

F. W. T. Somerville
1000 Canterra Tower
400 Third Avenue S.W.
Calgary, Alberta T2P 4H2

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Tom Graham
Director, Corporate Finance
Alberta Securities Commission
Phone: (403) 297-6730
Fax: (403) 297 2082
tom.graham@seccom.ab.ca

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, Directrice du secretariat
Autorite des marches financiers
Tour de la Bourse
800, square Victoria
C.P. 246, 22e etage
Montreal, Quebec, H4Z 1G3
Fax: (514) 864-6381
E-mail: consultation-en-cours@lautorite.com

To Whom It May Concern:

Re: Proposed Repeal and Substitution of Form 51-102F6: Statement of Executive Compensation

I am a practicing lawyer and shareholder and I am currently researching the proposed repeal and substitution of Form 51-102F6. Particularly, I am writing to inquire whether the proposed new disclosure requirements for executive compensation will include disclosure of the reasons that a reporting issuer has for putting into place agreements with its top executive vis à vis termination of employment and change of control compensation.

Currently, Item 7.1 of Form 51-102F6 provides for the disclosure obligations of termination and change of control compensation:

- 7.1 Describe the terms and conditions, including dollar amounts, of each of the following contracts or arrangements which are in existence at the end of the most recently completed financial year:
 - (a) any employment contract between your company or its subsidiaries and a NEO; and

(b) any compensatory plan, contract or arrangement, where a NEO is entitled to receive more than \$100,000 from the issuer or its subsidiaries, including periodic payments or installments, in the event of

(i) the resignation, retirement or any other termination of the NEO's employment with your company and its subsidiaries;

(ii) a change of control of your company or any of its subsidiaries; or

(iii) a change in the NEO's responsibilities following a change in control.

While some disclosure is required, the current regulation does not presently require an explanation of the reasons for putting into place termination and change of control agreements. It is unclear whether providing such reasons will be compulsory in the proposed repeal and substitution of Form 51-102F6 and it appears to me that this will not be required.

The proposed revisions of 51-102F6 provide for a compensation discussion and analysis section (CD&A), which will provide justification for certain compensation provisions in an employment agreement. Nevertheless, it is still ambiguous whether the CD&A is to include rationale for termination and change of control agreements. Furthermore, while the proposed changes to Item 7 of 51-102F6 specifically would extend disclosure obligations to show the various termination scenarios and the estimated annual benefits, these provisions fail to explicitly require explanation of the reasons why those certain benefits are chosen.

As I understand it, the point of the new executive compensation disclosure rules being put into place in Canada and the ones put into place by the Securities and Exchange Commission in the United States last year, is to allow transparency and allow shareholders to regulate and determine if such compensation agreements are in their interests and in the interests of the company they own. It would seem to me that simply describing the details of termination or change of control agreements and explaining how they operate in the CD&A, would not address a critical issue of fact for the shareholders to adequately discharge a review of such agreements. Shareholders should know in plain English what the reasons of the Compensation Committee and the Board of Directors are for putting into place these agreements and benefits, that would accrue to the corporation's top executives thereunder. If the reasons are not valid or consistent with common stewardship or governance practices, then shareholders should be able know the justification for such provisions and, if necessary, be able to take the appropriate remedial action.

In contrast, § 17 CFR 229.402 and § 17 CFR 228.402, the applicable American provisions, seem to have addressed the issue and , as an example, § 17 CFR 229.402 states:

402(j) *Potential Payments upon termination or change-in-control.* Regarding each contract, agreement, plan of arrangement, whether written or unwritten, that provides for payment(s) to a named executive officer at, following, or in connection with any termination, including without limitation resignation, severance, retirement or a constructive termination of a named executive officer, or a change-in-control of the registrant or a change in the named executive officer's responsibilities, with respect to each named executive officer:

(1) Describe and explain the specific circumstances that would trigger payment(s) or the provision of other benefits, including perquisites and health care benefit;.

- (2) Describe and quantify the estimated payments and benefits that would be provided in each covered circumstance, whether they would or could be lump sum, or annual, disclosing their duration, and by whom they would be provided;
- (3) Describe and explain how the appropriate payment and benefit levels are determined under the various circumstances that trigger payments or provision of benefits;
- (4) Describe and explain any material conditions or obligations applicable to the receipt of payments or benefits, including but not limited to non-compete, non-solicitation, non-disparagement or confidentiality agreements, including the duration of such agreements and provisions regarding waiver of breach of such agreements; and
- (5) Describe any other material factors regarding each such contract, agreement, plan or arrangement.

As can be seen in § 17 CFR 229.402, the Securities and Exchange Commission has recently required that the reasons for termination and change of control benefits must be disclosed in the appropriate continuous disclosure documents. This explanation of how the corporation justifies the amounts that an executive would receive in event of termination or change of control contrasts to previous regulation where no explanation was needed and companies were free to arrange lucrative exit strategies for their top employees. Since coming into force, corporations have been complying with these requirements, as seen in the following example taken from a recent filing on EDGAR in the United States of America:

“We provide the foregoing post-employment payments in the event of termination and/or a change in control in order to attract and retain an appropriate caliber of talent for the position. We believe that our severance and change in control provisions are consistent with the provisions and benefit levels of other companies disclosing such provisions as reported in SEC public filings.

The payment and benefit levels to Mr. XXXXX and XXXXX that were determined under the various circumstances that trigger post employment payments or provisions and benefits were based on negotiations between them and us.

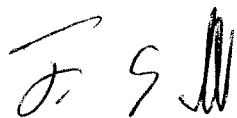
The termination provisions of Mr. XXXXX employment contract were designed , in part, to impede and discourage a hostile takeover attempt and to protect the continuity of management. The termination provisions, including appropriate payment and benefit levels of the various circumstances that trigger payments or provisions of benefits, were determined through negotiations between Mr. XXXXX, our directors and representatives of XXXXX Securities Corporation, the lead underwriter in connection with a sale of common shares we recently completed on March 30, 2006.”

As the Canadian Securities Administrators have stated, the purpose behind increased disclosure is to increase transparency in agreements between a corporation and its executives. In Canada, as seen above, we are already required to disclose the terms and conditions of potential termination or change of control benefits. If the Canadian Securities Administrators are considering increasing disclosure obligations, why has it not been explicitly stated that the reasons for termination and change of control benefits are to be provided? If they are not to be provided it

would seem to me that shareholders would be deprived of a materially important piece of information for making their own evaluation of these compensation arrangements.

This inquiry may be taken as a submission to the Notice and Request for Comment for the Proposed Repeal and Substitution of Form 51-102F6.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'F. W. T. Somerville'. The signature is stylized with a large initial 'F' and a prominent 'S'.

F. W. T. SOMERVILLE