

SHAW COMMUNICATIONS INC  
Form 6-K  
December 01, 2008

**SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549  
FORM 6-K  
REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER  
THE SECURITIES EXCHANGE ACT OF 1934  
For the month of December, 2008  
**Shaw Communications Inc.****

*(Translation of registrant's name into English)*  
**Suite 900, 630 3<sup>rd</sup> Avenue S.W., Calgary, Alberta T2P 4L4 (403) 750-4500**

*(Address of principal executive offices)*

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):  
82-\_\_\_\_\_

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant, Shaw Communications Inc., has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: December 1, 2008

Shaw Communications Inc.

By:

/s/ Steve Wilson

Steve Wilson

Sr. V.P., Chief Financial Officer

Shaw Communications Inc.

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**SHAW COMMUNICATIONS INC.**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

The annual general meeting of shareholders of Shaw Communications Inc. (the Corporation ) will be held as follows:

**Date:** Thursday, January 15, 2009  
**Time:** 11:00 a.m. (Mountain time)  
**Location:** Shaw Barlow Trail Building  
2400 3<sup>rd</sup> Avenue NE  
Calgary, Alberta

for the following purposes:

1. to receive the consolidated financial statements for the year ended August 31, 2008 and the auditors report on those statements;
2. to elect directors;
3. to appoint auditors;
4. to approve amendments to the Corporation s stock option plan; and
5. to transact such other business as may properly come before the meeting.

**By Order of the Board of Directors,**

*(signed) Douglas J. Black, Q.C.*  
Corporate Secretary

Calgary, Alberta  
November 25, 2008

*Holders of Class A Shares of record at the close of business on November 26, 2008 are the only shareholders entitled to vote at the meeting. Holders of Class B Non-Voting Shares are entitled to attend and speak at the meeting, but are not entitled to vote on any matter proposed for consideration.*

*If you cannot attend the meeting in person, you are encouraged to complete the accompanying proxy and to return it in the enclosed envelope to CIBC Mellon Trust Company, 600 The Dome Tower, 333 7th Avenue S.W., Calgary, Alberta, T2P 2Z1 (mailing address: Proxy Dept., CIBC Mellon Trust Company, P.O. Box 721, Agincourt, Ontario, M1S 0A1), to be received not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the meeting or an adjournment thereof.*

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## SHAW COMMUNICATIONS INC.

## PROXY CIRCULAR

The information contained in this proxy circular is provided in connection with the solicitation of proxies by and on behalf of management of Shaw Communications Inc. (the Corporation) for use at the annual general meeting (the Meeting) of shareholders of the Corporation to be held on January 15, 2009, and any adjournments thereof, as set forth in the attached Notice of Meeting.

Unless otherwise noted, the information contained in this proxy circular is given as of November 25, 2008. All sums are expressed in Canadian dollars, unless otherwise noted. In addition, all applicable figures have been adjusted retroactively to reflect the two-for-one stock split that was effective as of the close of business on July 30, 2007.

## BUSINESS OF THE MEETING

## 1. ELECTION OF DIRECTORS

Information concerning the nominees for election to the Board of Directors (the Board) of the Corporation is set forth below, along with certain other information relating to meetings of the Board and its committees and fees paid to individual directors.

The number of directors to be elected is 16. Directors will hold office until the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed. **Management of the Corporation recommends voting in favour of each nominee listed below.**

*Nominees for Election to the Board of Directors*

The following table sets out the name of each director, together with his or her municipality of residence, age, year first elected or appointed a director, biography and comparative ownership of securities of the Corporation for the years 2008 and 2007.

Nominee, Date of Board Appointment and Current Committee Appointments <sup>(1)(10)</sup>	Background/Principal Occupation	Year	Securities Owned/Controlled <sup>(2)</sup>			
			Class A Shares	Class B Non-Voting Shares	Options <sup>(3)</sup>	DSU <sup>(4)</sup>
TER J. BISSONNETTE gary, AB ada	President of the Corporation	2008	40,000	122,531	1,000,000	Nil
ERIAN I. BURNS	Corporate Director	2008	2,600	6,000	70,000	18,083

<p>Wickliffe Park, ON</p>	<p>Former Member of the Copyright Board of Canada</p>	<p>2007</p>	<p>2,600</p>	<p>6,000</p>	<p>70,000</p>	<p>16,465</p>
<p>Canada</p>	<p>Former Commissioner of the Canadian Radio- television and Telecommunications Commission</p>					
<p>Age: 62</p>	<p><b>Other Positions:</b></p>					
<p>Director since 2001</p>	<p>Vice-chair of the Board of Trustees of the National Arts Centre</p>					
<p>Member of the Corporate Governance and Nominating Committee</p>	<p>Board member of several business and community organizations, including Carthy Foundation, Ottawa Art Gallery, RCMP Heritage Center and Titian Trust</p>					

Nominee, Date of Board Appointment and Current Committee Appointments <sup>(1)(10)</sup>	Background/Principal Occupation	Year	Securities Owned/Controlled <sup>(2)</sup>			
			Class A Shares	Class B Non-Voting Shares	Options <sup>(3)</sup>	DSU <sup>(4)</sup>
<b>GEORGE F. GALBRAITH</b> Vernon, BC Canada Age: 64 Director since 1991 Member of the Corporate Governance and Nominating Committee	Corporate Director	2008	10,000	501,236	70,000	Nil
	Former President of Vercom Cable Services Ltd. which operated the cable television system serving Vernon, British Columbia <b>Other Positions:</b> Director of Okanagan Innovation Fund	2007	10,000	501,236	70,000	Nil
<b>DR. LYNDA HAVERSTOCK, C.M., S.O.M.</b> Regina, SK Canada Age: 60 Director since 2007 Member of the Corporate Governance and Nominating Committee	President and Chief Executive Officer of Tourism Saskatchewan, a public-private partnership responsible for tourism activities Former Lieutenant Governor of Saskatchewan (2000-2006) <b>Other Positions:</b> Former leader of the Liberal Party of Saskatchewan	2008	Nil	Nil	70,000	1,055
		2007	Nil	Nil	70,000	Nil
<b>GREGG KEATING</b> Porters Lake, NS Canada Age: 45 Director since 2007 Member of the Audit Committee	Chairman and Chief Executive Officer of Altimax Venture Capital, parent company of the Keating Group which comprises a diverse portfolio of business interests	2008	10,000	250,620	70,000	3,707
		2007	10,000	250,620	70,000	998



<b>MICHAEL W. O BRIEN<sup>(5)</sup></b>	Corporate Director	2008	10,000	13,000	70,000	22,714
Canmore, AB	Until his retirement in 2002,	2007	10,000	13,000	70,000	17,590
Canada	served as					
Age: 63	Executive Vice-President,					
Director since 2003	Corporate Development and Chief					
	Financial Officer of Suncor					
	Energy Inc., an integrated energy					
	company					
	<b>Other Public Board</b>					
	<b>Memberships:</b>					
	Suncor Energy Inc. (TSX,					
	NYSE)					
Chair of the Audit Committee						
<b>PAUL K. PEW<sup>(5)</sup></b>	Founder and Co-CEO of G3	2008	Nil	Nil	70,000	2,302
Toronto, ON	Capital Corp., a	2007	Nil	Nil	Nil	Nil
Canada	Toronto-based alternative asset					
	manager					
Age: 44	Corporate Director and Private					
Director since 2008	Investor					
	From August 2004 to August					
	2007, Vice					
	Chairman, Investment Banking,					
	GMP Securities Ltd., an					
	independent investment					
	dealer					
	Prior to August 2004, Director					
	of Research,					
Member of the Audit Committee	GMP Securities Ltd.					

Name, Date of Board Appointment and Current Committee Appointments <sup>(1)(10)</sup>	Background/Principal Occupation	Year	Securities Owned/Controlled <sup>(2)</sup>			
			Class A Shares	Class B Non-Voting Shares	Options <sup>(3)</sup>	DSU <sup>(4)</sup>
<b>WALTER A. ROOZEN</b>	Chairman and Chief Executive Officer, CCI Thermal Technologies Inc., a manufacturing company	2008	2,070,000 <sup>(6)</sup>	9,489,278 <sup>(6)</sup>	70,000	Nil
ton, AB	Former Chair of the board of directors of WIC Western International Communications Ltd. and Canadian Satellite Communications Inc.	2007	2,070,000 <sup>(6)</sup>	9,490,038 <sup>(6)</sup>	70,000	Nil
	<b>Other Public Board Memberships:</b> ZCL Composites Inc. (TSX)					
er since 2000						
er of the Human Resources Compensation Committee						
<b>KEVIN C. ROYER</b>	Corporate Director and Private Investor	2008	100,000 <sup>(7)</sup>	14,965,572 <sup>(7)</sup>	50,000	14,252
o, ON	<b>Other Positions:</b> Director of several private companies and not-for-profit organizations	2007	100,000 <sup>(7)</sup>	14,965,572 <sup>(7)</sup>	50,000	11,095
er since 1995						
er of the Human Resources Compensation Committee						
<b>WALTER S. SHAW<sup>(8)</sup></b>	Senior Vice President, Operations of the Corporation	2008	4,386,400	891,045	600,000	3,489
y, AB	Prior to September, 2003, served as Senior Vice President, Operations of Star Choice Communications Inc. and prior thereto, Vice President, Operations of the Corporation	2007	4,386,400	885,826	550,000	2,230
er since 1999						

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SHAW <sup>(8)</sup>	Vice Chair and Chief Executive Officer of the Corporation	2008	4,424,000	1,594,495	1,500,000	N/A <sup>(9)</sup>
y, AB		2007	4,424,000	1,583,634	1,400,000	N/A <sup>(9)</sup>
	<b>Other Positions:</b>					
	Director of United Acquisitions II Corp.					
	Director of Cable Television Laboratories, Inc. (also known as CableLabs)					
r since 2002						
AW, O.C. <sup>(8)</sup>	Founder and Executive Chair of the Corporation	2008	8,973,808	27,416,677	1,400,000	N/A <sup>(9)</sup>
y, AB		2007	8,973,808	26,404,106	1,400,000	N/A <sup>(9)</sup>
	<b>Other Positions:</b>					
	Director and President of the Shaw Foundation					
	Director of several private companies, including Darian Resources Ltd.					
r since 1966						

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Nominee, Date of Board Appointment and Current Committee Appointments <sup>(1)(10)</sup>	Background/Principal Occupation	Year	Securities Owned/Controlled <sup>(2)</sup>			
			Class A Shares	Class B Non-Voting Shares	Options <sup>(3)</sup>	DSU <sup>(4)</sup>
C SPARKMAN Boulder, Colorado	Corporate Director	2008	10,000	58,400	70,000	12,931
	Former Executive	2007	10,000	58,400	70,000	10,979
U.S.A.	Vice-President and Executive Officer of Telecommunications Inc. (also known as TCI), one of the largest cable television operators in the United States					
Age: 76	<b>Other Public Board Memberships:</b>					
Director since 1994	Universal Electronics Inc. (NASDAQ)					
Member of the Human Resources and Compensation Committee and the Executive Committee	Liberty Global, Inc. (NASDAQ)					
ARL E. VOGEL <sup>(5)(11)</sup>	Vice Chairman of each of DISH Network	2008	Nil	70,000	70,000	Nil
Cherry Hills Village, Colorado, U.S.A.	Corporation (formerly EchoStar Communications Corporation, a satellite-delivered digital television services provider in the United States) and EchoStar Corp. (a developer of set-top boxes and other electronic technology) since February 2008	2007	Nil	70,000	70,000	Nil
Age: 51	President since September 2006 and Vice Chairman since June 2005, EchoStar Communications Corporation until February 2008					
Director since 2006	Former President, Chief Executive Officer and a director of Charter Communications, a broadband service provider in the United States					
Member of the Audit Committee	<b>Other Positions:</b>					

Director of several private companies and not-for-profit organizations

<b>HEILA C. WEATHERILL, M.</b>	Corporate Director	2008	Nil	Nil	Nil	Nil
Edmonton, AB Canada Age: 63 Director-Nominee	President and Chief Executive Officer of the Capital Health Authority (Edmonton region health administrative authority) from 1996 to September 2008 <b>Other Public Board Memberships:</b> EPCOR Utilities Inc. <b>Other Positions:</b> Member, Prime Minister's Advisory Committee on the Public Service					
<b>VILLARD H. YUILL</b>	Chairman and Chief Executive Officer, The Monarch Corporation, a private holding company with investments in communications, real estate, sports-related properties and transportation	2008	10,800	5,761,922	50,000	Nil
Medicine Hat, AB Canada Age: 70 Director since 1999	Monarch Corporation, a private holding company with investments in communications, real estate, sports-related properties and transportation <b>Other Public Board Memberships:</b> Western Financial Group Inc. (TSX) <b>Other Positions:</b> Director of several private companies and not-for-profit organizations Trustee of the St Andrew's College Foundation Governor of the Western Hockey League	2007	10,800	5,736,922	50,000	Nil
Chair of the Human Resources and Compensation Committee						

**Notes:**

- (1) All of the nominees listed above were elected as directors at the annual general meeting of shareholders of the Corporation held on January 10, 2008, except for Peter J. Bissonnette and Sheila C. Weatherill who are standing for election at the Meeting. For more information about the committees of the Board (Executive, Audit, Corporate Governance and Nominating, and Human Resources and Compensation), as well as the Corporation's system and approach with respect to corporate governance, see [Statement of Corporate Governance](#) .
- (2) The information as to the securities beneficially owned, or over which control or direction is exercised, except as otherwise noted in Notes 6 and 7, has been furnished by each of the nominees as of November 22, 2007 and November 25, 2008.
- (3) For further details of stock options granted to directors, see the information under the heading [Statement of Executive Compensation](#) [Compensation of Directors](#) .
- (4) DSU means deferred share unit. The DDSU Plan was adopted effective January 1, 2004. See the information under the heading [Statement of Executive Compensation](#) [Compensation of Directors](#) .
- (5) Michael W. O'Brien, Paul K. Pew and Carl E. Vogel each qualifies as a financial expert under the *Sarbanes-Oxley Act of 2002* and other applicable regulatory requirements.
- (6) Catherine M. Roozen, an associate of Harold A. Roozen, is a major shareholder of Cathton Holdings Ltd., which owns 2,060,000 Class A Shares and 9,348,508 Class B Non-Voting Shares. Mr. Roozen does not beneficially own, directly or indirectly, or exercise control or direction over, such shares. This information is included solely to provide more fulsome disclosure to shareholders.
- (7) Jeffrey C. Royer beneficially owns 33,988 Class B Non-Voting Shares. Associates of Mr. Royer own 100,000 Class A Shares and 14,931,584 Class B Non-Voting Shares. Mr. Royer does not beneficially own, directly or indirectly, or exercise control or direction over, such shares. This information is included solely to provide more fulsome disclosure to shareholders.
- (8) JR Shaw is the father of Bradley S. Shaw and Jim Shaw. All of the Class A Shares owned or controlled by JR Shaw, Bradley S. Shaw and Jim Shaw are subject to a Voting Trust Agreement, details of which are provided under the heading [Proxy Information](#) [Voting Shares and Principal Holders Thereof](#) . Certain Class A Shares and Class B Non-Voting Shares shown for Bradley S. Shaw and Jim Shaw are beneficially owned by such individuals but are held by corporations owned or controlled by JR Shaw.
- (9) Each of JR Shaw and Jim Shaw has elected not to receive director's fees nor any DSUs.
- (10) The Board has determined that all directors and nominee directors of the Corporation, other than JR Shaw, Peter J. Bissonnette, Bradley S. Shaw and Jim Shaw, are independent. JR Shaw, Peter J. Bissonnette, Bradley S. Shaw and Jim Shaw are not independent due to their positions as officers of the Corporation and its subsidiaries. See [Statement of Corporate Governance](#) [Corporate Governance Disclosure and Compliance with Corporate Governance Guidelines](#) .
- (11) Carl E. Vogel was a Director from April 2000 to September 18, 2000, as well as Chairman and Chief Executive Officer from August 22, 2000 to September 18, 2000, of ICG Communications, Inc. (a telecommunications company) and certain of its subsidiaries which filed voluntary petitions for Chapter 11 protection with the U.S.

Bankruptcy Court for the District of Delaware on November 14, 2000.

**Meetings Held and Attendance of Directors**

The following table summarizes the meetings of the Board and its committees (Executive, Audit, Corporate Governance and Nominating, and Human Resources and Compensation) held during the fiscal year ended August 31, 2008, and the attendance of individual directors of the Corporation at such meetings.

<b>Director</b>	<b>Board of Directors (6 meetings)</b>	<b>Executive Committee (2 meeting)</b>	<b>Audit Committee (4 meetings)</b>	<b>Corporate Governance and Nominating Committee (6 meetings)</b>	<b>Human Resources and Compensation Committee (5 meetings)</b>
JR Shaw	6 of 6	2 of 2			
Adrian I. Burns	6 of 6			6 of 6	
James F. Dinning <sup>(2)</sup>	2 of 3			4 of 4	
George F. Galbraith <sup>(3)</sup>	6 of 6		2 of 2	6 of 6	
Dr. Lynda Haverstock <sup>(4)</sup>	5 of 5			5 of 5	
Ronald V. Joyce <sup>(6)</sup>	6 of 6	2 of 2			
Gregg Keating	6 of 6		3 of 4		
Donald F. Mazankowski <sup>(6)</sup>	6 of 6	2 of 2		6 of 6	
Michael W. O'Brien	6 of 6		4 of 4		
Paul K. Pew <sup>(5)</sup>	3 of 3		2 of 2		
Harold A. Roozen	6 of 6				5 of 5
Jeffrey C. Royer	6 of 6				5 of 5
Bradley S. Shaw <sup>(1)</sup>	6 of 6				
Jim Shaw <sup>(1)(7)</sup>	4 of 6				
JC Sparkman	6 of 6	2 of 2			5 of 5
Carl E. Vogel	6 of 6		4 of 4		
Willard H. Yuill	5 of 6				4 of 5

**Notes:**

- (1) Neither Bradley S. Shaw nor Jim Shaw served as a member of a committee of the Board during fiscal 2008. As executive officers of the Corporation, Bradley S. Shaw and Jim Shaw attend committee meetings on an *ad hoc* basis at the request of the committees.
- (2) James F. Dinning ceased to be a member of the Board and the Corporate Governance and Nominating Committee on January 10, 2008.
- (3) George F. Galbraith ceased to be a member of the Audit Committee on January 10, 2008.
- (4) Dr. Lynda Haverstock was appointed to the Board and the Corporate Governance and Nominating Committee on October 26, 2007.



- (5) Paul K. Pew was elected to the Board on January 10, 2008 and appointed to the Audit Committee on the same date.
- (6) Ronald V. Joyce and Donald F. Mazankowski are not standing for re-election at the Meeting.
- (7) Jim Shaw attended the 4 full Board Meetings held during the year but was not able to participate in 2 teleconference meetings.

Following each regular meeting, the Board and its committees conduct *in camera* sessions at which no management directors or members of management are present. The *in camera* portion of each regular Board meeting generally consists of one session without the presence of any member of management or any management director (other than the Executive Chair) and one session without the presence of any member of management, any management director or the Executive Chair. The *in camera* sessions are intended not only to encourage the Board and its committees to fully and independently fulfil their mandates, but also to facilitate the performance of the fiduciary duties and responsibilities of the Board and its committees on behalf of shareholders of the Corporation.

***Fees Paid to Individual Directors***

The following table summarizes the cash compensation that was paid or would have been paid to each director of the Corporation for meetings held during the fiscal year ended August 31, 2008 if such director had not chosen to participate in the Corporation's DDSU Plan. See also Statement of Executive Compensation Compensation of Directors .

<b>Director</b>	<b>Board Retainer</b> (\$)	<b>Lead Director Retainer</b> (\$)	<b>Committee Retainers</b> (\$)	<b>Committee Chair Retainer</b> (\$)	<b>Attendance Fees</b> (\$)	<b>Total Compensation</b> (\$)
JR Shaw <sup>(1)</sup>						
Adrian I. Burns	42,500		3,000		12,000	57,500
James F. Dinning <sup>(2)</sup>	15,309		1,081		6,000	22,390
George F. Galbraith	42,500		4,081		14,000	60,581
Dr. Lynda Haverstock <sup>(3)</sup>	36,116		2,549		10,000	48,665
Ronald V. Joyce	42,500		3,000		8,000	53,500
Gregg Keating	42,500		3,000		9,000	54,500
Donald F. Mazankowski	42,500	75,000	3,000	5,000	14,000	139,500
Michael W. O'Brien	42,500			40,000	10,000	92,500
Paul K. Pew <sup>(4)</sup>	27,305		1,927		5,000	34,232
Harold A. Roozen	42,500		3,000		11,000	56,500
Jeffrey C. Royer	42,500		3,000		11,000	56,500
Bradley S. Shaw	42,500				6,000	48,500
Jim Shaw <sup>(1)</sup>						
JC Sparkman <sup>(5)</sup>	42,500		6,000		13,000	61,500
Carl E. Vogel <sup>(5)</sup>	42,500		3,000		10,000	55,500
Willard H. Yuill	42,500			5,000	9,000	56,500

**Notes:**

- (1) Each of JR Shaw and Jim Shaw has elected not to receive director's fees nor any DSUs.
- (2) James F. Dinning ceased to be a member of the Board and the Corporate Governance and Nominating Committee on January 10, 2008.
- (3) Dr. Lynda Haverstock was appointed to the Board and the Corporate Governance and Nominating Committee on October 26, 2007.
- (4) Paul K. Pew was elected to the Board on January 10, 2008 and appointed to the Audit committee on the same date.
- (5) Fees paid to JC Sparkman and Carl E. Vogel, residents of the United States, are payable in U.S. dollars. Fees paid to all other directors are payable in Canadian dollars.

**2. APPOINTMENT AND REMUNERATION OF AUDITORS**

The firm of Ernst & Young LLP, Chartered Accountants, the present auditors of the Corporation, has been nominated to serve as auditors of the Corporation to hold office until the next annual general meeting of shareholders of the Corporation. **The Audit Committee has recommended to the Board and to shareholders the nomination of Ernst & Young LLP as the Corporation's auditors.**

***Audit Fees***

The aggregate amounts paid or accrued by the Corporation with respect to fees payable to Ernst & Young LLP for audit (including separate audits of subsidiary entities, financings, regulatory reporting requirements, and *Sarbanes-Oxley Act* related services), audit-related, tax and other services in the fiscal years ended August 31, 2008 and 2007 were as follows:

<b>Type of Service</b>	<b>Fiscal 2008</b>	<b>Fiscal 2007</b>
Audit	\$ 1,888,875	\$ 2,113,235
Audit-related		312,075
Tax	83,004	66,017
Other		
<b>Total</b>	<b>\$ 1,971,879</b>	<b>\$ 2,491,327</b>

Fees paid for audit-related services in fiscal 2007 were in respect of the separate audits of subsidiaries that were not required by law. The tax fees paid in fiscal 2008 and 2007 were related to linear property tax compliance.

The Audit Committee of the Corporation considered and agreed that the above fees are compatible with maintaining the independence of the Corporation's auditors. Further, the Audit Committee determined that, in order to ensure the continued independence of the auditors, only limited non-audit services will be provided to the Corporation by Ernst & Young LLP and in such case, only with the prior approval of the Audit Committee. The Chair of the Audit Committee has been delegated authority to approve the retainer of Ernst & Young LLP to provide non-audit services in extraordinary circumstances where it is not feasible or practical to convene a meeting of the Audit Committee, subject to an aggregate limit of \$100,000 in fees payable to Ernst & Young LLP for such services per fiscal year of the Corporation. The Chair of the Audit Committee is required to report any such services approved by him to the Audit Committee.

### 3. AMENDMENTS TO STOCK OPTION PLAN

At the Meeting, the Corporation's shareholders will be asked to approve proposed amendments to the Corporation's stock option plan (the "Stock Option Plan") which has been in place since October 1999. If so approved, the amendments to the Stock Option Plan will take effect at 5:00 p.m. (EST) on January 15, 2009. **Management of the Corporation recommends voting in favour of the resolution approving the amendments to the Stock Option Plan.**

The material amendments to the Stock Option Plan include: (i) an increase in the total number of Class B Non-Voting Shares issuable and reserved for issuance under the plan by 20,000,000, such that the maximum number issuable will be 52,000,000 Class B Non-Voting Shares, the latter number representing approximately 12.9% of the issued and outstanding Class B Non-Voting Shares as of the date hereof; (ii) amendments to certain timing of option terminations in the event of death, disability or cessation of employment or service arrangement, as the case may be; (iii) adding a provision to extend the termination date of an option if it expires during a self-imposed blackout period of the Corporation (or within 10 business days thereafter); (iv) providing for reversion to the plan of unissued shares in connection with the exercise of the plan's cash surrender feature; (v) the addition of a stock settlement feature which would allow optionees to surrender their options for such number of Class B Non-Voting Shares having a value equal to the difference between the value of the Class B Non-Voting Shares which would otherwise be issuable upon exercise and the aggregate exercise price; (vi) amending the transfer provisions to allow for the transfer or assignment of options if permitted under applicable securities laws and if in respect of options to purchase 10,000 Class B Non-Voting Shares or greater (provided senior executive approval is also given); (vii) providing for the typical 10% limits on insider option grants and share issuances, and stating that there is no maximum number of options that may be granted to any one person; (viii) clarifying language with respect to the plan's anti-dilution, other adjustments and change of control provisions; (ix) providing for detailed amendment provisions to set out when shareholder approval is needed for amendments to the plan; and (x) eliminating the fixed date for termination of the plan. In addition to the foregoing, other amendments to the plan of a housekeeping nature are proposed.

A summary of the material features of the Stock Option Plan, as proposed to be amended, is attached as Exhibit B. A copy of the Stock Option Plan, as proposed to be amended, may be obtained on request without charge from the Corporate Secretary of the Corporation, Suite 900, 630 4<sup>th</sup> Avenue S.W., Calgary, Alberta, Canada, T2P 4L4, Telephone (403) 750-4500.

The amendments to the Stock Option Plan, which have been conditionally approved (subject to shareholder approval) by the Board and the Toronto Stock Exchange ("TSX"), need to be approved by the Corporation's shareholders by ordinary resolution, being a resolution passed by a simple majority of votes cast at the Meeting.

The text of the ordinary resolution to approve the amendments to the Stock Option Plan is as follows:

RESOLVED, as an ordinary resolution, that:

1. The proposed amendments to the Stock Option Plan of the Corporation, the material features of which (as amended) are set out in Exhibit B to the Corporation's proxy circular dated November 25, 2008, be and are hereby approved; and

2. any director or officer of the Corporation or any other person designated by any one of them be, and each of them is, hereby authorized to take such action and to execute and deliver such documents, whether on behalf or in the name of the Corporation or otherwise, as such person may, in his or her discretion, consider to be necessary or desirable to carry out the intent and purpose of this resolution and the matters/transactions contemplated herein.

## PROXY INFORMATION

### SOLICITATION OF PROXIES

**This is a management proxy circular and proxies are hereby solicited by or on behalf of the management of the Corporation for use at the Meeting or any adjournments thereof. It is expected that the solicitation will primarily be by mail, but may also be made by telephone or other means of telecommunication by directors, officers or employees of the Corporation. The cost of the solicitation will be borne by the Corporation.**

### APPOINTMENT OF PROXYHOLDERS AND REVOCATION OF PROXIES

Each person named in the enclosed form of proxy is a director and officer of the Corporation. **A shareholder who wishes to appoint some other person to represent him or her at the Meeting may do so either by inserting the name of that person, who need not be a shareholder, in the space provided in the form of proxy and striking out the names of the specified persons, or by completing another form of proxy.** In either case, the shareholder must deliver or send the completed form of proxy to CIBC Mellon Trust Company, 600 The Dome Tower, 333 7th Avenue S.W., Calgary, Alberta, T2P 2Z1 (mailing address: Proxy Dept., CIBC Mellon Trust Company, P.O. Box 721, Agincourt, Ontario, M1S 0A1), so that it will be received not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or an adjournment thereof.

**A shareholder who has given a proxy may revoke it, in any manner permitted by law, including by signing a proxy bearing a later date or a notice of revocation and, in either case, delivering it to the Corporation's registered office up to the day before the Meeting or to the Chair of the Meeting on the day of the Meeting.**

### EXERCISE OF DISCRETION BY PROXYHOLDERS

**Where a choice is specified, the persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the directions contained therein. In the absence of such directions, it is intended that such shares will be voted for the adoption of all resolutions referred to in the Notice of Meeting.**

**The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this proxy circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. If any such amendment, variation or other matter which is not now known should properly come before the Meeting, then the persons named in the form of proxy will vote on such matters in accordance with their best judgement with respect to the shares represented by such proxy.**

### VOTING OF CLASS A SHARES   ADVICE TO BENEFICIAL HOLDERS

**The information set forth in this section is of significant importance to shareholders who hold class A participating shares ( Class A Shares ) in the capital of the Corporation through brokers and their nominees and not in their own name. Shareholders who do not hold their Class A Shares in their own name (referred to in this proxy circular as Beneficial Shareholders ) should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of the Class A Shares can be recognized and acted upon at the Meeting. If Class A Shares are listed in an account statement provided to a shareholder by a broker, then**

in almost all cases those shares will not be registered under the name of the shareholder on the records of the Corporation. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. Shares held by brokers or their nominees can only be voted for, or withheld from voting, or voted against any resolution upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and nominees are prohibited from voting shares for their clients.

Applicable regulatory policy requires intermediaries and brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary and broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Class A Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of the proxy provided to registered shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. **A Beneficial Shareholder receiving a proxy from an intermediary cannot use that proxy to vote shares directly at the Meeting; rather the proxy must be returned to the intermediary well in advance of the Meeting in order to have the shares voted.**

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Only the holders of Class A Shares of record at the close of business on November 26, 2008, the record date fixed by the directors of the Corporation, will be entitled to vote on all matters at the Meeting. Each holder of Class A Shares is entitled to one vote for each such share held. As of November 25, 2008, there were 22,550,064 Class A Shares and 404,646,994 Class B non-voting participating shares ( Class B Non-Voting Shares ) in the capital of the Corporation outstanding.

The only person who, to the knowledge of the directors and executive officers of the Corporation, beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the Class A Shares is JR Shaw who beneficially owns, controls or directs 17,784,208 Class A Shares, representing approximately 78.9% of the issued and outstanding Class A Shares. JR Shaw, members of his family and corporations owned or controlled by them have entered into a Voting Trust Agreement relating to all Class A Shares they own, control or direct. The voting rights with respect to such shares are exercised by the representative of a committee of five trustees. **The Corporation has been advised that all of such Class A Shares will be voted in favour of the resolutions referred to in the Notice of the Meeting. The Corporation therefore anticipates that these resolutions will be approved.**

## RESTRICTED SHARES

Holders of Class B Non-Voting Shares are not entitled to vote at meetings of shareholders of the Corporation, except as provided by law, and will not be entitled to vote on any matter at the Meeting. In the event of a take-over bid, in certain circumstances which are fully described in the Corporation's Annual Information Form dated November 25, 2008, a holder of Class B Non-Voting Shares may be entitled to convert such shares into Class A Shares for purposes of tendering to the take-over bid.



## STATEMENT OF EXECUTIVE COMPENSATION

## SUMMARY COMPENSATION TABLE

The following table sets forth compensation earned during the last three financial years of the Corporation by the Corporation's Chief Executive Officer, Chief Financial Officer and the three most highly compensated executive officers (collectively, "Named Executive Officers") who served as executive officers of the Corporation for the financial year ended August 31, 2008.

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation Awards Securities Under	
		Salary (\$)	Bonus (\$)	Other Compensation <sup>(3)</sup> (\$)	Options/SARs Granted	All Other Compensation <sup>(4)</sup> (\$)
JR Shaw	2008	1,200,000	6,326,730 <sup>(2)</sup>	206,261	600,000	Nil
Executive Chair	2007	900,000	6,326,730 <sup>(2)</sup>	93,709	Nil	Nil
	2006	900,000	6,326,730 <sup>(2)</sup>	119,481	Nil	Nil
Jim Shaw	2008	2,000,000	6,000,000	205,176	700,000	21,000
Vice Chair and Chief Executive Officer	2007	1,500,000	5,000,000	188,219	Nil	21,000
	2006	1,000,000	4,500,000	158,633	Nil	18,000
Peter J. Bissonnette	2008	1,200,000	4,750,000	60,917	700,000	21,000
President	2007	900,000	4,000,000	81,979	Nil	1,205,892 <sup>(5)</sup>
	2006	800,000	3,000,000	30,845	100,000	18,000
Bradley S. Shaw	2008	1,048,500 <sup>(1)</sup>	3,750,000	114,548	450,000	1,050,244 <sup>(6)</sup>
Senior Vice President, Operations	2007	797,500 <sup>(1)</sup>	3,000,000	84,097	Nil	21,000
	2006	697,500 <sup>(1)</sup>	2,000,000	72,860	100,000	18,500
Steve Wilson	2008	600,000	1,600,000	7,500	450,000	23,333
Senior Vice President and Chief Financial Officer	2007	500,000	1,300,000	8,359	Nil	20,667
	2006	450,000	1,000,000	26,362	198,000	15,500

## Notes:

- (1) Includes director's fees paid by the Corporation. Bradley S. Shaw received director's fees of \$48,500, \$47,500 and \$47,500 paid in fiscal 2008, 2007, and 2006 respectively of which \$24,250 in 2008, \$19,708 in 2007 and \$11,875 in 2006 was paid in the form of DSUs. See Compensation of Directors' DDSU Plan.
- (2) Calculated and paid pursuant to the provisions of the agreement between the Corporation and JR Shaw, as described under the heading "Statement of Executive Compensation - Employment Contracts". Under the terms of the agreement, provided that the Corporation reaches its annual financial targets, a bonus shall be paid to JR Shaw in an amount between 0.5% and 1.0% of the Corporation's service operating income before amortization (as

reported in the Corporation's annual consolidated financial statements) calculated excluding the results of Star Choice Communications Inc. (the Income Base) for the year in which it is to be paid. For fiscal 2008, JR Shaw voluntarily elected to cap the bonus paid to him by the Corporation at \$6,326,730, the amount paid to him since fiscal 2002. This amount represents approximately 0.53% of the Income Base for fiscal 2008, as compared to approximately 0.61% and 0.70% of the Income Base for fiscal 2007 and 2006, respectively.

- (3) For each Named Executive Officer, includes share purchase plan benefits and transportation-related benefits, if any. For Peter J. Bissonnette, includes imputed interest on interest free loans for fiscal 2006, 2007 and 2008.
- (4) Includes pension plan contributions paid on their behalf by the Corporation.
- (5) Includes the stock option benefit of \$1,184,892 upon exercise of 200,000 options pursuant to a marital separation agreement.
- (6) Includes the stock option benefit of \$1,029,244 upon exercise of 150,000 options, the underlying securities of which were acquired on exercise.

### **STOCK OPTIONS**

Options to acquire Class B Non-Voting Shares are granted pursuant to the Corporation's stock option plan. For a description of the Corporation's stock option plan, see the information under the heading "Statement of Executive Compensation" Report on Executive Compensation Compensation Philosophy Long Term Incentives .

**Option/SAR Grants During the Most Recently Completed Financial Year**

The following table sets forth details of stock options granted to Named Executive Officers during the Corporation's fiscal year ended August 31, 2008.

Name	Securities Under Options/SARS	Approximate % of Total Options/SARS Granted During	Exercise Price (\$/Security)	Market Value of Securities Underlying Options/SARS on the Date of Grant (\$/Security)	Expiration Date
	Grant (#)	Year			
JR Shaw	600,000	5.7	24.52	24.52	9/1/2017
Jim Shaw	600,000	5.7	24.52	24.52	9/1/2017
Jim Shaw	100,000	1.0	20.82	20.82	7/1/2018
Peter J. Bissonnette	600,000	5.7	24.52	24.52	9/1/2017
Peter J. Bissonnette	100,000	1.0	20.82	20.82	7/1/2018
Bradley S. Shaw	400,000	3.8	24.52	24.52	9/1/2017
Bradley S. Shaw	50,000	0.5	20.82	20.82	7/1/2018
Steve Wilson	400,000	3.8	24.52	24.52	9/1/2017
Steve Wilson	50,000	0.5	20.82	20.82	7/1/2018

**Aggregated Option Exercises During the Most Recently Completed Financial Year and Financial Year-End Option Values**

The following table sets forth details of stock options held or exercised by each Named Executive Officer during the most recently completed financial year and the value of such options based on the difference between the market value of \$22.90 per Class B Non-Voting Share as at August 31, 2008 and the exercise price of the options.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options as at August 31, 2008		Value of Unexercised In-The-Money Options as at August 31, 2008	
			Exercisable (#)	Unexercisable (#)	Exercisable (\$)	Unexercisable (\$)
JR Shaw	Nil	Nil	800,000	600,000	5,271,998	Nil
Jim Shaw	Nil	Nil	800,000	700,000	5,271,994	208,000
Peter J. Bissonnette	Nil	Nil	250,000	750,000	1,647,503	537,500
Bradley S. Shaw	150,000	1,029,244	100,000	500,000	645,250	433,500
Steve Wilson	Nil	Nil	100,500	549,500	662,295	759,705

**PENSION PLANS**

The Corporation maintains both a defined contribution pension plan and a defined benefit pension plan, as described below.

***Defined Contribution Plan***

The Corporation provides all eligible employees with a defined contribution pension plan (also known as a money purchase plan). Under this plan, the Corporation makes annual contributions up to a maximum of 5% of each employee's annual salary to a maximum contribution allowable under the *Income Tax Act* (Canada). Funds are accumulated under the employee's name and used on retirement to purchase one of several types of annuity at the option of the employee. Contributions on behalf of the Named Executive Officers are included in All Other Compensation in the Summary Compensation Table under the heading Statement of Executive Compensation. As a defined contribution plan, this pension plan of the Corporation is fully funded and is not subject to surpluses or deficiencies.

***Defined Benefit Plan (SERP)***

Effective September 1, 2002, the Corporation established a Supplemental Executive Retirement Plan ( SERP ) for its most senior executive officers. The SERP is a non-contributory defined benefit pension plan which is unfunded.

Pension payments under the SERP are set forth in the following table. Benefits under the SERP are based on the officer's length of service and his or her highest three year average rate of SERP eligible earnings (base salary plus annual cash bonus) during his or her years of service with the Corporation. The SERP provides for payments equal to 5% of SERP eligible earnings for each of the first ten years that an executive officer is in a SERP eligible position and 1.5% for each SERP eligible year thereafter. The maximum annual pension that an officer may earn under the SERP is 70% of average SERP pensionable earnings.

An executive officer of the Corporation must be in a SERP-eligible position for 5 years to qualify to receive a pension. Officers who retire at age 60 or later will receive a full pension as will those officers who retire after age 55 with 10 years of SERP-eligible service. Officers between the ages 55 and 60 with less than 10 years of SERP-eligible service and officers between the ages 50 and 55 with 15 years of SERP-eligible service are eligible to retire with a discounted pension.

*SERP Payment Table*

**Remuneration**

**Years of Senior Executive Service**