

TEEKAY CORP  
Form 6-K  
May 03, 2011

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 6-K  
Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934**

Date of report: May 3, 2011

Commission file number 1- 12874

**TEEKAY CORPORATION**

(Exact name of Registrant as specified in its charter)

4<sup>th</sup> Floor, Belvedere Building

69 Pitts Bay Road

Hamilton, HM 08 Bermuda

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover 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).

Yes  No

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).

Yes  No

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**Item 1 Information Contained in this Form 6-K Report**

Attached as Exhibit I is a copy of the 2011 Proxy Statement of Teekay Corporation (the Company ), dated April 29, 2011.

EXPLANATORY NOTE: The attached Proxy Statement supersedes and replaces the Proxy Statement of the Company filed with the Securities and Exchange Commission on Form 6-K on April 29, 2011, to correct clerical errors in the Proxy Statement filed on that date.

**THIS REPORT ON FORM 6-K IS HEREBY INCORPORATED BY REFERENCE INTO THE FOLLOWING REGISTRATION STATEMENTS OF THE COMPANY.**

**REGISTRATION STATEMENT ON FORM F-3 (FILE NO. 33-97746) FILED WITH THE SEC ON OCTOBER 4, 1995;**  
**REGISTRATION STATEMENT ON FORM S-8 (NO. 333-42434) FILED WITH THE SEC ON JULY 28, 2000;**  
**REGISTRATION STATEMENT ON FORM S-8 (NO. 333-119564) FILED WITH THE SEC ON OCTOBER 6, 2004;**  
**REGISTRATION STATEMENT ON FORM S-8 (NO. 333-147683) FILED WITH THE SEC ON NOVEMBER 28, 2007; AND**  
**REGISTRATION STATEMENT ON FORM S-8 (NO. 333-166523) FILED WITH THE SEC ON MAY 5, 2010.**

**SIGNATURES**

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

TEEKAY CORPORATION

Date: May 3, 2011

By: /s/ Vincent Lok  
Vincent Lok  
Executive Vice President and Chief Financial  
Officer  
(Principal Financial and Accounting Officer)

**TEEKAY CORPORATION**  
**4<sup>th</sup> Floor, Belvedere Building,**  
**69 Pitts Bay Road, Hamilton, HM 08 Bermuda**

April 29, 2011

Dear Shareholder,

On behalf of the Board of Directors, it is my pleasure to extend to you an invitation to attend the 2011 Annual Meeting of Shareholders of Teekay Corporation. The annual meeting will be held at:

**Place:** The Mayfair Suite  
St. James s Hotel and Club  
7-8 Park Place, St. James s  
London SW1A 1LS

**Date:** Friday, June 10, 2011

**Time:** 9:00 a.m. British Summer Time

The Notice of Annual Meeting and Proxy Statement describes the business to be transacted at the annual meeting and provides other information concerning Teekay Corporation. The principal business to be transacted at the annual meeting will be the election of four directors for a term of three years. The Board of Directors unanimously recommends that shareholders vote for the election of the nominated directors.

We are furnishing proxy materials to our shareholders over the Internet. On or about April 29, 2011 we will mail to our shareholders a notice containing instructions on how to access our 2011 proxy statement and annual report via the Internet and vote online. The notice also provides instruction on how you can request a paper copy of these documents if you desire and how you can enroll in e-delivery to receive future annual materials via email.

**We know that many of our shareholders will be unable to attend the annual meeting. Proxies are solicited so that each shareholder has an opportunity to vote on all matters that are scheduled to come before the annual meeting. Whether or not you plan to attend the annual meeting, we hope that you will have your stock represented by voting online, or by completing and returning a proxy card or voting instruction card, as soon as possible. You may, of course, attend the annual meeting and vote in person even if you have previously voted online or submitted your proxy card or voting instructions.**

Sincerely,

PETER EVENSEN

President and Chief Executive Officer

**2011 ANNUAL MEETING OF SHAREHOLDERS  
NOTICE OF ANNUAL MEETING AND PROXY STATEMENT  
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**QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING**

**Q: *Why am I receiving these materials?***

A: The Board of Directors (or *Board*) of Teekay Corporation, a corporation organized in the Republic of The Marshall Islands (or *Teekay*), is providing these proxy materials to you in connection with Teekay's Annual Meeting of Shareholders, which will take place on Friday, June 10, 2011. As a shareholder, you are invited to attend the annual meeting and are entitled and requested to vote on the items of business described in this proxy statement.

**Q: *What information is contained in this proxy statement?***

A: The information included in this proxy statement relates to the proposals to be voted on at the annual meeting, the voting process, the compensation of directors and Teekay's most highly-paid executive officers, and certain other information about Teekay.

**Q: *How may I obtain Teekay's annual report to shareholders?***

A: A copy of our annual report to shareholders may be found in the Investor Center section of our website at [www.teekay.com](http://www.teekay.com).

**Q: *How may I obtain Teekay's Annual Report on Form 20-F filed with the Securities Exchange Commission (or SEC)***

A: Our 2010 Annual Report on Form 20-F constitutes our annual report to shareholders. Copies of the 2010 Annual Report on Form 20-F are available under "SEC Filings" in the Investor Center section of our website at [www.teekay.com](http://www.teekay.com), and at the SEC's EDGAR database on the SEC's website at [www.sec.gov](http://www.sec.gov). Shareholders may also request a free copy of our 2010 Annual Report on Form 20-F from:

**Teekay Corporation  
Suite 2000, Bentall 5  
550 Burrard Street  
Vancouver, BC V6C 2K2  
Attention: Investor Relations  
Telephone: (604) 844-6654**

**Email: [investor.relations@teekay.com](mailto:investor.relations@teekay.com)**

Teekay will also furnish any exhibit to the Form 20-F if specifically requested.

**Q: *What items of business will be voted on at the annual meeting?***

A: The items of business scheduled to be voted on at the annual meeting are:  
The election of four directors to Teekay's Board for a term of three years; and

Any other business that properly comes before the annual meeting.

**Q: *How does the Board recommend that I vote?***

A: The Board recommends that you vote your shares **FOR** each of the nominees to the Board.

**Q: *What shares can I vote?***

A:

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Each share of Teekay's common stock issued and outstanding as of the close of business on April 12, 2011, the *record date* for the annual meeting, is entitled to be voted on all items being voted upon at the meeting. The *record date* for the annual meeting is the date used to determine both the number of shares of Teekay's common stock that are entitled to be voted at the annual meeting and the identity of the *shareholders of record* and *beneficial owners* of those shares of common stock who are entitled to vote those shares at the annual meeting. On the record date for the annual meeting, we had approximately 72,318,546 shares of common stock issued and outstanding.



You may vote all shares owned by you as of the *record date* for the annual meeting, including (1) shares held directly in your name as the *shareholder of record*, including shares purchased through Teekay's Dividend Reinvestment Plan, and (2) shares held for you as the *beneficial owner* through a broker, trustee or other nominee such as a bank.

**Q: *What is the difference between holding shares as a shareholder of record and as a beneficial owner?***

A: Most Teekay shareholders hold their shares through a broker or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

### ***Shareholder of Record***

If your shares are registered directly in your name with Teekay's transfer agent, BNY Mellon Shareowner Services, you are considered, with respect to those shares, the *shareholder of record*, and these proxy materials are being sent directly to you by Teekay. As the *shareholder of record*, you have the right to grant your voting proxy directly to Teekay management or to vote in person at the meeting.

### ***Beneficial Owner***

If your shares are held in a brokerage account or by another nominee, you are considered the *beneficial owner* of shares held *in street name* and these proxy materials are being forwarded to you together with a voting instruction card. As the beneficial owner, you have the right to direct your broker, trustee or nominee how to vote and are also invited to attend the annual meeting.

Since a beneficial owner is not the *shareholder of record*, you may not vote these shares in person at the meeting unless you obtain a legal proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting. Your broker, trustee or nominee should have provided voting instructions for you to use in directing the broker, trustee or nominee how to vote your shares.

**Q: *How can I attend the annual meeting?***

A: You are entitled to attend the annual meeting only if you were a Teekay shareholder as of the close of business on April 12, 2011 or you hold a valid proxy for the annual meeting. You should be prepared to present photo identification for admittance. In addition, if you are a *shareholder of record*, your name will be verified against the list of *shareholders of record* on the record date prior to your being admitted to the annual meeting. If you are not a shareholder of record but hold shares through a broker or nominee (*i.e.*, in street name), you should provide proof of beneficial ownership on the record date, such as your most recent account statement prior to the record date, a copy of the voting instruction card provided by your broker, trustee or nominee or other similar evidence of ownership. If you do not provide photo identification or comply with the procedures outlined above upon request, you will not be admitted to the annual meeting. The meeting is scheduled to begin promptly at 9:00 am British Summer Time.

**Q: *How can I vote my shares in person at the annual meeting?***

A: Shares held in your name as the shareholder of record may be voted in person at the annual meeting. Shares held beneficially in street name may be voted in person only if you obtain a legal proxy from the broker, trustee or nominee that holds your shares giving you the right to vote the shares. *Even if you plan to attend the annual meeting, we recommend that you also submit your proxy or voting instructions as described below so that your vote will be counted if you later decide not to attend the meeting.*

***Q: How can I vote my shares without attending the annual meeting?***

A: Whether you hold shares directly as the shareholder of record or beneficially in street name, you may direct how your shares are voted without attending the meeting. If you are a shareholder of record, you may vote by submitting a proxy. If you hold shares beneficially in street name, you may vote by submitting voting instructions to your broker, trustee or nominee.

**Q: *Can I change my vote?***

A: You may change your vote at any time prior to the vote at the annual meeting. If you are the shareholder of record, you may change your vote by granting a new proxy bearing a later date (which automatically revokes the earlier proxy, by providing a written notice of revocation to Teekay's Corporate Secretary by mail received prior to your shares being voted, or by attending the annual meeting and voting in person. Attendance at the meeting will not cause your previously granted proxy to be revoked unless you specifically so request. For shares you hold beneficially in street name, you may change your vote by submitting new voting instructions to your broker, trustee or nominee, or, if you have obtained a legal proxy from your broker or nominee giving you the right to vote your shares, by attending the meeting and voting in person.

**Q: *Is my vote confidential?***

A: Proxy instructions, ballots and voting tabulations that identify individual shareholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within Teekay or to third parties, except (1) as necessary to meet applicable legal requirements, (2) to allow for the tabulation of votes and certification of the vote and (3) to facilitate a successful proxy solicitation.

**Q: *How many shares must be present or represented to conduct business at the annual meeting?***

A: The general quorum requirement for holding the annual meeting and transacting business is that holders of a majority of shares of Teekay's common stock entitled to vote must be present in person or represented by proxy. However, the number of shares required to be represented at the annual meeting to constitute a quorum is reduced from a majority to one-third of the shares entitled to vote on a specific matter if that matter is recommended by the *Continuing Directors (as defined below)* or, for purposes of voting on the election of directors, if all nominees are recommended by the *Continuing Directors*. *Continuing Directors* means the incumbent members of the Board of Directors that were members of the Board on May 31, 2006 and any persons who have been or are subsequently elected or appointed to the Board if such persons are recommended by a majority of the *Continuing Directors*. The *Continuing Directors* have recommended for election all the nominees for director set out in this proxy statement. Accordingly, the quorum for this matter will be one-third of the shares entitled to vote, present in person or represented by proxy. Abstentions will be counted for the purpose of determining the presence of a quorum, but broker non-votes will not be counted for purposes of determining a quorum.

**Q: *How are votes counted?***

A: In the election of directors, you may vote **FOR** all of the nominees or your vote may be **WITHHELD** with respect to one or more of the nominees. For any other item of business, you may vote **FOR**, **AGAINST** or **ABSTAIN**. If you **ABSTAIN**, the abstention has the same effect as a vote **AGAINST**.

If you provide specific instructions for a given item, your shares will be voted as you instruct on such item. If you sign your proxy card or voting instruction card without giving specific instructions, your shares will be voted in accordance with the recommendations of the Board (*i.e.*, **FOR** all of Teekay's nominees to the Board and in the discretion of the proxy holders on any other matters that properly come before the meeting).

If you hold shares beneficially in street name and do not provide your broker with voting instructions, your shares may constitute broker non-votes. Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that proposal. Thus, broker non-votes will not affect the outcome of any matter being voted on at the

meeting, assuming that a quorum is obtained.

***Q: What is the voting requirement to approve each of the proposals?***

A: In the election of directors, the four persons receiving the highest number of FOR votes at the annual meeting will be elected. Any other proposals require the affirmative FOR vote of a majority of those shares present in person or represented by proxy and entitled to vote on that proposal at the annual meeting.

***Q: Is cumulative voting permitted for the election of directors?***

A: No. Teekay does not allow you to cumulate your vote in the election of directors. For all matters proposed for shareholder action at the annual meeting, each share of common stock outstanding as of the close of business on the record date is entitled to one vote.

***Q: What happens if additional matters are presented at the annual meeting?***

A: Other than the one item of business described in this proxy statement, we are not aware of any business to be acted upon at the annual meeting. If you grant a proxy, the persons named as proxy holders, Peter Evensen, Vincent Lok and Arthur J. Bensler, will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting. If for any unforeseen reason any of our nominees are not available as a candidate for director, the persons named as proxy holders will vote your proxy for such candidate or candidates as may be nominated by the Board, unless the Board chooses to reduce the number of directors serving on the Board.

***Q: What should I do if I receive more than one set of voting materials?***

A: If you request a printed set of voting materials, you may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a shareholder of record requesting printed voting materials and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive.

***Q: How may I obtain a separate set of voting materials?***

A: If you share an address with another shareholder and request a printed set of voting materials, you may receive only one set of proxy materials unless you have provided contrary instructions. If you wish to receive a separate set of proxy materials now or in the future, you may contact us to request a separate copy of these materials at:

**Teekay Corporation  
Suite 2000, Bentall 5  
550 Burrard Street  
Vancouver, BC V6C 2K2  
Attention: Investor Relations  
Telephone: (604) 844-6654**

**Email: [investor.relations@teekay.com](mailto:investor.relations@teekay.com)**

Similarly, if you share an address with another shareholder and have received multiple copies of our proxy materials, you may contact us as indicated above to request delivery of a single copy of these materials.

***Q: Who will bear the cost of soliciting votes for the annual meeting?***

A: Teekay is making this solicitation and will pay the entire cost of preparing, assembling, printing, mailing and distributing proxy materials and soliciting votes. In addition to the mailing of any proxy materials, the solicitation of proxies or votes may be made in person, by telephone or by electronic communication by our directors, officers and employees, who will not receive any additional compensation for such solicitation activities. Upon request, we will reimburse brokerage houses and other custodians, nominees and fiduciaries for forwarding proxy and solicitation materials to shareholders.

***Q: Where can I find the voting results of the annual meeting?***

A: We intend to announce preliminary voting results at the annual meeting and publish final results in our report on Form 6-K for the second quarter of 2011.

***Q:***

***What is the deadline to propose actions for consideration at next year's annual meeting of shareholders or to nominate individuals to serve as directors?***

A: You may submit proposals, including director nominations, for consideration at future shareholder meetings as indicated below.

### ***Shareholder Proposals***

For a shareholder proposal to be considered for inclusion in Teekay's proxy statement for the annual meeting next year, the written proposal must be received by Teekay's Corporate Secretary at the address set forth below no later than December 31, 2011. Such proposals also will need to comply with Teekay's bylaws provisions regarding business to be brought before a shareholder meeting. Proposals should be sent by mail or fax addressed to:

**Corporate Secretary  
Teekay Corporation  
Suite 2000, Bentall 5  
550 Burrard Street  
Vancouver, BC V6C 2K2  
Fax: (604) 609-6447**

For a shareholder proposal that is not intended to be included in Teekay's proxy statement as described above, the shareholder must deliver a proxy statement and form of proxy to holders of a sufficient number of shares of Teekay's common stock to approve that proposal, provide the information required by Teekay's bylaws and give timely notice to Teekay's Corporate Secretary in accordance with the bylaws, which, in general, require that the notice be received by the Corporate Secretary not less than 60 days or more than 90 days prior to the meeting date.

### ***Nomination of Director Candidates***

You may propose director candidates for consideration by the Board's Nominating and Governance Committee. Any such recommendation should include the nominee's name and qualifications for Board membership and should be directed to Teekay's Corporate Secretary at the address set forth above. Please read Corporate Governance Principles and Board Matters - Consideration of Director Nominees below. In addition, Teekay's bylaws permit shareholders to nominate directors for election at an annual shareholder meeting. To nominate a director, the shareholder must deliver a proxy statement and form of proxy to holders of a sufficient number of shares of Teekay common stock to elect such nominee and provide the information required by Teekay's bylaws, as well as a statement by the nominee acknowledging that he or she will owe a fiduciary obligation to Teekay and its shareholders if elected. In addition, the shareholder must give timely notice to Teekay's Corporate Secretary in accordance with the bylaws, which, in general, require that the notice be received by the Corporate Secretary within the time period described above under Shareholder Proposals.

### ***Copy of By-Laws Provisions***

You may contact Teekay's Corporate Secretary at the address set forth above for a copy of the relevant bylaws provisions regarding the requirements for making shareholder proposals and nominating director candidates. Teekay's bylaws are also available under Corporate Governance in the Investor Center section of Teekay's website at [www.teekay.com](http://www.teekay.com).

### ***Q: How may I communicate with Teekay's Board or the non-management directors on Teekay's Board?***

A: You may submit any communication intended for Teekay's Board or the non-management directors by directing the communication by mail or fax addressed to:

**Teekay Corporation  
Suite No. 1778, 48 Par-la-Ville Road  
Hamilton, HM 11 Bermuda  
Attention: Chairman  
Fax: (441) 292-3931**





## **CORPORATE GOVERNANCE PRINCIPLES AND BOARD MATTERS**

Teekay is committed to sound corporate governance principles. These principles contribute to Teekay's business success and are essential to maintaining Teekay's integrity in the marketplace. Teekay's Corporate Governance Guidelines and Standards of Business Conduct are available under "Corporate Governance" in the Investor Center section of our website at [www.teekay.com](http://www.teekay.com). Although Teekay is a foreign private issuer, the Company has voluntarily chosen to comply in all material respects with the New York Stock Exchange (or NYSE) domestic corporate governance listing standards.

### **Board Independence**

The Board has determined that each of our directors, other than Peter Evensen, our President and Chief Executive Officer, and Bjorn Moller, our previous President and Chief Executive Officer, has no material relationship with Teekay (either directly or as a partner, shareholder or officer of an organization that has a relationship with Teekay) and is *independent* within the meaning of Teekay's director independence standards, which reflect the NYSE director independence standards, as currently in effect. In making this determination, the Board considered the relationships of Thomas Kuo-Yuen Hsu, Axel Karlshoej and C. Sean Day with our largest shareholder and concluded these relationships do not materially affect their independence as directors. Please read "Certain Relationships" for additional information. Each of the current directors standing for re-election at the annual meeting, other than Peter Evensen and Bjorn Moller, is an independent director.

The Board has determined that each member of each of Teekay's Board committees has no material relationship with Teekay (either directly or as a partner, shareholder or officer of an organization that has a relationship with Teekay) and is *independent* within the meaning of Teekay's director independence standards. In addition, the Board has determined that each member of the Audit Committee also satisfies Teekay's Audit Committee member independence standards, which reflect applicable NYSE and SEC audit committee member independence standards.

### **Board Structure and Committee Composition**

Teekay has chosen to separate the positions of Chairman of the Board and Chief Executive Officer and to have those positions occupied by different individuals, believing that the primary purpose of the Chairman of the Board and the Board is to protect shareholders' interests by providing independent oversight of management and that such separation consequently promotes greater management accountability to shareholders.

As of the date of this proxy statement, the Board has ten directors and the following three committees: (1) Audit; (2) Compensation and Human Resources; and (3) Nominating and Governance. The function of each of the committees is described later in this section. Each of the committees operates under a written charter adopted by the Board. All of the committee charters are available under Corporate Governance in the Investors section of Teekay's website at [www.teekay.com](http://www.teekay.com). During 2010, the Board held ten meetings. Each director attended all Board meetings except for one meeting at which two directors were absent. Each director attended all applicable committee meetings. The membership of each of the committees for 2010, and as of the date of this proxy statement, and the number of meetings of each committee held during 2010 are as follows:

Name of Director	Audit	Compensation and Human Resources	Nominating and Governance
<i>Non-Employee Directors:</i>			
Ian D. Blackburne		X	X*
J. Rod Clark	X		
C. Sean Day		X*	
Peter S. Janson	X	X	
Axel Karlshoej		X	
Thomas Kuo-Yuen Hsu			X
Eileen A. Mercier	X*		X
Tore I. Sandvold			X
<i>Employee Directors:</i>			
Bjorn Moller (1)			
Peter Evensen (2)			
<b>Number of Meetings in 2010</b>	8	6	4

X = Committee member

\* = Chair

- (1) Mr. Moller resigned as President and Chief Executive Officer of Teekay on March 31, 2011 and thereupon became a non-employee director.
- (2) Mr. Evensen was appointed President and Chief Executive Officer and a Director of Teekay on April 1, 2011 and thereupon became an employee director.

***Audit Committee***

Teekay's Audit Committee is composed entirely of directors who satisfy applicable NYSE and SEC audit committee independence standards. All members of the committee are financially literate and the Board has determined that Eileen A. Mercier qualifies as an audit committee financial expert.

The Audit Committee assists the Board in fulfilling its responsibilities for general oversight of:

the integrity of Teekay's financial statements;

Teekay's compliance with legal and regulatory requirements;

the independent auditors' qualifications and independence; and

the performance of Teekay's internal audit function and independent auditors.

Specific duties of the Audit Committee include:

engagement of Teekay's independent auditor;

evaluation of the independent auditor's qualifications, performance and independence;

meeting with management and the independent auditor to review and discuss annual and quarterly financial statements, financial disclosure and, as applicable, the independent auditor's report on internal controls over financial reporting;

periodic assessment of accounting practices and policies and risk and risk management, including Teekay's policy on use of derivatives and its compliance with the policy;

review of Teekay's internal controls, internal audit function and corporate policies with respect to financial information;

periodic review with management, and if applicable, the independent auditor, of any material correspondence with or other material action by regulators or governmental agencies, any material legal affairs of Teekay, pension governance, and Teekay's compliance with applicable laws and listing standards;

review of all related-party transactions, including any transactions between Teekay and its officers or directors;

oversight of the hiring of any employees or former employees of the independent auditor, to ensure compliance with applicable regulations;

periodic review and monitoring of compliance with and the effectiveness of Teekay's Standards of Business Conduct;

overseeing the establishment of procedures for handling complaints concerning financial, accounting, internal accounting controls and auditing matters;

reporting to the Board on significant matters arising from the Committee's activities;

preparing an Audit Committee report for inclusion in the annual proxy statement;

annually reviewing the Audit Committee charter and the Committee's performance; and

periodically reviewing risks that may have a significant impact on Teekay's financial statements. The Audit Committee works closely with Teekay's management, internal auditors and independent auditors. The Audit Committee has the authority to obtain advice and assistance from and receive appropriate funding from Teekay for outside legal, accounting and other advisors as the Audit Committee deems necessary to fulfill its duties. The Audit Committee meets at least quarterly and holds such other meetings as are necessary or appropriate for the Committee to fulfill its responsibilities. Periodically, the Audit Committee meets separately with management, with internal audit personnel and with the independent auditors to discuss matters that the Committee or the other groups believe deserve Committee attention. The report of the Audit Committee is included on page 28 of this proxy statement.

***Compensation and Human Resources Committee***

Teekay's executive compensation program is administered by the Board's Compensation and Human Resources Committee (or the *Compensation Committee*). The Compensation Committee is composed entirely of non-employee directors who are independent, as determined by the Board, within the meaning of applicable NYSE standards.

The Compensation Committee:

- reviews and approves corporate goals and objectives relevant to the Chief Executive Officer's compensation, evaluates the Chief Executive Officer's performance in light of these goals and objectives and determines the Chief Executive Officer's compensation;

- reviews and approves the evaluation process and compensation structure for executives, other than the Chief Executive Officer, evaluates their performance and sets their compensation based on this evaluation;

- reviews and makes recommendations to the Board regarding compensation for directors;

- establishes and administers long-term incentive compensation and equity-based plans; and

- oversees Teekay's other compensation plans, policies and programs.

Specific duties of the Compensation Committee include, among others: developing an executive compensation philosophy and annually reviewing executive compensation programs and practices; approving special employment, severance, change-in-control and retirement agreements or arrangements for executive officers; monitoring director and executive stock ownership; and annually evaluating the Compensation Committee's performance and its charter. The Compensation Committee has the authority to retain compensation consultants and experts in fulfilling its duties and to compensate these advisors.

The Compensation Committee has retained the services of an external executive compensation consultant, Meridian Compensation Partners. The consultant assists the Compensation Committee in its review of executive compensation, including assessing the competitiveness of pay levels, executive compensation design issues, market trends and technical considerations. The nature and scope of services rendered by Meridian Compensation Partners on the Compensation Committee's behalf are described below:

- providing competitive market pay analyses and market trend information relevant to executive and Board compensation;

- advising as to recent relevant regulatory, technical and accounting considerations impacting executive compensation and executive benefit programs;

- assisting with the design or redesign of any executive compensation or executive benefit programs, if requested; and

- preparing for and attending selected management and Compensation Committee meetings.

The Compensation Committee did not direct Meridian Compensation Partners to perform the above services in any particular manner or under any particular method. The Compensation Committee has the final authority to hire and terminate the consultant and the Compensation Committee evaluates the consultant periodically. The Compensation Committee approves all invoices for executive compensation work performed by the consultant. The consultant may perform other services for Teekay.

***Nominating and Governance Committee***

The Nominating and Governance Committee:

- identifies individuals qualified to become Board members;

- selects and recommends to the Board director and committee member candidates;

develops and recommends to the Board corporate governance principles and policies applicable to Teekay, monitors compliance with these principles and policies and recommends to the Board appropriate changes; and

oversees the evaluation of the Board and its committees.

Specific duties of the Nominating and Governance Committee include, among others: annually assessing the size and composition of the Board; periodically reviewing director qualification criteria; annually reviewing and, as appropriate, recommending directors for continued service; overseeing the Board's committee structure; recommending Board committee assignments; monitoring compliance with Board and Board committee membership criteria; developing procedures for selecting the Chairman of the Board; determining the method of communication between employees, shareholders and other interested parties and non-management directors; and annually evaluating the Committee's performance and its charter. The Committee has the authority to obtain assistance from outside advisors in fulfilling its duties and to compensate these advisors. A member of the Nominating and Governance Committee receives communications directed to non-management directors.

### **Consideration of Director Nominees**

#### ***Shareholder Nominees***

The policy of the Nominating and Governance Committee is to consider properly submitted shareholder nominations for Board of Directors candidates as described below under *Identifying and Evaluating Nominees for Directors*. In evaluating these nominations, the Committee considers the balance of knowledge, experience and capability on the Board and the membership guidelines set forth below under *Director Qualifications*. Any shareholder nominations proposed for consideration by the Nominating and Governance Committee should include the nominee's name and qualifications for Board membership and should be mailed, addressed to:

**Corporate Secretary  
Teekay Corporation  
Suite 2000, Bentall 5  
550 Burrard Street  
Vancouver, BC V6C 2K2**

In addition, Teekay's bylaws permit shareholders to nominate directors for consideration at an annual shareholders meeting. For a description of the process for nominating directors in accordance with Teekay's bylaws, see *Questions and Answers about the Proxy Materials and the Annual Meeting - What is the deadline to propose actions for consideration at next year's annual meeting of shareholders or to nominate individuals to serve as directors?* on page 5 of this proxy statement.

#### ***Director Qualifications***

Teekay's Corporate Governance Guidelines include Board membership guidelines that the Nominating and Governance Committee should consider in reviewing and in recommending to the Board director nominees. Under these guidelines, members of the Board should have high standards of personal and professional ethics, integrity and values. Among other things, the Nominating and Governance Committee should consider: the nominee's training, experience and ability in making and overseeing policy in business, government or education sectors; willingness and availability to carry out his or her duties effectively; commitment to act in the best interests of Teekay and its stakeholders; and to assess objectively Board, committee and management performance. In evaluating director nominees, the Nominating and Governance Committee also assesses an individual's qualifications, skills, experience, background and knowledge in light of the overall composition of the existing Board. Teekay's Corporate Governance Guidelines, which include a more detailed discussion of desired director qualifications, are available under *Corporate Governance* in the Investor Center section of our website at [www.teekay.com](http://www.teekay.com).

#### ***Identifying and Evaluating Nominees for Directors***

The Nominating and Governance Committee uses a variety of methods for identifying and evaluating director nominees for recommendation to the Board for approval. The Nominating and Governance Committee regularly assesses the appropriate size of the Board and whether any vacancies on the Board are expected due to retirement or otherwise. In the event that vacancies are anticipated or otherwise arise, the Nominating and Governance Committee considers potential director candidates. Candidates may come to the attention of the Nominating and Governance Committee through current Board members, professional search firms, shareholders or others. These candidates are evaluated at regular or special meetings of the Nominating and Governance Committee, and may be considered at any time during the year. As described above, the Nominating and Governance Committee considers properly submitted shareholder nominations for candidates for the Board. Following verification of the shareholder status of persons proposing candidates, any recommendations are aggregated and considered by the Nominating and Governance

Committee. If any materials are provided by a shareholder in connection with the nomination of a director candidate, these materials are forwarded to the Nominating and Governance Committee. The Nominating and Governance Committee also reviews materials provided by professional search firms or other parties in connection with a nominee who is not proposed by a shareholder. In evaluating these nominations, the Nominating and Governance Committee seeks to achieve a balance of knowledge, experience and capability on the Board.



### **Executive Sessions**

Teekay's non-management directors hold at least four executive sessions each year at which the non-management directors meet without management directors or other executives present. The sessions are scheduled and chaired by the Chairman of the Board. Any non-management director can request that additional executive sessions be scheduled.

### **Communications with the Board**

Individuals may communicate with the Board by writing to Teekay's Board by mail or fax addressed to:

**Teekay Corporation**  
**Suite No. 1778, 48 Par-la-Ville Road**  
**Hamilton, HM 11 Bermuda**  
**Fax: (441) 292-3931**

Communications that are intended specifically for non-management directors should be addressed to the Nominating and Governance Committee and sent to the above address.

### **The Board's Role in Risk Oversight**

Semi-annually Teekay's Vice President, Risk Management and Internal Audit and Chief Compliance Officer, who reports directly to the Audit Committee, presents to the entire Board for its discussion and review the Company's top enterprise risks assessed in accordance with the risk management framework established by the Committee of Sponsoring Organizations, or COSO.

## **COMPENSATION DISCUSSION AND ANALYSIS**

### ***Executive Compensation Philosophy***

The goals of Teekay's executive compensation program are to:

Attract, motivate, reward and retain key executive talent to lead Teekay as a competitive global corporation;

Support the achievement of Teekay's business strategies and encourage executives to work together as One Teekay; and

Incentivize executives to enhance shareholder value and align with long-term shareholder interests.

### ***Executive Compensation Program and Practices***

***Program Elements.*** There are five main program elements:

**Salary.** Offer a competitive base salary targeted at market median for the particular executive role, with consideration to performance, experience and internal equity.

**Short-term Incentive.** Reward achievement of annual performance goals. The program is based on an individual performance factor, a team performance factor and a corporate performance factor.

**Long-term Incentive.** Offer a long-term incentive to support longer term performance results and executive retention. This includes stock options, stock-settled restricted stock units (*RSUs*) and performance share units (*PSUs*).

**Pensions, Benefits and Perquisites.** Provide at competitive levels to attract and retain talent.

**Vision Incentive Plan (or *VIP*).** Reward exceptional corporate performance and shareholder return in the successful transformation of Teekay (assessed until the end of 2010); the *VIP* was a discrete plan that expired in 2010 and is not a permanent element of Teekay's Executive Compensation Program.

The short and long-term incentive elements of Teekay's Executive Compensation Program (excluding the VIP) are expected to be greater than 50% of total compensation and longer-term incentive compensation should provide greater opportunity for reward than annual cash compensation at target. Total direct compensation (salary, short-term incentive and long-term incentive) has typically targeted the median of the comparator group.

**Market Comparator Groups.** Total executive compensation is targeted against a comparator group that has been categorized into:

Publicly-traded U.S. oil and gas companies with revenues of \$600 million to \$25 billion;

Publicly-traded U.S. marine/transportation companies; and

Publicly-traded Canadian oil & gas/energy/transportation companies with revenues of \$1 billion to \$12 billion.

As some of these comparator companies have greater revenues than Teekay, regression analysis is used on a limited basis for the U.S. market data to create size-adjusted compensation levels comparable to Teekay. While it is difficult to find a direct marine peer group, a group of U.S. marine transportation companies is included as these companies are considered competitors for talent, especially at the executive level.

**Compensation Program Review.** The Compensation Committee, together with the Chief Executive Officer and Executive Vice President, Corporate Resources, reviews executive compensation practices at least annually against the compensation philosophy and comparative market data. The Chief Executive Officer and Executive Vice President, Corporate Resources make recommendations to the Compensation Committee with the intent of keeping executive officer compensation practices aligned with compensation philosophy. The Compensation Committee must approve any recommended changes before they can be made.

The Compensation Committee has retained Meridian Compensation Partners, an internationally recognized consulting firm, to provide an independent review of Teekay's compensation programs for executive officers and directors, assist in the preparation of a list of peer companies, examine Teekay's pay practices relative to the market and assist in the design of compensation programs. Meridian Compensation Partners does not have a material additional relationship outside of the services that it provides to the Compensation Committee. The Compensation Committee has the authority to retain and terminate any compensation and benefits consultant and the authority to approve the related fees and other retention terms of the consultant.

#### **Executive Compensation for 2010**

**Base Salary.** Base salary is targeted at the median of the comparator group and is determined by individual experience and performance. In 2010, the base salary of Teekay's Chief Executive Officer, Chief Financial Officer and its three other most highly compensated officers was frozen. This decision was taken as part of a continuing corporate-wide focus on reducing costs.

**Annual Incentive Plan.** Teekay's annual short-term incentive program for executives is linked to company, team and individual performance.

Teekay's financial corporate performance for 2010 was measured using the following financial measures:

*Return on Invested Capital (ROIC) in the spot tanker and fixed-rate businesses.* Annually, a ROIC performance target is set for each business, the outcomes measured separately and weighted according to the average invested capital in each segment.

ROIC includes daughter companies on a 100% basis and Teekay's portion of Joint Venture interests. ROIC includes gains/losses from asset sales and vessel write-downs but excludes unrealized gains and losses from derivatives. ROIC for the fixed-rate business is calculated using the average invested capital during the term of the respective fixed-rate contracts.

**Long-term Incentive Programs.** Teekay's long term incentive programs consist of equity compensation awards granted under Teekay's 2003 Equity Incentive Plan and Teekay's VIP. For 2010, Teekay's executive officers received awards of Stock Options, Restricted Stock Units (RSUs) and Performance Share Units (PSUs) under the 2003 Equity Incentive Plan. Stock Options vest over a three-year annual vesting period and have a ten-year term. RSUs vest and become payable annually over a three-year vesting period. For each RSU that vests, the executive officer is entitled to

receive reinvested dividends from the date of the grant to the vesting of the RSU, paid in the form of shares. PSUs cliff vest and are paid in shares in a single payment following the end of the 3-year performance period. Performance is based on achieving ROIC and total shareholder return targets approved by the Compensation Committee. The executive officer is entitled to receive reinvested dividends from the date of the grant to the vesting of the PSU, paid in the form of shares.

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