

AGNICO EAGLE MINES LTD

FORM S-8 POS

(Post-Effective Amendment to an S-8 filing)

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Post-Effective Amendment No. 1

to

FORM S-8

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

AGNICO-EAGLE MINES LIMITED

(Exact name of registrant as specified in its charter)

Ontario, Canada
(State or other jurisdiction of
incorporation or organization)

Not Applicable
(I.R.S. Employer
Identification Number)

145 King Street East, Suite 400
Toronto, Ontario, M5C 2Y7
(Address, including Zip Code, of Principal Executive Offices)

AGNICO-EAGLE MINES LIMITED
AMENDED AND RESTATED EMPLOYEE STOCK OPTION PLAN

and

AGNICO-EAGLE MINES LIMITED
AMENDED AND RESTATED INCENTIVE SHARE PURCHASE PLAN
(Full title of plan)

Gerald D. Shepherd, Esq.
Davies Ward Phillips & Vineberg LLP
625 Madison Avenue, 12th Floor, New York, NY 10022
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(Name, address and telephone number, including area code of agent for service)

with a copy to:

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Patricia Olasker, Esq.
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Toronto, Ontario, M5X 1B1, Canada
(416) 863-0900

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (do not check if a smaller reporting company)

Smaller reporting company

Explanatory Note

This Post-Effective Amendment No. 1 is being filed solely to add exhibits 4.1 (the Registrant's Amended and Restated Employee Stock Option Plan) and 4.2 (the Registrant's Amended and Restated Incentive Share Purchase Plan) to this Registration Statement on Form S-8.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 8 . Exhibits.

<u>Exhibit</u>	<u>Description</u>
4.1	Agnico-Eagle Mines Limited Amended and Restated Employee Stock Option Plan (1)
4.2	Agnico-Eagle Mines Limited Amended and Restated Incentive Share Purchase Plan (1)
5.1	Legal Opinion of Davies Ward Phillips & Vineberg LLP(2)
23.1	Consent of Ernst & Young LLP(2)
23.2	Consent of Davis Ward Phillips & Vineberg LLP (contained in the opinion included as Exhibit 5.1) (2)
24.1	Power of Attorney (included in signature page of this Registration Statement) (2)

(1) Filed herewith

(2) Previously filed

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Post-Effective Amendment No. 1 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Toronto in the province of Ontario, on August 19, 2008.

AGNICO-EAGLE MINES LIMITED

By: /s/ Sean Boyd
Sean Boyd
Vice Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment No. 1 to this Registration Statement has been signed by the following persons in the respective capacities.

August 19, 2008	<u>/s/ Sean Boyd</u> Sean Boyd, Vice Chairman and Chief Executive Officer and a Director (Principal Executive Officer)
August 19, 2008	<u>/s/ David Garofalo</u> David Garofalo, Senior Vice-President, Finance and Chief Financial Officer and a Director (Principal Financial and Accounting Officer)
August 19, 2008	* <u>Eberhard Scherkus,</u> President and Chief Operating Officer and a Director
August 19, 2008	* <u>James D. Nasso</u> Chairman of the Board of Directors
August 19, 2008	* <u>Douglas R. Beaumont,</u> Director
August 19, 2008	* <u>Bernard Kraft,</u> Director
August 19, 2008	* <u>Howard R. Stockford</u> Director
August 19, 2008	* <u>Mel Leiderman,</u> Director

August 19, 2008

*

Leanne M. Baker
Director and Authorized United States Representative

August 19, 2008

*

Pertti Voutilainen
Director

August 19, 2008

Clifford J. Davis

August 19, 2008

J. Merfyn Roberts

*By: /s/ David Garofalo
David Garofalo
Attorney-in-Fact

EXHIBIT INDEX

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(2) Previously filed

APPROVED BY SHAREHOLDERS ON MAY 9, 2008

AMENDED AND RESTATED EMPLOYEE STOCK OPTION PLAN

1. Purpose

The Purpose of this stock option plan (“Plan”) is to encourage ownership of common shares (the “Shares”) of Agnico Eagle Mines Limited (the “Corporation”) by directors, officers, employees and service providers being those persons who are primarily responsible for the management and profitable growth of the Corporation’s business, by providing additional incentive for superior performance by such persons and to enable the Corporation to attract and retain valued directors, officers, employees and service providers.

2. Interpretation

For the purpose of this Plan, the following terms shall have the following meanings:

“**Black Out Period**” means any period during which a policy of the Corporation prevents an insider of the Corporation from trading in the Shares;

“**Committee**” means the Compensation Committee appointed by the Board of Directors of the Corporation;

“**Consultant**” means an individual (including an individual whose services are contracted through a personal holding corporation) engaged to provide ongoing management or consulting services for the Corporation or a subsidiary of the Corporation;

“**Eligible Assignee**” means, in respect of any Eligible Person, such person’s Spouse, minor children and minor grandchildren, a trust governed by a registered retirement savings plan of an Eligible Person, an Eligible Corporation or an Eligible Family Trust;

“**Eligible Corporation**” means a corporation controlled by an Eligible Person and of which all other shareholders are Eligible Assignees;

“**Eligible Family Trust**” means a trust of which the Eligible Person is a trustee and of which all beneficiaries are Eligible Assignees;

“**Eligible Person**” means, subject to all applicable laws, any employee, officer, director of or Consultant to the Corporation or any subsidiary of the Corporation;

“**Market Price**” shall have the following meaning:

- (a) “**Market Price**”, in respect of options to be granted with an Exercise Price denominated in Canadian dollars, shall mean, at any date, the closing sale price for board lots of the Shares on the TSX on such day. If the Shares did not trade on the TSX on such day, Market Price shall be the closing sale price for board lots of the Shares on the NYSE on such day converted into Canadian dollars at the rate at which United States dollars may be exchanged into Canadian dollars using the inverse Noon Buying Rate. If the Shares did not trade on the TSX or NYSE on such day, Market Price shall be the closing sale price for board lots of the Shares on such stock exchange in Canada on which the Shares are listed on such day as may be selected by the Committee for such purpose. If the Shares do not trade on such day on any such stock exchange, the Market Price shall be the average of the bid and ask prices for board lots of the Shares at the close of trading on the TSX on such date; or
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- (b) “ **Market Price** ”, in respect of options to be granted with an Exercise Price denominated in United States dollars, shall mean, at any date, the closing sale price for board lots of the Shares on the NYSE on such day. If the Shares did not trade on the NYSE on such day, Market Price shall be the closing sale price for board lots of the Shares on the TSX on such day converted into United States dollars at the rate at which Canadian dollars may be exchanged into United States dollars using the Noon Buying Rate. If the Shares do not trade on such day on either such stock exchange, the Market Price shall be the average of the bid and ask prices for board lots of the Shares at the close of trading on the NYSE on such day.

If such Shares are not listed and posted for trading on any stock exchange, the Market Price in respect thereof shall be the fair market value of such Shares as determined by the Committee in its sole discretion;

“ **Non-Management Eligible Person** ” shall have the meaning ascribed thereto in section 8;

“ **Noon Buying Rate** ” means the noon buying rate in the City of New York for cable transfers in Canadian dollars as certified for customs purposes by the Federal Reserve Bank of New York, or, in the event such rate is not quoted or published by the Federal Reserve Bank of New York, shall be the exchange rate determined by reference to such other publicly available service for displaying exchange rates as may be determined by the Committee;

“ **NYSE** ” means the New York Stock Exchange;

“ **OBCA** ” means the *Business Corporations Act* (Ontario), as amended from time to time;

“ **Spouse** ” shall have the meaning given to it in the *Income Tax Act* (Canada);

“ **subsidiary** ” shall have the meaning given to it in the *Securities Act* (Ontario); and

“ **TSX** ” means The Toronto Stock Exchange.

3. **Administration**

The Plan shall be administered by the Committee, which shall consist of not fewer than three directors of the Corporation. Vacancies on the Committee, howsoever caused, shall be filled by the Board of Directors of the Corporation. The Committee shall have full authority to interpret the Plan and to make any such rules and regulations and establish such procedures as it deems appropriate for the administration of the Plan, taking into consideration the recommendations of management. The decisions of the Committee shall be binding and conclusive for all purposes and upon all persons.

4. **Number of Shares Reserved**

The maximum number of Shares which may be reserved for issuance under the Plan shall be 19,000,000 Shares, subject to adjustment in accordance with section 10 which number may only be increased with the approval of the shareholders of the Corporation. The maximum number of Shares which may be reserved for issuance to any one person pursuant to options (under the Plan or otherwise), warrants, share purchase plans or other compensation arrangements shall not exceed 5% of the total issued and outstanding Shares. Any Shares subject to an option granted under the Plan which for any reason is cancelled or terminated without having been exercised shall again be available to be granted under the Plan. All Shares issued pursuant to the exercise of options granted under the Plan will be so issued as fully paid common shares of the Corporation.

5. **Expiry Date**

Options granted under the Plan must expire not later than five years after the date the option was granted. Each option shall be subject to earlier termination as provided in paragraph 7(d) of the Plan.

6. Participation

Options shall be granted under the Plan only to Eligible Persons as shall be designated from time to time by the Committee, Eligible Corporations and Eligible Family Trusts and shall be subject to the rules and regulations of any stock exchange upon which the Shares are listed for trading.

7. Terms and Conditions of Options

The terms and conditions of options granted under the Plan shall be set forth in written option agreements between the Corporation and the optionees. Such terms and conditions shall include the following and such other provisions, not inconsistent with the Plan, as may be deemed advisable by the Committee:

- (a) **Exercise Price:** The exercise price of an option granted under the Plan shall be fixed by the Committee which price shall not be less than the Market Price of the Shares on the trading day immediately preceding the date of the grant. The Committee may also determine that the exercise price per Share may escalate at a specified rate dependent upon the year in which any option to purchase Shares may be exercised by the optionee.
- (b) **Payment:** The full purchase price of Shares purchased under the option shall be paid in cash upon the exercise thereof in the currency in which the Exercise Price is denominated. A holder of an option shall have none of the rights of a shareholder until the Shares are issued to him or her.
- (c) **Exercise of Options:** The Committee may determine when an option will become exercisable and may determine that the option shall be exercisable in instalments on such terms as to timing of vesting or otherwise as the Committee deems advisable provided that options granted under the Plan shall vest not more quickly than, in equal instalments (computed in each case to the nearest full share), on each of the date of grant of the Option and each anniversary of the date of grant of the Option up to and including the second last anniversary date of the grant. Except as provided in paragraph 7(d) hereof, no option may be exercised unless that optionee is then an Eligible Person. The Plan shall not confer upon the optionee any right with respect to continuation of employment by the Corporation.
- (d) **Termination of Options:** Any option granted pursuant hereto, to the extent not validly exercised, will terminate on the earliest of the following dates:
 - (i) the date of expiration specified in the option agreement, being not later than five years after the date the option was granted;
 - (ii) subject to subparagraph (d)(iv) below, 30 days after the date an optionee ceases to be an Eligible Person for any reason whatsoever other than death;
 - (iii) six months after the date of the optionee's death during which period the option may be exercised only by the optionee's legal representative or the person or persons to whom the deceased optionee's rights under the option shall pass by will or the applicable laws of descent and distribution, and only to the extent that the optionee would have been entitled to exercise it at the time of his death; and
 - (iv) where the optionee is a director of the Corporation and ceases to be an Eligible Person by reason of his or her retirement or resignation from the Board of Directors of the Corporation, four years from the date of such retirement or resignation, subject to any resolution that may be passed by the Board of Directors of the Corporation on the recommendation of the Committee shortening such term, and provided that in no event shall any option granted pursuant hereto expire later than five years after the date the option was granted.

- (e) **Assignment to Eligible Assignees:** Subject to obtaining approval in advance from the Corporation and from each stock exchange on which shares of the Corporation are listed and which reserves the right to approve such assignments, Eligible Persons may assign options granted to them under the Plan to Eligible Assignees and Eligible Assignees may, in turn, assign such options to other Eligible Assignees or the original optionee. The original optionee under the Plan must be an Eligible Person at the time of the assignment. Notwithstanding any such assignment, all options granted under the Plan shall be deemed to be the option of the original optionee for the purposes of applying the rules and policies of the stock exchanges on which shares of the Corporation are listed. No consideration may be given to any assignee in connection with any assignment of options granted under the Plan. Subject to the foregoing, no options shall be transferable by the optionee other than by will or the laws of descent and distribution and shall be exercisable during the optionee's lifetime only by him or her.
- (f) **Applicable Laws or Regulations:** The Corporation's obligation to sell and deliver Shares under each option is subject to the compliance by the Corporation and any optionee with applicable securities laws and the requirements of regulatory authorities having jurisdiction and is also subject to the acceptance for listing of the Shares which may be issued in exercise thereof by each stock exchange upon which Shares of the Corporation are listed for trading.
- (g) **Maximum Number of Options Granted Per Fiscal Year:** The maximum number of options which may be granted under the Plan in any fiscal year of the Corporation may not exceed 2% of the total issued and outstanding Shares immediately prior to the grant of such options.

8. Loans to Non-Management Eligible Persons

Subject to Section 20 of the OBCA or any successor or similar legislation and other applicable laws, the Corporation may, at any time and from time to time, lend money (on a non-recourse or limited recourse basis or otherwise) or provide guarantees or other support arrangements to assist an Eligible Person who is not a director or officer of the Corporation (a "Non-Management Eligible Person") to fund all or a part of the purchase price for Shares being purchased pursuant to an option granted to a Non-Management Eligible Person under the Plan on such terms and conditions as the Corporation may determine, provided that each loan made to such Non-Management Eligible Person shall become due and payable in full on the date a Non-Management Eligible Person becomes a director or officer of the Corporation.

9. Compulsory Acquisition or Going Private Transaction

If and whenever there shall be a compulsory acquisition of the Shares of the Corporation following a takeover bid or issuer bid pursuant to Part XV of the OBCA or any successor or similar legislation, then following the date upon which the takeover bid or issuer bid expires, an optionee shall be entitled to receive, and shall accept, for the same exercise price, in lieu of the number of Shares to which such optionee was theretofore entitled to purchase upon the exercise of his or her options, the aggregate amount of cash, shares, other securities or other property which such optionee would have been entitled to receive as a result of such bid if he or she had tendered such number of Shares to this bidder.

10. Certain Adjustments

In the event:

- (a) of any change in the Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise;
- (b) of any stock dividend to holders of Shares;
- (c) that any rights are granted to all holders of Shares to purchase Shares at prices substantially below fair market value;

- (d) of any distribution of evidences of indebtedness or assets of the Corporation (excluding dividends paid in the ordinary course) to all holders of Shares; or
- (e) that as a result of any recapitalization, merger, consolidation or otherwise, the Shares are converted into or exchangeable for any other securities;

then in any such case, subject to prior approval of the relevant stock exchanges, the number or kind of shares reserved for issuance and available for options under the Plan, the number or kind of shares subject to outstanding options and the exercise price per option shall be proportionally adjusted by the Committee to prevent substantial dilution or enlargement of the rights granted to, or available for, holders of options as compared to holders of Shares.

11. Black Out Period

Notwithstanding anything contained in the Plan or any option issued under the Plan, if the date on which an option expires occurs during, or within 10 days after the last day of a Black Out Period or other trading restriction imposed by the Corporation, in each case, that is applicable to the holder of the option, the date of termination or expiry of such option will be the last day of that 10-day period.

12. Amendment and Discontinuance of Plan

The Board of Directors of the Corporation may, insofar as permitted by law and subject to any required approval of any stock exchange or other authority, from time to time amend or revise the terms of the Plan or discontinue the Plan at any time; provided, however, that no amendment or revisions may, without the consent of the optionee, in any manner adversely affect the rights of the optionee under any option theretofore granted under the Plan. Notwithstanding the foregoing, without approval of the shareholders, no such amendment or revision shall:

- (a) increase the maximum number of Shares reserved for issuance under the Plan;
- (b) reduce the exercise price for any option;
- (c) extend the term of an option held by an insider of the Corporation;
- (d) increase any limit on grants of options to insiders of the Corporation set out in the Plan; or
- (e) amend section 7(e) or the definitions of “Eligible Assignee”, “Eligible Corporation”, “Eligible Family Trust” or “Eligible Person”.

AGNICO-EAGLE MINES LIMITED
AMENDED AND RESTATED
INCENTIVE SHARE PURCHASE PLAN

PART 1 - INTRODUCTION

1.1 PURPOSE: The purpose of this incentive share purchase plan (the “Plan”) is to encourage equity participation in Agnico-Eagle Mines Limited by its directors, officers and employees through the purchase of common shares of Agnico-Eagle Mines Limited (the “Shares”).

As used herein, unless the context otherwise requires, the term “Company” refers collectively to Agnico-Eagle Mines Limited and its subsidiary companies.

PART 2 - PURCHASE PLAN

2.1 PARTICIPATION: Subject to Sections 2.10 to 2.12 and applicable laws, all directors of the Company and all officers and full-time employees of the Company who have been continuously employed by the Company for at least 12 consecutive months are eligible to participate in the Plan (such persons are referred to herein as “Participants”). The Committee (defined in Section 3.7 hereof) shall have the right, in its absolute discretion, to waive such 12 month period or refuse any person or group of persons the right of participation or continued participation in the Plan.

2.2 ELECTION TO PARTICIPATE AND PARTICIPANT’S CONTRIBUTION: A Participant may elect to participate in the Plan during a calendar year (a “Plan Year”) by delivering to the Company not later than December 10 of the preceding calendar year (the “Enrolment Date”) a written direction in the form attached hereto as Appendix “A”. If the Plan’s payroll deduction feature is selected, such form will authorize the Company to deduct an amount from the Participant’s basic annual salary from the Company, before deductions and exclusive of any overtime pay, bonuses or allowances of any kind whatsoever (the “Basic Annual Salary”), in 12 equal instalments. Alternatively, a Participant may elect to make contributions to the Plan on a quarterly basis in four equal instalments by cheque payable to the Company. The amounts so deducted by or paid to the Company (the “Participant’s Contribution”) will be applied to the purchase of Shares pursuant to the Plan and shall be held by the Company in trust for the purposes of the Plan.

Except in the case of Participants who are directors of the Company, the Participant’s Contribution during a Plan Year shall not exceed 10% of the Participant’s Basic Annual Salary for the calendar year in which the Enrolment Date falls. The Participant’s Contribution during a Plan Year of any director of the Corporation electing to participate in the Plan shall not exceed such director’s annual board and committee retainer fees for the calendar year in which the Enrolment Date falls. No adjustment shall be made to the Participant’s Contribution until the following Enrolment Date and then only if a new written direction has been delivered to the Company.

2.3 PARTICIPANT’S CONTRIBUTION — ALTERNATE ARRANGEMENTS: Plan participation by payroll deduction is not available to Participants who are full-time employees on short-term or long-term disability, workers’ compensation or parental leave. For such Participants, payment of their Participant’s Contribution will be accepted by cheque, subject to the satisfaction of all other requirements of the Plan.

The failure by a Participant to make any required contributions under the terms of the Plan shall, at the option of the Company, be deemed to be a cancellation of such Participant’s election to participate in the Plan. The deemed cancellation will be effective at the close of business on the last business day of the month in which the deemed cancellation occurs. The defaulting Participant will be notified of such cancellation by notice in writing mailed to such Participant and any Participant’s Contribution held by the Company in trust for such Participant shall be returned to the defaulting Participant. No Shares will be issuable to a Participant where his or her Participant’s Contribution has not been made in accordance with the terms of the Plan.

2.4 COMPANY'S CONTRIBUTION: Immediately prior to the date any Shares are issued to a Participant in accordance with Section 2.6 hereof, the Company will credit the Participant with and thereafter hold in trust for the Participant an amount (the "Company's Contribution") equal to 50% of the Participant's Contribution then held in trust by the Company.

2.5 AGGREGATE CONTRIBUTION: The Participant's Contribution plus the Company's Contribution shall be the "Aggregate Contribution". The Company shall not be required to segregate the Participant's Contribution or the Aggregate Contribution from its own corporate funds or to pay interest thereon to any Participant.

2.6 ISSUE OF SHARES: On March 31, June 30, September 30 and December 31 in each Plan Year, or if any such day is not a business day, then on the preceding business day (each, an "Issue Date"), the Company will issue to each Participant fully paid and non-assessable Shares equal, as nearly as possible, in value to the Aggregate Contribution held in trust on such date by the Company for each such Participant converted into Shares at the Market Price (as defined below) on such Issue Dates. If such conversion would otherwise result in the issue to a Participant of a fraction of a Share, the Company will issue only such number of whole Shares as may be purchased with such Aggregate Contribution. Until the Shares are issued, Participants shall have none of the rights or obligations of a shareholder with respect to such Shares.

In this Section 2.6, "Market Price" on any Issue Date shall be the simple average of the high and low trading prices of the Shares on The Toronto Stock Exchange (the "TSX") for each of the five trading days immediately prior to such Issue Date (a "Pricing Period"). If the Shares did not trade on the TSX during the Pricing Period, Market Price shall be the simple average of the high and low trading prices of the Shares on the New York Stock Exchange (the "NYSE") during such Pricing Period converted into Canadian dollars at the rate at which United States dollars may be exchanged into Canadian dollars using the inverse Noon Buying Rate. If the Shares did not trade on the TSX or NYSE during the Pricing Period, Market Price shall be the simple average of the high and low trading prices of the Shares on such stock exchange in Canada on which the Shares are listed during such Pricing Period as may be selected by the Committee for such purpose. If the Shares do not trade on such day on any such stock exchange, the Market Price shall be the simple average of the bid and ask prices of the Shares on the TSX during such Pricing Period.

The Company shall hold any unused balance of the Aggregate Contribution in trust for a Participant until such balance is utilized in accordance with the Plan.

2.7 RECORD OF PURCHASE: Within two months after each Issue Date, each Participant shall be furnished with a record of the Shares purchased on such Issue Date, the applicable Market Price and the balance remaining in his or her account, together with a certificate representing the Shares issued to and registered in the name of the Participant.

2.8 WITHDRAWAL FROM THE PLAN: In the event that a Participant ceases to be eligible for participation in the Plan by virtue of the termination of his or her relationship with the Company for any reason, whether voluntary or involuntary, or in the event of the death of the Participant while participating in the Plan, no further purchases of Shares will be made and the Participant's Contribution then held by the Company for the Participant shall be paid to the Participant or his or her estate or otherwise as directed by a court of competent jurisdiction, as the case may be, and the Company's Contribution then held in trust for the Participant shall be paid to the Company. A Participant shall not be entitled to withdraw from the Plan under any other circumstances during the Plan Year for which he or she has elected to participate.

2.9 TERMINATION OF THE PLAN: Termination of the Plan shall not affect the rights of the Participant's to the Shares purchased by them pursuant to the Plan. In the event of termination of the Plan, the Company shall pay to each Participant the Participant's Contribution then held in trust by the Company for such Participant.

2.10 LOANS TO NON-MANAGEMENT PARTICIPANTS: If a Participant who is not a director or officer of the Company (a "Non-Management Participant") desires to obtain one or more loans from the Company in order to assist him or her to pay the purchase price of any Shares acquired under the Plan, he or she may so advise the Company by request in writing and, in such event, the Committee may consider the request and, if thought fit by the Committee, cause the Company, subject to compliance with all applicable laws, to make a loan to him or her

concurrently with one or more scheduled dates for payment of such Non-Management Participant's Contribution, the principal amount of any such loan will be the amount approved by the Committee.

Each loan made to a Non-Management Participant shall be evidenced by a promissory note and shall have a term not exceeding ten years from the date such loan is advanced to the Non-Management Participant. In addition, if such Non-Management Participant should cease to be an employee of the Company for any reason, whether voluntary or involuntary (including, without limitation, by reason of death, resignation, discharge, illness, disability or otherwise), each loan made to such Non-Management Participant which is then outstanding shall become due and payable in full on the date which is the earliest of:

- (a) the stated maturity date of such loan as set out in the promissory note;
- (b) the second anniversary of the date on which such Non-Management Participant so ceased to be an employee of the Company; and
- (c) the date the Non-Management Participant becomes a director or officer of the Company.

The Committee shall have the right, in its sole discretion and at any time and from time to time, subject to regulatory approval, to change the foregoing provisions relating to the repayment of loans (save and except that the time in which any such loan must be repaid shall not exceed ten years from the date of the advance thereof). The respective terms and conditions pertaining to the repayment of loans from time to time outstanding need not be the same.

2.11 SECURITY FOR REPAYMENT OF LOANS: If a loan is made to a Non-Management Participant, such Non-Management Participant shall, concurrently with the making of each loan to him or her, create a security interest in, pledge and hypothecate to and in favour of the Company, as continuing security for the repayment of the principal amount of such loan and all interest accruing thereon and any expenses incurred by the Company described below in (c), together with any other loans made by the Company to the Non-Management Participant from time to time, all interest accruing thereon and any expenses incurred by the Company in connection therewith, all of the shares (the "Pledged Shares") purchased by him or her with part or all of the proceeds of such loan and all proceeds of such Pledged Shares. Certificates representing the Pledged Shares shall be issued to and registered in the name of the Non-Management Participant and held by the Company (or an agent of the Company as stipulated by the Committee). Certificates representing Shares or other securities issued as stock dividends in respect of the Pledged Shares shall be issued to and registered in the name of the Non-Management Participant and held by the Company (or an agent of the Company as stipulated by the Committee) and shall form part of the Pledged Shares. All certificates representing the Pledged Shares shall be accompanied by irrevocable stock transfer powers duly endorsed in blank by such Non-Management Participant in respect of the Pledged Shares represented by such certificates.

Upon payment in full of all loans and all interest due thereon, the Company shall deliver to such Non-Management Participant certificates representing the Pledged Shares.

The occurrence of either of the following events shall constitute an Event of Default under any loan: (a) a Non-Management Participant defaults in the payment of the principal amount of any loan and/or the payment of interest due thereon and such default is not cured within 10 days of the occurrence thereof; or (b) a Non-Management Participant, or any third party in respect of such Non-Management Participant, files, institutes or commences any application, assignment, petition, proposal or proceeding under any bankruptcy, insolvency, liquidation, debt restructuring or similar law now or hereafter in effect seeking bankruptcy, liquidation or readjustment of debt or the appointment of a trustee, custodian, liquidator or similar official. Upon an Event of Default under any loan, the Company, in addition to any other legal or equitable rights it may have, shall at any time thereafter be entitled to:

- (a) set off any cash dividends or other cash distributions declared and payable by the Company in respect of the Pledged Shares as against and to the extent of the outstanding principal balance of

such Non-Management Participant's loan and all interest accrued thereon and the expenses described in (c) below;

- (b) sell the Pledged Shares and apply the proceeds of sale to repay the outstanding principal balance of such Non-Management Participant's loan and all interest then accrued thereon and the expenses described below in (c); and
- (c) retain from the proceeds of such sale all amounts necessary to pay the expenses incurred by the Company in connection with such sale and to repay the outstanding balance of the loan including all interest thereon.

If there is a sale of any Pledged Shares and the proceeds from the sale of such Pledged Shares are sufficient to repay the expenses of such sale and the outstanding principal balance of any loan and/or interest thereon, the Company shall deliver the balance, if any, of the Pledged Shares and certificates therefor, if any, and/or the balance of the proceeds of such sale, if any, as the case may be, to the Non-Management Participant. If the proceeds from the sale of any Pledged Shares are insufficient to repay the expenses of such sale and the outstanding principal balance of any loan and/or any interest accruing thereon, the Non-Management Participant shall forthwith pay to the Company the amount of the deficiency. If any Pledged Shares which otherwise would be sold by the Company pursuant to the foregoing would be an "odd lot", the Company may in its discretion sell such greater number of Pledged Shares as is necessary to effect a sale consisting of one or more "board lots".

2.12 VOTING RIGHTS AND CASH DIVIDENDS: So long as an Event of Default has not occurred: (a) each Non-Management Participant to whom any loan has been made shall have the right to exercise the votes attaching to his or her Pledged Shares; and (b) all cash dividends and other cash distributions declared and paid by the Company in respect of any Pledged Shares shall be paid to or to the order of the Non-Management Participant.

PART 3 - GENERAL

3.1 TRANSFERABILITY: All benefits and rights accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable unless specifically provided herein. During the lifetime of a Participant, all benefits and rights may only be exercised by the Participant.

3.2 EMPLOYMENT: Nothing contained in the Plan or in any benefit or right granted hereunder shall confer upon any Participant any right with respect to service or continuance of service with the Company, or interfere in any way with the right of the Company to terminate the Participant service with the Company at any time. Participation in the Plan by a Participant is voluntary.

3.3 RECORD KEEPING: The Company shall maintain a register in which shall be recorded the name and address of each Participant and all Participant's Contributions.

3.4 NECESSARY APPROVALS: The Plan, and the obligations of the Company to issue and deliver any Shares in accordance with the Plan, are subject to the approval of any regulatory authority having jurisdiction over the securities of the Company. If any Shares cannot be issued to any Participant for any reason whatsoever, the obligation of the Company to issue such Shares shall terminate and any Participant's Contribution held in trust for a Participant will be returned to the Participant.

3.5 NUMBER OF SHARES RESERVED: The maximum number of Shares which may be reserved for issuance under the Plan shall be 5,000,000 Shares, which number may only be increased with the approval of the shareholders of the Corporation.

3.6 ADJUSTMENTS IN EVENT OF CHANGE IN SHARES:

- (a) In the event of a subdivision, consolidation or reclassification of outstanding Shares or other capital adjustment, or the payment of a stock dividend thereon, the number of Shares reserved or

authorized to be reserved under the Plan shall be increased or reduced proportionately and such other adjustments shall be made as may be deemed necessary or equitable by the Committee.

- (b) In the event of a change in the Company's authorized Shares which is limited to a change in the designation thereof, the shares resulting from any such change shall be deemed to be Shares under the Plan. In the event of any other changes affecting the Shares, such adjustment shall be made as may be deemed equitable by the Committee to give proper effect to such event.

3.7 PLAN ADMINISTRATION AND AMENDMENTS TO PLAN: The Plan will be administered by the Compensation Committee of the Board of Directors of the Company (the "Committee") or by any other committee of the Board of Directors or committee composed of directors and/or officers of the Company as the Board of Directors may from time to time designate, and after such designation, references to the Committee herein shall be deemed to refer to such other committee as the case may be.

The Committee shall have authority to adopt, amend or rescind rules and regulations as in its opinion may be advisable or required in the administration or operation of the Plan. The Committee shall also have authority to interpret and construe the Plan and the rules, regulations and documentation utilized under the Plan and may make any and all determinations deemed necessary or advisable for the administration of the Plan. Any interpretation or construction of any provision of the Plan or the rules, regulations or documentation utilized under the Plan shall be final, conclusive and binding on the Participants. All administrative costs of the Plan shall be paid by the Company. The senior officers of the Company are authorized and directed to do all things and execute and deliver all instruments, undertakings and applications and writings as they in their absolute discretion consider necessary for the implementation of the rules and regulations established for administering the Plan.

The Committee reserves the right to amend, modify, suspend or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Committee. Any amendment to any provision of the Plan shall also be subject to the approval of any regulatory body having jurisdiction over the securities of the Company and, if required, to any shareholder approval requirements prescribed by such regulatory body.

3.8 NO REPRESENTATION OR WARRANTY: The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the Plan.

3.9 INTERPRETATION: The Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Amendments approved by the Board of Directors on April 24, 2002.

Amendments approved by the Shareholders on June 21, 2002.

Amendments approved by the Board of Directors on April 23, 2003.

Amendments approved by the Board of Directors on March 4, 2008.

Amendments approved by Shareholders on May 9, 2008.