

February 17, 2011

By email: consultation-en-cours@lautorite.qc.ca

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission – Securities Division
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Government of Yukon
Registrar of Securities, Department of Justice, Government of the Northwest Territories
Registrar of Securities, Legal Registries Division, Department of Justice, Government of Nunavut

c/o Mme Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
Tour de la Bourse
800, square Victoria
C.P. 246, 22nd floor
Montreal QC H4Z 1G3

Reference: Request for Comments – Proposed Amendments to Form 51-102F6

Dear Madam:

We are pleased to submit the following comments in response to the *Notice and Request for Comment – Proposed Amendments to Form 51-102F6 Statement of Executive Compensation and Consequential Amendments* published by the Canadian Securities Administrators dated November 19, 2010.

Praemis provides compensation advice to medium-size and large-size organizations in Canada. In our mandates, we review and analyze the compensation disclosure of numerous issuers. We also offer services in the preparation of compensation disclosure for our clients, including the preparation of prescribed tables. We provide our comments within the context of both our roles of users and drafters of the disclosure.

First and foremost, we believe that the proposed amendments will improve the quality and pertinence of the disclosure. We offer comments for certain of the proposed amendments that we think the CSA should consider.

Disclosure Regarding Executive Officer and Director Hedging

We clearly support the obligation to disclose the executives' ability to hedge their position. Not only that, but we believe that if executives or directors were allowed to hedge their position, the actual hedging instruments held by executives should be disclosed and described in plain language in the proxy.

We think this information is meaningful for the reader to understand the actual impact of compensation, as the stated compensation strategy may be partially or completely offset by hedging mechanisms which would render the CD&A pointless.

While we understand that this information may be found in SEDI, we think that most readers do not have the sophistication to understand SEDI disclosure to that effect. Also, we have often found SEDI disclosure to be incomplete or inaccurate compared to the information contained in the proxy published by the issuer.

Fees paid to Compensation Advisors

We support the obligation to disclose fees as stated in the proposed amendments. We do not think that a threshold level would be appropriate for "executive compensation-related fees". We think it is pertinent for readers to know this information to assess how high or how low these fees are. We would think reasonable to set a threshold for "all other fees" as long as this threshold is low (for example, the lowest of \$50,000 or 25% of the executive compensation-related fees).

DC Pension Plans

We consider that the shareholders have two interests: first, the annual compensation value provided by the company to executives and, second, the cumulative compensation value which remains to be paid by the company. For pension benefits, whose objective is to provide compensation replacement following retirement, the latter is very much important for readers to assess if the pension plan design is reasonable and in line with the compensation policy.

We therefore believe that maintaining the current reporting is adequate, as it allows the reader to assess the overall value of the benefits and allow comparability between DB and DC pension plans. We advocate that column (e) should be maintained, and as consequence, column (d) as well (which is a balancing item). We think that issuers can clarify in footnotes to what the non-compensatory amounts relate and we do not feel that readers are confused by column (d).

Amounts Realized upon Exercise of Equity Awards

We support the CSA position of not disclosing the amount realized from the exercise of stock options especially in the growing context of say-on-pay votes. Publishing such amounts shifts the focus away from the compensation decision for the given year.

Departure from format (Paragraph 1.3 (2.b))

We welcome this change for the reasons stated by the CSA. However, we would ask the CSA to consider extending this requirement to all prescribed tables, as we have seen situations where other tables were modified to the point of being misleading.

Currencies (Paragraph 1.3 (9))

We think the requirement to use “a single currency throughout the form” may be interpreted as prohibiting issuers to disclose factual information in foreign currency where this information may be relevant to understand the compensation decisions made by the Board. This may be too stringent and misleading to the readers. For example, stock options for which the exercise price is set in a different currency should be reported as such; converting to Canadian dollars will prove inaccurate for the calculation of the in-the-money position and confusing to the reader in assessing the complex impact of exchange rates on the award. Also as an example, it may be useful to comment on other compensation decisions in local currencies, like salary increases, to better assess the Board’s decision without the “interference” of currency fluctuations that impact the Summary Compensation Table.

Outstanding Share-based Awards (Section 4.1)

We understand the intent of the addition of column (h) in table 4.1 to include the value for which a payment obligation remains. However, we think the proposed column would be confusing because it may be incorrectly linked to the number of unvested shares/units (column (f)). We also find it somewhat disconcerting that a share award that vests in a given year will be reported in Table 4.2 and will remain in Table 4.1 in column (h). We think this may generate double-counting of the same compensation.

We suggest the addition of a second column “Number of shares or units of shares that have vested that have not been paid out or distributed” to address our first concern.

Reporting of Contribution to an RRSP (Paragraphs 3.1 (10) and 5.2 Commentary 2)

We welcome this change, as information on personal RRSPs is often confidential and not available to the company and because the account balance may also include additional contributions or transfers by the executive that are unconnected with their employment.

However, we suggest to replace “to a personal registered retirement savings plan” with “to a personal savings plan like a registered retirement savings plan”. This would include US 401(k) plans.

Mme Anne-Marie Beaudoin
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If you have any question on the above comments, please contact the undersigned at (514) 979-8078.

Yours truly,

Christian Laniel, ASA, CFA
President

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