



TEEKAY CORPORATION
4th Floor, Belvedere Building,
69 Pitts Bay Road, Hamilton, HM 08 Bermuda

May 10, 2010

Dear Shareholder:

On behalf of the Board of Directors, it is my pleasure to extend to you an invitation to attend the 2010 Annual Meeting of Shareholders of Teekay Corporation. The annual meeting will be held at:

Place: Hibiscus East Room
Grotto Bay Beach Resort
11 Blue Hole Hill
Bailey's Bay CR04
Bermuda

Date: Wednesday, June 23, 2010

Time: 1:15 p.m. Atlantic Daylight 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 three 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 May 10, 2010, we will mail to our shareholders a notice containing instructions on how to access our 2010 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 as directed in the proxy card as soon as possible. You may, of course, attend the annual meeting and vote in person even if you have previously submitted your proxy card.

Sincerely,

BJORN MOLLER
President and Chief Executive Officer

**2010 ANNUAL MEETING OF SHAREHOLDERS
NOTICE OF ANNUAL MEETING AND PROXY STATEMENT
TABLE OF CONTENTS**

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS	1
QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING.....	2
Q: Why am I receiving these materials?	2
Q: What information is contained in this proxy statement?	2
Q: How may I obtain Teekay's annual report to shareholders?.....	2
Q: How may I obtain Teekay's Annual Report on Form 20-F filed with the SEC?	2
Q: What items of business will be voted on at the annual meeting?	2
Q: How does the Board recommend that I vote?	2
Q: What shares can I vote?	2
Q: What is the difference between holding shares as a shareholder of record and as a beneficial owner?	3
Q: How can I attend the annual meeting?	3
Q: How can I vote my shares in person at the annual meeting?	3
Q: How can I vote my shares without attending the annual meeting?	3
Q: Can I change my vote?.....	3
Q: Is my vote confidential?	4
Q: How many shares must be present or represented to conduct business at the annual meeting?	4
Q: How are votes counted?	4
Q: What is the voting requirement to approve each of the proposals?	4
Q: Is cumulative voting permitted for the election of directors?	4
Q: What happens if additional matters are presented at the annual meeting?	5
Q: What should I do if I receive more than one set of voting materials?	5
Q: How may I obtain a separate set of voting materials?	5
Q: Who will bear the cost of soliciting votes for the annual meeting?	5
Q: Where can I find the voting results of the annual meeting?	5
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?	5
Q: How may I communicate with Teekay's Board or the non-management directors on Teekay's Board?.....	6
CORPORATE GOVERNANCE PRINCIPLES AND BOARD MATTERS	7
COMPENSATION DISCUSSION AND ANALYSIS	12
COMPENSATION COMMITTEE REPORT	15
2009 SUMMARY COMPENSATION TABLE	16
2009 GRANTS OF PLAN-BASED AWARDS	17
OUTSTANDING EQUITY AWARDS AT 2009 FISCAL YEAR-END	17
2009 OPTION EXERCISES AND STOCK VESTED	18
PROPOSALS TO BE VOTED ON.....	20
PROPOSAL NO. 1 ELECTION OF DIRECTORS	20
INFORMATION ABOUT THE DIRECTOR NOMINEES	21
INFORMATION ABOUT DIRECTORS CONTINUING IN OFFICE	21
COMMON STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	23
CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS	23
EXECUTIVE OFFICERS	24
PRINCIPAL AUDITOR FEES AND SERVICES	26
REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS	27

TEEKAY CORPORATION

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

- Time and Date** Wednesday, June 23, 2010
1:15 p.m. Atlantic Standard Time
- Place** Hibiscus East Room
Grotto Bay Beach Resort
11 Blue Hole Hill
Bailey's Bay CR04
Bermuda
- Items of Business** (1) To elect three directors to Teekay's Board of Directors for a term of three years.
(2) To transact such other business as may properly come before the annual meeting or any adjournment or postponement of the meeting.
- Adjournments and Postponements** Any action on the items of business described above may be considered at the annual meeting at the time and on the date specified above or at any time and date to which the annual meeting may be properly adjourned or postponed.
- Record Date** The record date for the annual meeting is April 24, 2010. Only shareholders of record at the close of business on that date will be entitled to notice, and to vote at, the annual meeting or any adjournment or postponement of the meeting.
- Internet Availability** We are furnishing proxy materials to our shareholders over the Internet. On or about May 10, 2010, we will mail our shareholders a notice containing instructions on how to access our 2010 proxy statement and annual report via the Internet and vote online. The notice also provides instruction on how shareholders can request a paper copy of these documents if they desire, and how shareholders can enroll in e-delivery to receive future annual materials via email.
- Voting** **Your vote is very important. Whether or not you plan to attend the annual meeting, we encourage you to read this proxy statement and submit your proxy or voting instructions as soon as possible. You may submit your proxy for the annual meeting as instructed in the proxy. For specific instructions on how to vote your shares, please refer to the section entitled Questions and Answers beginning on page 2 of the proxy statement and the instructions on the proxy or voting instruction card.**

By Order of the Board of Directors



ARTHUR J. BENSLER
Secretary

May 10, 2010

*This notice of annual meeting and proxy statement and form of proxy are being distributed on or about
May 10, 2010.*

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 for you in connection with Teekay's Annual Meeting of Shareholders, which will take place on June 23, 2010. 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.

Q: *How may I obtain Teekay's Annual Report on Form 20-F filed with the SEC?*

A: Our 2009 Annual Report on Form 20-F constitutes our annual report to shareholders. Shareholders may also request a free copy of our 2009 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**

Teekay will also furnish any exhibit to the Form 20-F if specifically requested. Copies of the 2009 Annual Report on Form 20-F are also available under "SEC Filings" in the Investor Center section of our website at www.teekay.com and at the SEC's EDGAR database on the SEC's website at www.sec.gov.

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 three 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: Each share of Teekay common stock issued and outstanding as of the close of business on April 24, 2010, the *record date* for the annual meeting, is entitled to be voted on all items being voted upon at the annual 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 72,954,646 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 24, 2010 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 1:15 p.m. Atlantic Daylight 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 the Teekay 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. Occasionally shareholders provide written comments on their proxy card, which are then forwarded to Teekay's management.

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 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* 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. Both abstentions and broker non-votes are counted for the purpose of determining the presence of 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 three 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, Bjorn Moller, Peter Evensen 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**

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 2010.

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, 2010. If the date of next year's annual meeting is moved more than 30 days before or after the anniversary date of this year's annual meeting, the deadline for inclusion of proposals in Teekay's proxy statement instead will be not later than 10 days following the earlier of the date on which notice of the annual meeting is mailed to Teekay's shareholders or the date on which public disclosure of the date of the annual meeting is made. 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 facsimile addressed to:

**Corporate Secretary
Teekay Corporation
Suite 2000, Bentall 5
550 Burrard Street
Vancouver, BC V6C 2K2
Facsimile: (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 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 by-laws 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.

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 as follows:

**Teekay Corporation
Suite No. 1778, 48 Par-la-Ville Road
Hamilton, HM 11 Bermuda
Attention: Chairman
Facsimile: (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. 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 Bjorn Moller, our 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 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 nine 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 Investor Center section of Teekay's website at www.teekay.com. During 2009, the Board held seven meetings. Each director attended all Board meetings except for one meeting at which one director was absent. Each director attended all applicable committee meetings except for one Compensation and Human Resources Committee meeting at which two directors were absent. The membership of each of the committees for 2009, and as of the date of this proxy statement, and the number of meetings of each committee held during 2009 are as follows:

<u>Name of Director</u>	<u>Audit</u>	<u>Compensation and Human Resources</u>	<u>Nominating and Governance</u>
<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.....			
Number of Meetings in 2009	8	7	4

X = Committee member

* = Chair

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 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 27 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'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, Hewitt Associates. 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 Hewitt Associates 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 Hewitt Associates 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 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 shareholder 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.

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
Facsimile: (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, 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 in 2009 and previous years was based on an individual performance factor and a corporate performance factor. A new program has been implemented for 2010 and will be 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 (or *RSU's*) and, for 2010, will also include performance shares.
- **Pensions, Benefits and Perquisites.** Provide at competitive levels to attract and retain talent.
- **Vision Incentive Plan (or *VIP*).** Rewards exceptional corporate performance and shareholder return in the successful transformation of Teekay (to be assessed until the end of 2010); the *VIP* is a discrete plan that expires after 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.

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

- publicly traded US oil and gas companies with revenues of \$100 million to \$22 billion;
- publicly traded US marine/transportation companies; and
- publicly traded Canadian oil & gas/energy/transportation companies with revenues of \$3 billion to \$19 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. Compensation targets are set up to the median total compensation of each comparator group. The decision to target up to the median, as opposed to at the median or higher, provides room for increasing Teekay's executive compensation as Teekay grows. 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 Hewitt Associates, 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. Hewitt Associates 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 2009

Base Salary. Base salary is targeted up to the median of the comparator group and is determined by individual experience and performance. In 2009, the base salary of Teekay's Chief Executive Officer, Chief Financial Officer and its three other most highly compensated officers was frozen. For 2010, for the second year in a row, Teekay put in effect a freeze on base compensation for certain management employees, including the executives. 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 both company performance and individual performance. Typically, the plan is designed to have two-thirds of the annual incentive award based on Teekay's financial corporate performance and one-third on achievement of each executive's individual performance.

Teekay's financial corporate performance for 2009 was measured using the following three financial measures:

- *Return on Invested Capital for its spot tanker segment relative to its spot tanker peer group.* This measure is weighted by the relative size of invested capital for Teekay and in 2009 accounted for 17% of the corporate performance factor.
- *Return on Invested Capital for each of the company's business segments relative to their weighted-average cost of capital.* The score starts at 1.0 for achieving Return on Invested Capital equal to Weighted Average Cost of Capital and moves up on a sliding scale of 0.5 for every additional 1% in Return on Invested Capital, with no maximum. If Weighted Average Cost of Capital is not achieved then the score is zero. In 2009 this measure accounted for 58% of the corporate performance factor.
- *Total Shareholder Return relative to Teekay's peer group.* This measure is held at 25% of the corporate performance factor.

Individual performance is measured on individual annual goals set at the beginning of each year. A performance rating is then awarded at the end of the year based on achievement of these goals. The individual's modeling of the Company's core values and leadership behaviors is also taken into consideration.

The total annual incentive is calculated by applying ratings or scores, with weightings as described above, to the executives' target incentive percentage which ranges from 40% to 60% of base salary. Historically, base salaries have been kept low and short-term incentive payouts have ranged from 60% to 120% of base salary. Actual total cash compensation (base and short-term incentive) has typically targeted the median of the comparator group.

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' Vision Incentive Plan (or *VIP*). For 2009, Teekay's executive officers received awards of stock options and Restricted Stock Units (or *RSUs*) under Teekay's 2003 Equity Incentive Plan. Each stock option grant allows the executive officer to acquire shares of Teekay's common stock, subject to continued employment with Teekay over a three-year annual vesting period. These stock options entitle the executive officer to acquire shares at a fixed price per share (i.e., the fair market value on the grant date) and have a ten-year term. To help manage general and administrative costs, the 2009 grant was maintained at the same level as the 2008 grant (which was a 20% reduction from the usual target award value). A portion of the target award value was granted in the form of RSUs in lieu of stock options to reduce the dilutive effect of the awards. The RSUs vest and become payable annually over a three-year vesting period. For each RSU that vests and becomes payable, the executive officer is entitled to receive one share of Teekay's Common Stock and reinvested dividends from the date of the grant to the vesting of the RSU, paid to the executive officer in the form of shares.

Vision Incentive Plan. In 2005, Teekay adopted the VIP to reward exceptional corporate performance and shareholder returns, and to reward a shift away from cycle-dependent results. The plan results in an award pool for senior management based on two measures: (a) economic profit from 2005 to 2010; and (b) the increase in market value added (*MVA*) from 2001 to 2010. The VIP terminates on December 31, 2010.

From 2005 to 2010, annual economic profit contributions are made to the award pool based upon the degree to which Teekay's annual return on invested capital exceeds its weighted-average cost of capital. Each contribution may be positive or negative. At the end of 2009, the cumulative economic profit pool amounted to approximately negative \$14.0 million, having decreased by an estimated \$11.7 million in economic profit. In June, 2009 the Board authorized an interim distribution to the executive officer participants of \$2.75 million from the aggregate contributions of \$23.3 million accumulated from 2005 to 2007. This interim distribution was in the form of RSUs that will bullet vest in September 2011. In 2011, the remaining balance, if any, of the VIP award pool will be distributed to the participants. At least 50% of any distribution from the award pool must be paid in a form that is equity-based and with a vesting schedule of at least two years following any distribution.

At the end of 2010, a MVA contribution will be made to the VIP award pool if two threshold requirements are met: (a) shares of Teekay's common stock must have a market value for the 18 months prior to December 31, 2010, equal to at least 120% of Teekay's book value per share; and (b) Teekay's total shareholder return (or *TSR*) for the period from the beginning of 2001 to the end of 2010 must be above the 25th percentile relative to the TSR of the S&P 500 (as calculated in accordance with U.S. securities regulations) during the same period. If both of the threshold requirements are met, then a MVA contribution will be made to the award pool. The amount of this MVA contribution will range from a low of 1.5% of Teekay's increase in MVA, for TSR performance between the 25th and 50th percentiles relative to the S&P 500, to a maximum of 6% of Teekay's increase in MVA, for TSR performance above the 90th percentile relative to the S&P 500; the increase in Teekay's MVA is calculated for the period from the beginning of 2001 to the end of 2010. Individual awards relating to increases in MVA are capped at ten times the individual's annual base salary and target annual incentive award. The Board retains ultimate authority to amend, suspend, or terminate the VIP as the Board deems necessary if the operation of the Plan will result in a reward pool that is disproportionate to the benefit received by the shareholders of the Company as a result of unintended or unexpected circumstances.

Pension Benefits. Teekay offers a defined contribution pension plan to its executives. This benefit is included in the comparator group study that is targeted to the median. Teekay believes that a pension plan is a standard component of total compensation in order to reward competitively and provide for part of the employees' retirement.

Perquisites. Teekay offers a nominal allowance account to its executives for specific items. This benefit is included in the comparator group study that is targeted to the median. Teekay believes that this benefit is part of the total compensation of executives and is needed in order to compensate competitively. The perquisites allowance is set at a flat amount (disclosed in aggregate in the compensation table) and can be used for:

- Financial counseling, retirement counseling, estate planning and income tax preparation for the executive and dependents;
- Fitness activities; and
- Executive required physical or other private medical costs.

Other Benefits. Other miscellaneous benefits are offered to Teekay's executives for ease of conducting their work and for market competitiveness. This benefit is included in the comparator group study that is targeted to the median. An example of these benefits is a parking allowance.

Executive Share Ownership Guidelines

In 2005, Teekay implemented share ownership guidelines for its executives. The guidelines require common share holdings with an aggregate value of three times base salary for the Chief Executive Officer, and two times base salary for Presidents and Executive Vice Presidents. The guidelines should be achieved by March 2010 or, for executives newly promoted or subsequently joining Teekay, within five years after the guidelines become applicable to them.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management and, based on the review and discussion, it has recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

C. Sean Day, Chair
Ian D. Blackburne
Peter S. Janson
Axel Karlshøj

2009 SUMMARY COMPENSATION TABLE ⁽¹⁾

The following table shows for 2007, 2008 and 2009 the aggregate compensation earned by Teekay's Chief Executive Officer, Chief Financial Officer and the three other most highly compensated Teekay executive officers who served as executive officers as of December 31, 2009 (the *Named Executive Officers*).

Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$) ⁽²⁾	Pension Plan Contribution (\$) ⁽³⁾	All Other Compensation (\$) ⁽⁴⁾	Total (\$)
2009	2,705,698	1,284,047	3,798,569 ⁽⁵⁾	1,930,962	454,880	226,234	10,580,390
2008	2,602,775	2,212,015	625,114	4,977,126	414,178	140,549	10,971,757
2007	2,668,515	2,236,881	0	4,413,249	463,392	134,052	9,916,089

(1) Cash amounts set forth in this table were paid primarily in Canadian Dollars, but are reported here in U.S. Dollars using an exchange rate of 1.1417 Canadian Dollars for each U.S. Dollar for 2009; 1.0667 Canadian Dollars for each U.S. Dollar for 2008; and 0.9920 Canadian Dollars for each U.S. Dollar for 2007. The exchange rates used are calculated based upon the average exchange rate over the applicable year.

(2) Reflects the grant date fair value for awards granted during 2007, 2008 and 2009, computed in accordance with Financial Accounting Standards Board (FASB) ASC Topic 718, Compensation - Stock Compensation, excluding the effect of the applicable estimated forfeiture rate. Assumptions used in the calculation of these compensation costs are included in Note 1 to Teekay's audited financial statements for the year ended December 31, 2009 included in Teekay's annual report on Form 20-F filed on April 30, 2010.

(3) In each of 2007, 2008 and 2009, Teekay made contributions to the Named Executive Officers' personal pension plans equal to approximately 16% of their salary.

(4) In 2009, Teekay paid life insurance premiums for the Named Executive Officers, which in the aggregate amounted to \$72,659. In addition, in 2009, Teekay paid for parking, financial and tax planning services, allowances, annual medical checkups and other fitness-related benefits for the Named Executive Officers, which in the aggregate amounted to \$153,576.

(5) In March 2009, 141,760 restricted stock units with a three-year vesting period were granted to the Named Executive Officers under Teekay's 2003 Equity Incentive Plan. One third of these units vested on March 8, 2010, together with accumulated dividends of \$1.0687 per share. In September of 2009, 118,100 restricted stock units with a two-year bullet vesting were granted to the Named Executive Officers as an interim payment under Teekay's VIP. These units will vest on September 8, 2011, together with accumulated dividends.

2009 GRANTS OF PLAN-BASED AWARDS

The following table provides information regarding aggregate grants of plan-based awards for the Named Executive Officers for 2009. All of the grants listed below were made pursuant to Teekay's 2003 Equity Incentive Plan and Vision Incentive Plan.

Grant Date	Approval Date if Different than Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$/Sh) ⁽³⁾
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
03/08/09	03/06/09	n/a	n/a	n/a	n/a	n/a	n/a	141,760 ⁽¹⁾	n/a	n/a	11.84
03/08/09	03/06/09	n/a	n/a	n/a	n/a	n/a	n/a	n/a	516,300	11.84	3.74
09/08/09	06/02/09	n/a	n/a	n/a	n/a	n/a	n/a	118,100 ⁽²⁾	n/a	n/a	19.48

(1) These restricted stock units have a three-year annual vesting period, beginning with 47,255 shares which vested on March 8, 2010.

(2) These restricted units vest two years from the date of grant, with 118,100 shares vesting on September 8, 2011.

(3) Reflects the grant date fair value computed in accordance with FASB ASC Topic 718, excluding the effect of the applicable estimated forfeiture rate. Assumptions used in the calculation of these compensation costs are included in Note 1 to Teekay's audited financial statements for the year ended December 31, 2009 included in Teekay's annual report on Form 20-F filed on April 30, 2010.

Awards under the Annual Incentive Plan, the 2003 Equity Incentive Plan and the VIP are tied to key measures of corporate performance. For additional information regarding the Annual Incentive Plan, the 2003 Equity Incentive Plan and the VIP, please read the "Compensation Discussion and Analysis" section of this proxy statement starting on page 12.

OUTSTANDING EQUITY AWARDS AT 2009 FISCAL YEAR-END

The following table includes certain information with respect to aggregate outstanding option awards and unvested restricted stock units held by the Named Executive Officers as of December 31, 2009.

Option Awards					Stock Awards			
Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
31,000		n/a	11.78125	3/6/10	118,100	2,741,101 ⁽¹⁾	141,760	3,290,250 ⁽¹⁾
71,600		n/a	20.595	3/14/11				
66,400		n/a	19.56	3/11/12				
82,800		n/a	19.585	3/10/13				
187,200		n/a	33.625	3/09/14				
116,833		n/a	46.80	3/10/15				
324,533		n/a	38.94	3/07/16				
194,335	97,165	n/a	51.40	3/13/17				
158,035	316,0658	n/a	40.41	3/10/18				
0	516,300	n/a	11.840	3/8/19				

(1) Based on the closing price of Teekay's common stock on December 31, 2009.

2009 OPTION EXERCISES AND STOCK VESTED

The following table includes certain information for the Named Executive Officers on an aggregated basis with respect to stock option exercises and restricted stock units that vested during 2009.

Option Awards		Stock Awards	
Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$) ⁽¹⁾	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) ⁽²⁾
60,000	732,875	28,533	684,792

- _____
- (1) Based on the difference between the closing price of Teekay's common stock on the exercise date and the exercise price of the option.
- (2) In March 2008, 85,600 restricted stock units with a three-year vesting period were granted to the Named Executive Officers as an interim distribution under Teekay's VIP. One third of these units vested on November 30, 2009, together with accumulated dividends of \$1.265 per share. The vested units were valued at \$21.82 each, based upon the average of the closing price of Teekay's shares on the last five trading days of October, 2009. The closing price of the shares on November 30, 2009 was \$24.00 per share.

DIRECTOR COMPENSATION

The following table provides information on Teekay's compensation and reimbursement practices during 2009 for non-employee directors. Teekay's employee directors do not receive any separate compensation for their Board activities.

NON-EMPLOYEE DIRECTOR COMPENSATION TABLE FOR 2009

Annual cash retainer	\$50,000
Additional cash retainer for:	
• Chairman of the Board	\$278,000
• Chair of the Audit Committee	\$16,000
• Member of Audit Committee	\$8,000
• Chair of Compensation and Human Resources Committee	\$5,000
• Member of Compensation and Human Resources Committee	\$5,000
• Chair of Nominating and Governance Committee	\$5,000
• Member of Nominating and Governance Committee	\$5,000
Reimbursement for expenses attendant to Board membership	Yes
Additional retainer paid in Company securities (Non-Employee Directors) (1)	\$85,000
Additional retainer paid in Company securities (Chairman of the Board) (1)	\$470,000
Range of total compensation earned by directors (for the year)	\$140,000 to \$753,000

- (1) Each non-employee director (excluding the Chairman of the Board) received an \$85,000 annual retainer to be paid by way of a grant of, at the director's election, restricted stock or stock options under Teekay's 2003 Equity Incentive Plan. Pursuant to this annual retainer, in 2009 Teekay granted to the directors stock options to purchase an aggregate of 28,500 shares of our common stock at an exercise price of \$11.84 per share and 34,070 shares of restricted stock. During 2009, the Chairman of the Board received a \$470,000 retainer in the form of 52,600 shares of our common stock and 13,500 shares of restricted stock under the 2003 Equity Incentive Plan. The stock options described above expire on March 9, 2019, ten years after the date of their grant. The stock options and restricted stock vest as to one third of the shares on each of the first three anniversaries of their respective grant date.

Director Share Ownership Guidelines

Under Teekay's guidelines, each director is expected to have acquired shares of Teekay or its listed subsidiaries having a value of at least four times the value of the annual cash retainer paid to them for their Board service (excluding fees for Chair or Committee service) no later than May 14, 2008 or the fifth anniversary of the date on which the director joined the Board, whichever is later. Under the guidelines, the value of the shares is determined as the higher of the shares' purchase price and their current market price. All of the directors have acquired the level of shareholding prescribed by these guidelines, other than one director who has not yet reached his fifth anniversary.

PROPOSALS TO BE VOTED ON

PROPOSAL NO. 1 ELECTION OF DIRECTORS

Teekay's Board of Directors currently consists of nine directors divided into three classes: Class I, Class II and Class III. The number of directors in each class is required to be as nearly equal as possible. At the 2010 annual meeting, three Class II directors will be elected to serve for three-year terms until the 2013 annual meeting and until their successors are elected. The remaining six directors are divided into two classes of three Class III directors and three Class I directors, whose terms expire in 2011 and 2012, respectively. Votes may not be cast for a greater number of director nominees than three.

Information regarding the business experience of each nominee is provided below. There are no family relationships among Teekay's executive officers and directors.

If you sign your proxy or voting instruction card but do not give instructions for the voting of directors, your shares will be voted "FOR" the three persons recommended by the Board. If you wish to give specific instructions for the voting of directors, you may do so by indicating your instructions on your proxy or voting instruction card.

The three persons receiving the highest number of "FOR" votes represented by shares of Teekay common stock, present in person or represented by proxy and entitled to be voted at the annual meeting will be elected.

The Board expects that all of the nominees will be available to serve as directors. If for any unforeseen reason any of the Board's nominees is not available as a candidate for director, the proxy holders, Bjorn Moller, Peter Evensen and Arthur J. Bensler, will vote your proxy for such other candidate or candidates as may be nominated by the Board, unless the Board chooses to reduce the number of directors serving on the Board.

The Board recommends a vote FOR the election to the Board of the each of the following nominees.

INFORMATION ABOUT THE DIRECTOR NOMINEES

Class II Directors (terms would expire in 2013)

Peter S. Janson Mr. Janson has held a number of key leadership roles in the international engineering services industry. These have included Chief Executive Officer of Agra, a publicly traded engineering and construction company and, following Amec plc's acquisition of Agra, Executive Director of North American operations, a position he held until August 2002. Prior to joining Agra, Mr. Janson served as the Chief Executive Officer of US Operations for Asea Brown Boveri Inc. (ABB), the global leader in power and automation technologies. Mr. Janson was President of Asea Inc. at the time of its merger with BBC Brown Boveri in 1988, and was appointed to lead the creation of the new company as President and Chief Executive Officer of ABB's Canadian operations. In that role, he led the acquisitions and integrations of both Westinghouse T&D and Combustion Engineering into ABB. Mr. Janson has also served as a member of the Business Round Table in the United States, and as a member of the National Advisory Board on Science and Technology in Canada, reporting directly to the Prime Minister. He currently serves on the Board of IEC Holden.

Eileen A. Mercier Ms. Mercier has served as Teekay director since 2000. She has over 38 years experience in a wide variety of financial and strategic planning positions, including Senior Vice President and Chief Financial Officer for Abitibi-Price Inc. from 1990 to 1995. She formed her own management consulting company, Finvoy Management Inc. and acted as president from 1995 to 2003. She currently serves as Chair of the Ontario Teachers' Pension Plan board and acts as a director of ING Bank of Canada, Intact Insurance Corporation, CGI Group Inc. and the University Health Network. Ms. Mercier retired from the board of York University in June 2008.

Tore I. Sandvold Mr. Sandvold, has over 30 years experience in the oil and energy industry. From 1973 to 1987 he served in the Norwegian Ministry of Industry, Oil & Energy, in a variety of positions in the area of domestic and international energy policy. From 1987 to 1990 he served as the Counselor for Energy in the Norwegian Embassy in Washington, D.C. From 1990 to 2001 Mr. Sandvold served as Director General of the Norwegian Ministry of Oil & Energy, with overall responsibilities for Norway's national and international oil and gas policy. From 2001 to 2002, he served as Chairman of the Board of Petoro, the Norwegian state-owned oil company that is the largest oil asset manager on the Norwegian continental shelf. From 2002 to the present, Mr. Sandvold, through his company, Sandvold Energy AS, has acted as advisor to companies and advisory bodies in the energy industry. Mr. Sandvold serves on other boards, including those of Schlumberger Limited, E.ON Ruhrgas Norge AS, Lambert Energy Advisory Ltd., Offshore Northern Seas, NorWind AS, OceanWind AS and the Energy Policy Foundation of Norway.

INFORMATION ABOUT DIRECTORS CONTINUING IN OFFICE

Class III Directors (terms expire in 2011)

Thomas Kuo-Yuen Hsu Mr. Kuo-Yuen Hsu has served as a Teekay director since 1993. He is presently a Director of CNC Industries, an affiliate of the Expedo Group of Companies that manages a fleet of six vessels of 70,000 dead weight tonnes. He has been a Committee Director of the Britannia Steam Ship Insurance Association Limited since 1988. He is chairman of Kattegat Limited and director of Resolute Investments, Ltd.

Axel Karlshoej Mr. Karlshoej was Chairman of the Teekay Board from June 1994 to September 1999, and has been Chairman Emeritus since stepping down. Mr. Karlshoej is President and serves on the compensation committee of Nordic Industries, a California general construction firm with which he has served for the past 30 years. He is the older brother of the late J. Torben Karlshoej, Teekay's founder.

Bjorn Moller..... Mr. Moller has held the position of Teekay's President and Chief Executive Officer since April 1998. Mr. Moller also serves as Vice Chairman and Director of Teekay GP L.L.C. (the general partner of Teekay LNG Partners L.P., a publicly traded entity controlled by Teekay Corporation), formed in November 2004; Vice Chairman and Director of Teekay Offshore GP L.L.C. (the general partner of Teekay Offshore Partners L.P., a publicly traded entity controlled by Teekay Corporation), formed in August 2006; and Chief Executive Officer and Director of Teekay Tankers Ltd. (a publicly traded entity controlled by Teekay Corporation), formed in October 2007. Mr. Moller has over 25 years experience in the shipping industry, and has served as Chairman of the International Tanker Owners Pollution Federation since 2006 and on the Board of American Petroleum Institute since 2000. He has held senior management positions with Teekay for more than 15 years, and has led Teekay's overall operations since January 1997, following his promotion to the position of Chief Operating Officer. Prior to this, Mr. Moller headed Teekay's global chartering operations and business development activities.

Director since 1998
Age 52

Class I Directors (terms expire in 2012)

Dr. Ian D. Blackburne..... Dr. Blackburne has over 25 years experience in petroleum refining and marketing, and in March 2000 he retired as Managing Director and Chief Executive Officer of Caltex Australia Limited, a large petroleum refining and marketing conglomerate based in Australia. He is currently serving as Chairman of CSR Limited and is a director of Suncorp-Metway Ltd., Australian public companies in the diversified industrial and financial sectors. Dr. Blackburne was also previously the Chairman of the Australian Nuclear Science and Technology Organization.

Director since 2000
Age 64

J. Rod Clark..... Mr. Clark retired from the position of President and Chief Operating Officer of Baker Hughes Incorporated in January 2009, a position he held since February 2004. In addition to his Board position with Teekay Corporation, Mr. Clark also serves as a Director with ENSO International and Kirby Corporation. Prior to his role as President and COO with Baker Hughes Incorporated, he was Vice President, Marketing and Technology from 2003 to 2004 after having joined Baker Hughes Incorporated in 2001 as Vice President and President of Baker Petrolite Corporation. Mr. Clark was President and Chief Executive Officer of Consolidated Equipment Companies, Inc. from 2000 to 2001 and President of Sperry-Sun, a Halliburton company, from 1996 to 1999. He has also held financial, operational and leadership positions with FMC Corporation, Schlumberger Limited and Grace Energy Corporation.

Director since 2006
Age 59

C. Sean Day..... Mr. Day has served as Teekay's Chairman of the Board since September 1999. Mr. Day has also served as Chairman of the Board for Teekay GP L.L.C. (the general partner of Teekay LNG Partners L.P., a publicly traded entity controlled by Teekay Corporation) since it was formed in November 2004, Teekay Offshore GP L.L.C. (the general partner of Teekay Offshore Partners L.P., a publicly traded entity controlled by Teekay Corporation) since it was formed in August 2006, and Teekay Tankers Ltd. (a publicly traded entity controlled by Teekay Corporation) since it was formed in October 2007. From 1989 to 1999, he was President and Chief Executive Officer of Navios Corporation, a large bulk shipping company based in Stamford, Connecticut. Prior to that, Mr. Day held a number of senior management positions in the shipping and finance industry. He is currently serving as a Director of Kirby Corporation, and Chairman of Compass Diversified Holdings. Mr. Day is engaged as a consultant to Kattegat Limited, the parent company of Resolute Investments, Ltd., Teekay's largest shareholder, to oversee its investments, including that in the Teekay group of companies.

Director since 1998
Age 60

COMMON STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding beneficial ownership, as of March 15, 2010 (except as otherwise noted), of Teekay common stock by:

- each person or entity known by Teekay to beneficially own more than 5% of Teekay's common stock; and
- all current Teekay directors and executive officers as a group.

The information provided in the table is based on information filed with the SEC and information provided to Teekay.

The number of shares beneficially owned by each person, entity, director or executive officer is determined under SEC rules and the information is not necessarily indicative of beneficial ownership for any other purpose. Under SEC rules a person or entity beneficially owns any shares as to which the person or entity has or shares voting or investment power. In addition, a person or entity beneficially owns any shares that the person or entity has the right to acquire as of May 14, 2010 (60 days after March 15, 2010) through the exercise of any stock option or other right. Unless otherwise indicated, each person or entity has sole voting and investment power (or shares such powers with his or her spouse) with respect to the shares set forth in the following table.

Beneficial Ownership Table

<u>Name and Address of Beneficial Owner</u>	<u>Amount of Shares Beneficially Owned</u>	<u>Percent of Class ⁽⁵⁾</u>
Resolute Investments, Ltd. ⁽¹⁾ 69 Pitts Bay Road Pembroke HM 08, Bermuda	30,431,380	41.9%
Iridian Asset Management, LLC ⁽²⁾ 276 Post Road West Westport, Connecticut 06880-4704	5,797,089	8.0 %
JP Morgan Chase & Co. ⁽³⁾ 270 Park Avenue New York, New York 10017	5,068,117	6.9%
All current directors and executive officers, as a group (18 persons) ⁽⁴⁾	2,718,455	3.7%

(1) Includes shared voting and shared dispositive power as to 30,431,380 shares. The ultimate controlling person of Resolute Investments, Ltd. (or Resolute) is Path Spirit Limited (or Path), which is the trust protector for the trust that indirectly owns all of Resolute's outstanding equity. This information is based on the Schedule 13D/A (Amendment No. 3) filed by Resolute and Path with the SEC on February 22, 2010. One of our directors, Thomas Kuo-Yuen Hsu, is the President and a director of Resolute. Another of our directors, Axel Karlshoej, is among the directors of Path. Please read "Certain Relationships and Related Party Transactions".

(2) Includes shared voting power and shared dispositive power as to 5,797,089 shares. This information is based on the Schedule 13G/A filed by this investor with the SEC on January 28, 2010.

(3) Includes shared voting power and shared dispositive power as to 5,068,117 shares. This information is based on the Schedule 13G/A filed by this investor with the SEC on January 22, 2010.

(4) Includes 2,277,475 shares of common stock subject to stock options exercisable by May 14, 2010 under the Plans with a weighted-average exercise price of \$35.98 that expire between March 14, 2011 and March 8, 2019. Excludes (a) 1,378,619 shares of common stock subject to stock options exercisable after May 14, 2010 under the Plans with a weighted average exercise price of \$22.34, that expire between March 10, 2018 and March 8, 2020 and (b) 329,648 shares of restricted stock which vest after May 14, 2010, (c) 87,054 performance shares which vest after May 14, 2010.

(5) Based on a total of approximately 72.7 million outstanding shares of our common stock as of March 15, 2010.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

As at March 15, 2010, Resolute Investments, Ltd. (or *Resolute*) owned 41.9% of Teekay's outstanding common stock. One of Teekay's directors, Thomas Kuo-Yuen Hsu, is the President and a director of Resolute. Another of Teekay's directors, Axel Karlshoej, is a director of Path Spirit Limited, which is the trust protector of the trust that indirectly owns all of Resolute's outstanding equity.

Pursuant to agreements with Teekay, each of Teekay's publicly listed subsidiaries, Teekay Tankers Ltd., Teekay Offshore Partners L.P. and Teekay LNG Partners L.P., has agreed to reimburse Teekay or its applicable subsidiaries for time spent by the executive officers on management matters of such publicly traded subsidiaries. For the year ended December 31, 2009, these reimbursement obligations totaled approximately \$1.2 million, \$1.3 million, and \$1.3 million, respectively, for Teekay Tankers, Teekay Offshore and Teekay LNG, and are included in amounts paid as strategic fees under the management agreement for Teekay Tankers and the services agreements for Teekay Offshore and Teekay LNG.

For more information regarding these relationships and related transactions, please read "Item 7 – Major Shareholders and Certain Relationships and Related Party Transactions" of our annual report on Form 20-F filed with the U.S. Securities and Exchange Commission on April 30, 2010.

EXECUTIVE OFFICERS

Name	Age	Position
Moller, Bjorn*	52	Director, President and Chief Executive Officer
Bensler, Arthur	52	EVP, General Counsel and Secretary
Chan, Bruce	37	President Teekay Tanker Services, a division of Teekay Corporation
Evensen, Peter	51	EVP and Chief Strategy Officer
Glendinning, David	56	President, Teekay Gas Services, a division of Teekay Corporation
Hvid, Kenneth	41	President, Teekay Navion Shuttle Tankers and Offshore, a division of Teekay Corporation
Lok, Vincent	42	EVP and Chief Financial Officer
Lytzen, Peter	51	President, Teekay Petrojarl ASA, a subsidiary of Teekay Corporation
Westgarth, Graham	54	President, Teekay Marine Services, a division of Teekay Corporation
Lois Nahirney	47	EVP, Corporate Resources

* For information regarding Mr. Moller, please see "Proposal No. 1: Election of Directors — Information About Directors Continuing in Office" above.

Arthur Bensler joined Teekay in September 1998 as General Counsel. He was promoted to the position of Vice President in March 2002 and became the Corporate Secretary of Teekay in May 2003. He was appointed Senior Vice President in February 2004 and Executive Vice President in January 2006. Prior to joining Teekay, Mr. Bensler was a partner in a large Vancouver, Canada law firm, where he practiced corporate, commercial and maritime law from 1987 until joining Teekay.

Bruce Chan joined Teekay in September 1995. Since then, in addition to spending a year in Teekay's London office, Mr. Chan has held a number of finance and accounting positions with the Company, including Vice President, Strategic Development from February 2004 until his promotion to the position of Senior Vice President, Corporate Resources in September 2005. In April 2008, Mr. Chan was appointed President of the Company's Teekay Tanker Services division, which is responsible for the commercial management of Teekay's conventional crude oil and product tanker transportation services. Prior to joining Teekay, Mr. Chan worked as a Chartered Accountant in the Vancouver, Canada office of Ernst & Young.

Peter Evensen joined Teekay in May 2003 as Senior Vice President, Treasurer and Chief Financial Officer. He was appointed Executive Vice President and Chief Financial Officer in February 2004 and as Chief Strategy Officer in November 2006. Mr. Evensen has served as the Chief Executive Officer and Chief Financial Officer of Teekay GP L.L.C. since it was formed in November 2004 and as a Director of Teekay GP L.L.C. since January 2005. Mr. Evensen has served as Chief Executive Officer, Chief Financial Officer and a Director of Teekay Offshore GP L.L.C. since it was formed in August 2006. He was appointed as Executive Vice President and as Director of Teekay Tankers Ltd in October 2007. Mr. Evensen has over 25 years of experience in banking and shipping finance. Prior to joining Teekay, Mr. Evensen was Managing Director and Head of Global Shipping at J.P. Morgan Securities Inc. and worked in other senior positions for its predecessor firms. His international industry experience includes positions in New York, London and Oslo.

David Glendinning joined Teekay in January 1987. Since then, he has held a number of senior positions, including service as Vice President, Marine and Commercial Operations from January 1995 until his promotion to Senior Vice President, Customer Relations and Marine Project Development in February 1999. In November 2003, Mr. Glendinning was appointed President of

our Teekay Gas Services division, which is responsible for our initiatives in the LNG business and other areas of gas activity. Prior to joining Teekay, Mr. Glendinning, who is a Master Mariner, had 18 years sea service on oil tankers of various types and sizes.

Kenneth Hvid joined Teekay in October 2000 and was responsible for leading Teekay's global procurement activities until he was promoted in 2004 to Senior Vice President, Gas Services. During this time, Mr. Hvid was involved in leading Teekay through its entry and growth in the LNG business. He held this position until the beginning of 2006, when he was appointed President of Teekay's Navion Shuttle Tankers and Offshore division. In this role he is responsible for global shuttle tanker business as well as initiatives in the floating production, storage and offtake business and related offshore activities. Mr. Hvid has over 18 years of global shipping experience, 12 of which were spent with A.P. Moller in Copenhagen, San Francisco and Hong Kong.

Peter Lytzen joined Teekay Petrojarl ASA as President and Chief Executive Officer on August 1, 2007. Mr. Lytzen's experience includes over 20 years in the oil and gas industry and he joined Teekay Petrojarl from Maersk Contractors, where he most recently served as Vice President of Production. In this role, he held overall responsibility for Maersk Contractors' technical tendering, construction and operation of Floating Production, Storage and Offtake (FPSO) and other offshore production solutions. He first joined Maersk in 1987 and held progressively responsible positions throughout the organization.

Vincent Lok joined Teekay in June 1993. Since then, he has held a number of finance and accounting positions, including Controller from 1997 until his promotions to the positions of Vice President, Finance in March 2002, Senior Vice President and Treasurer in February 2004 and Senior Vice President and Chief Financial Officer in November 2006. Mr. Lok was appointed to Executive Vice President and Chief Financial Officer in July 2007. He has also served as the Chief Financial Officer of Teekay Tankers Ltd. since October 2007. Prior to joining Teekay, Mr. Lok worked in the Vancouver, Canada audit practice of Deloitte & Touche LLP.

Lois Nahirney joined Teekay in August 2008, and is responsible for shore-based Human Resources, Corporate Communications, Corporate Services, and Information Technology. Ms. Nahirney brings to the role more than 25 years of global experience as a senior executive and consultant in human resources, strategy, organization change, and information systems. Prior to joining Teekay, she held the position of Acting Chief Human Resources Officer with BC Hydro in Vancouver, Canada, and Partner with Western Management Consultants.

Graham Westgarth joined Teekay in February 1999 as Vice President, Marine Operations. He was promoted to the position of Senior Vice President, Marine Operations in December 1999. In November 2003 Mr. Westgarth was appointed President of our Teekay Marine Services division, which is responsible for all of our marine and technical operations, as well as marketing a range of services and products to third parties, such as marine consulting services. He has extensive shipping industry experience. Prior to joining Teekay, Mr. Westgarth was General Manager of Maersk Company (UK), where he joined as Master in 1987. He has 36 years of industry experience, which includes 18 years' sea service, with five years in a command position. In November 2009, Mr. Westgarth was elected Chairman of the International Association of Independent Tanker Owners.

PRINCIPAL AUDITOR FEES AND SERVICES

Fees Incurred by Teekay for Ernst & Young LLP Services

Our principal accountant for 2008 and 2009 was Ernst & Young, LLP. The following table shows the fees Teekay Corporation and our subsidiaries paid or accrued for audit and other services provided by Ernst & Young LLP for 2008 and 2009.

<u>Fees</u>	<u>2008</u>	<u>2009</u>
Audit Fees ⁽¹⁾	\$ 6,744,000	\$6,082,000
Audit-Related Fees ⁽²⁾	20,400	269,000
Tax Fees ⁽³⁾	235,400	120,000
All Other Fees ⁽⁴⁾	<u>2,500</u>	<u>4,000</u>
Total	<u>\$ 7,002,300</u>	<u>\$6,475,000</u>

- (1) Audit fees represent fees for professional services provided in connection with the audits of Teekay's and its publicly listed subsidiaries consolidated financial statements, review of Teekay's quarterly consolidated financial statements and audit services provided in connection with other statutory or regulatory filings for Teekay or its publicly listed subsidiaries including professional services in connection with the review of Teekay's regulatory filings for public offerings of Teekay's subsidiaries. Audit fees for 2009 and 2008 include approximately \$1,060,000 and \$1,375,900, respectively, of fees paid to Ernst & Young LLP by Teekay LNG Partners L.P. that were approved by the Audit Committee of the Board of Directors of the general partner of Teekay LNG Partners L.P. Audit fees for 2009 and 2008 include approximately \$1,335,000 and \$1,356,000, respectively, of fees paid to Ernst & Young LLP by Teekay's subsidiary Teekay Offshore Partners L.P. that were approved by the Audit Committee of the Board of Directors of the general partner of Teekay Offshore Partners L.P. Audit fees for 2009 and 2008 include approximately \$383,000 and \$489,900, respectively, of fees paid to Ernst & Young LLP by Teekay Tankers Ltd. that were approved by the Audit Committee of the Board of Directors of Teekay Tankers.
- (2) Audit-related fees consisted primarily of accounting consultations, employee benefit plan audits, services related to business acquisitions, divestitures and other attestation services.
- (3) For 2009 and 2008, respectively, tax fees principally included international tax planning fees, corporate tax compliance fees and personal and expatriate tax services fees.
- (4) All other fees principally include subscription fees to an internet database of accounting information.

The Audit Committee has the authority to pre-approve permissible audit-related and non-audit services not prohibited by law to be performed by Teekay's independent auditors and associated fees. Engagements for proposed services either may be separately pre-approved by the Audit Committee or entered into pursuant to detailed pre-approval policies and procedures established by the Audit Committee, as long as the Audit Committee is informed on a timely basis of any engagement entered into on that basis. The Audit Committee separately pre-approved all engagements and fees paid to Teekay's principal accountant in 2009.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Audit Committee assists the Board in fulfilling its responsibilities for 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.

The Audit Committee manages Teekay's relationship with its internal auditors and its independent auditors, who both report directly to the Audit Committee. The Audit Committee has the authority to obtain advice and assistance from outside legal, accounting or other advisors as the Audit Committee deems necessary to carry out its duties and to receive appropriate funding, as determined by the Audit Committee, from Teekay for such advice and assistance.

Teekay's management has primary responsibility for preparing Teekay's consolidated financial statements and Teekay's financial reporting process. Teekay's independent auditors, Ernst & Young LLP, Chartered Accountants, are responsible for expressing an opinion on the conformity of Teekay's audited consolidated financial statements with accounting principles generally accepted in the United States.

In this context, the Audit Committee reports as follows:

1. The Audit Committee has reviewed and discussed the audited consolidated financial statements for fiscal 2009 with Teekay's management.
2. The Audit Committee has discussed with the independent auditors the matters required to be discussed by Statement of Auditing Standards No. 61, as amended or modified.
3. The Audit Committee has received the letter and written disclosures from the independent auditors required by Public Company Accounting Oversight Board, and has discussed the matter of independence with the independent auditors.
4. Based on the review and discussions referred to in paragraphs (1) through (3) above, the Audit Committee has recommended to Teekay's Board of Directors, and the Board has approved, that Teekay's audited consolidated financial statements be included in Teekay's Annual Report on Form 20-F for 2009, for filing with the SEC.

The undersigned members of the Audit Committee have submitted this Report to the Board of Directors.

Eileen A. Mercier, Chair
Peter S. Janson
J. Rod Clark