

Note 20. Related party transactions

The ultimate parent

High Liner Foods Incorporated is the ultimate parent entity.

Key management personnel compensation

In addition to their salaries, the Company also provides benefits to the CEO, NEOs and certain senior executive officers in the form of contributions to post-employment benefit plans on their behalf, non-cash plans and various other short- and long-term incentive and benefit plans as described below.

The amounts in the table below are the amounts recognized as an expense during the reporting period related to key management personnel compensation and comprise of:

(Amounts in \$000s)	January 2, 2016	January 3, 2015
Salaries and short-term incentive plans ¹	\$ 3,672	\$ 4,007
Post-employment benefits	257	114
Future employee benefits ²	361	315
Share-based awards ³	2,589	2,270
	\$ 6,879	\$ 6,706

1 Short-term incentive amounts were for those earned in 2015 and 2014.

2 Refer to Note 13 for details of each plan.

3 Refer to Note 17 for details regarding the Company's option and PSU plans.

Entity with significant influence over the company

As at January 2, 2016, Thornridge Holdings Limited owns 37.3% of the outstanding common shares in High Liner Foods (January 3, 2015: 37.6%).

Other related parties

Pier 17 Realty Trust Inc. ("Pier 17 Realty") was the lessor in the lease contract for the Company's processing plant in Malden, Massachusetts, which ceased production in the second quarter of 2015 as described in Note 6. As of December 13, 2015, the relationship between Pier 17 Realty and the Company ended and therefore Pier 17 Realty is no longer considered a related party. Total purchases from other related parties were \$0.4 million for the years ended January 2, 2016 and January 3, 2015.

The Company had no sales to or amounts due from related parties throughout 2014 or 2015, nor did the Company have any transactions during 2014 or 2015 with entities who had significant influence over the Company or with members of the Board of Directors and their related interests.

Note 21. Fair value measurement

Fair value of financial instruments

Fair value is a market-based measurement, not an entity-specific measurement. Fair value measurements are required to reflect the assumptions that market participants would use in pricing an asset or liability based on the best available information including the risks inherent in a particular valuation technique, such as a pricing model, and the risks inherent in the inputs to the model. Management is responsible for valuation policies, processes and the measurement of fair value within the Company.

The Company's loans and receivables, accounts payable and accrued liabilities, provisions and bank loans are carried at cost and their carrying values approximate fair value due to the short-term to maturity of these financial instruments. Financial liabilities carried at amortized cost are shown using the EIR method. Other financial assets and other financial liabilities represent the fair value of the Company's foreign exchange contracts as well as the fair value of its interest rate swaps on its debt.

The Company uses a fair value hierarchy, based on the relative objectivity of the inputs used to measure fair value, with Level 1 representing inputs with the highest level of objectivity and Level 3 representing inputs with the lowest level of objectivity. The following table sets out the classification of the methodology used by the Company to fair value its financial instruments: