not subsequently be reported). In addition, an executive officer for whom it was not historically necessary to provide executive compensation disclosure could be deemed to be an NEO for purposes of the disclosure prepared following the executive’s termination of employment solely because of receiving the post-retirement benefit in a lump sum. This would be an anomalous result and appears inconsistent with the CSA’s previously stated view (as reflected in the CSA’s response to the comments made on the earlier proposed form of executive compensation disclosure) that pension compensation should not be included in “Total compensation” for the purposes of determining a company’s NEOs.

We note that the approach taken by the SEC was to confirm that benefits paid pursuant to defined benefit and actuarial plans are not reported as “all other compensation” unless accelerated pursuant to a change in control. This narrower reference would not capture lump sum amounts that are payable in the ordinary course on retirement pursuant to the terms of the benefit plan.

## *2. Termination and Change of Control Benefits*

We note that you have clarified Section 6.1 of the Proposed Form to indicate that only disclosure of the incremental value of the benefit provided to an NEO is required. We understand this to mean that disclosure should be provided only where an enhancement to the executive’s compensation arrangement is triggered by the termination or change of control event. The CSA response to the comment requesting clarification regarding incremental payments, however, is confusing. That response references a need to disclose any benefit that accrued to the NEO due to the triggering event, not just an enhancement resulting from a particular triggering event. For example, a right to a retirement pension benefit accrues to the NEO upon retirement and would not otherwise have been provided had a triggering event not occurred. We continue to believe that it would be more appropriate to include in Item 6 only any additional pension benefit accruing by virtue of the termination and not the accrued value of the pension benefit already earned by the executive and we would welcome clarification of this in the Proposed Form.

## *3. The Determination of NEOs*

The current definition of “total compensation” in Section 1.4(5) of the Form for the purpose of determining NEOs suggests that terminated or retired executives whose normal compensation

would not be within the top five executives will need to be included as NEOs in addition to the top five currently employed executives due solely to the inclusion of severance payments and possibly (as indicated in paragraph 1 above) lump sum pension payments payable on retirement or termination in the ordinary course. This could increase the number of executive officers who need to be reported as NEOs well beyond the five for whom disclosure would normally be provided.

We do not think it provides meaningful information to investors to include individuals as NEOs due solely to payments arising from retirement or the termination of their employment. We note that the pension value reported under column (g) is excluded from the total compensation calculation for the purposes of determining the NEOs. Consistent with the CSA's view that pension compensation should not be included in "Total Compensation" for the purposes of determining a company's NEOs, it would seem to be appropriate to also exclude severance and other termination payments and any accelerated pension payments that would be included in column (h) of the SCT.

Thank you for the opportunity to comment on the proposed changes. If you have any questions, please do not hesitate to contact me.

Yours very truly,



Marie E. Beyette

cc: J. Robert S. Prichard, *President & Chief Executive Officer, Torstar Corporation*  
Hon. Frank Iacobucci, *Chairman, Torstar Corporation*