

**UNDERTAKING**

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**Undertaking**

EXPLAIN DISCREPENCY IN MCP STI NUMBERS AND WHAT PERCENTAGE OF TOTAL POSSIBLE PAYOUT THE FORECAST FOR 2011 AND 2012 REPRESENT.

**Response**

The Business Plan instructions, as provided in Exhibit A, Tab12, Schedule 2, Appendix A, indicate that the MCP STI payout assumed is a maximum of 20% of base pay. However, as shown in Exhibit I, Tab 6, Schedule 15, part m), the STI budget is adjusted to a maximum 75% of that level or a maximum of 15% of base pay.

Subsequent Government direction has resulted in MCP compensation levels being frozen. As a result, the STI payout forecast for 2011 has been limited to 12.4% of base pay as shown in Exhibit I, Tab 4, Schedule 35, Attachment 1. This level has also been assumed for 2012.