

Canadian Coalition for
GOOD GOVERNANCE

THE VOICE OF THE SHAREHOLDER

August 31, 2010

Alberta Securities Commission
Autorité des marchés financiers
British Columbia Securities Commission
Manitoba Securities Commission
New Brunswick Securities Commission
Nova Scotia Securities Commission
Ontario Securities Commission
Registrar of Securities, Prince Edward Island
Saskatchewan Financial Services Commission – Securities Division
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Nunavut

C/O: John Stevenson
Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario
M5H 3S8

Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22^e étage
C.P. 246, tour de la Bourse
Montréal, Québec
H4Z 1G3

Dear Sir/Madame:

**Re: Proposed Amendments to NI 54-101 and Companion Policy 54-101CP
Communication with Beneficial Owners of Securities of a Reporting Issuer, NI 51-
102 and Companion Policy 51-102CP Continuous Disclosure Obligations and NP
11-201 Delivery of Documents by Electronic Means**

We have reviewed the above proposed amendments, which we will refer to collectively as the “Notice and Access Proposal” and thank you for the opportunity to provide you with our comments.

Representing the interests of institutional shareholders, CCGG promotes good governance practices in Canadian public companies and the improvement of the regulatory environment to best align the interests of boards and management with those of their shareholders, and to promote the efficiency and effectiveness of the Canadian capital markets. CCGG has 41 full members who collectively manage in excess of \$1.4 trillion of savings on behalf of most Canadians. A list of our members is attached to this submission.

In general, we applaud the efforts of the CSA to move this important initiative forward. We agree that a well-designed 'notice and access' system, which allows issuers to make information circulars available on their website, will encourage proxy voting, lower costs and make the proxy system more efficient. Our comments on some of the specific provisions of the Notice and Access Proposal are set out below.

Availability of Notice and Access

Although we do not disagree with allowing issuers to choose whether or not to utilize notice and access, we note that its selective use has the potential to add further complexity to an already complex system.

Similarly, limiting the Notice and Access Proposal to annual meetings will also add an additional layer of complexity with questionable benefit. You have indicated that you would like to assess the impact of the Notice and Access Proposal prior to extending it to special meetings where fundamental changes are subject to shareholder approval. From a shareholder perspective, however, the election of directors at the annual meetings is of fundamental importance. If notice and access is sufficient for annual meetings, we believe it should also be sufficient for special meetings.

We note that the Notice and Access Proposal would allow issuers to utilize notice and access for some but not all beneficial owners, although they would have to disclose that fact and explain why they are doing so. If an issuer chooses to establish notice and access, it is unclear to us why it should not be available to all beneficial owners. To the extent that notice and access has the potential to affect the level of voting by shareholders, we have some concern that an issuers' ability to offer it selectively could have the potential to affect voting results.

Materials provided to Shareholders

The Notice and Access Proposal will give issuers flexibility in the form of content of the notice provided that the notice contains certain specified information. While we do not oppose that flexibility, since the system is already so complex we do think it would be beneficial to standardize the information being provided to beneficial owners so that there is a uniform level of understanding of the system and the options available. You may be able to address this concern by ensuring that the "specified information" is sufficient to ensure such a uniform level of understanding.

The Notice and Access Proposal will also allow issuers to send additional material to beneficial owners with the required notice and voting instruction form. You have asked whether it would be appropriate for issuers to be allowed to include materials that address the substance of the matters to be voted on at the meeting. We do not think it would be appropriate for several reasons. First, we agree that it might create a disincentive to read the full information circular. Since the content of the notice and access materials would not be prescribed, there is the potential that an issuer could (intentionally or unintentionally) include an inaccurate or misleading summary of the information contained in the circular. Highlighting some items from the information circular and not others could also be misleading by omission and it is unclear whether there would be any liability associated with such additional information provided. Moreover, to the extent that notice and access will be offered to some beneficial shareholders and not others, allowing additional

information to be sent with the notice could result in groups of shareholders receiving different information or having different information emphasized.

Materials provided to OBOs

The Notice and Access Proposal will continue to allow issuers not to pay for delivery of materials to shareholders who object to their personal information being provided to issuers ("OBOs"), although it will now require issuers to disclose that fact. We understand from Broadridge that the impact of this distinction on the market is significant. The number of OBOs has increased from 20% in 2002 to 51% as of May 2010. As of that date, 37% of issuers are choosing not to pay for delivery of proxy materials to OBOs, impacting 416,593 OBOs representing over 14 billion shares. We do not think there is a principled reason for OBOs to be treated differently than shareholders who do not object to their personal information being shared with issuers ("NOBOs") in the proxy voting process. In our view, securities law should require issuers to send proxy related material (through notice and access or otherwise) at their expense to all of their shareholders, irrespective of whether they choose to protect the privacy of their personal information. We note that the ability to utilize notice and access for OBOs should minimize the cost to issuers of such a change.

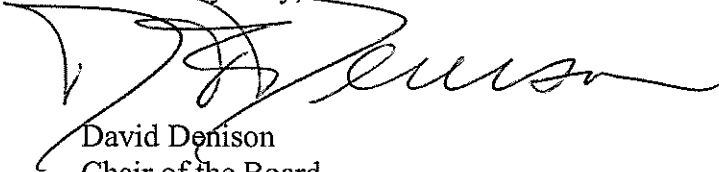
Reform of the Proxy System

You have asked for general comments on the integrity of the proxy voting process as a whole and whether there are particular areas that require reform and if so, in what priority. Having an effective proxy voting system is an essential foundation of shareholder democracy. It is of significant concern to our members that a shareholder voting its shares in Canada has no guarantee that those shares will be counted or counted accurately. We believe it is essential for the CSA to address the problems with the proxy voting system without delay. In this regard, we note that the SEC has issued a concept release as part of its broad review of the U.S. proxy voting system.

In this regard, we recommend that you carefully consider the analysis and recommendations of a report that is soon to be released by Carol Hansell of Davies Ward Phillips & Vineberg. We have had an opportunity to review a draft of that report and believe that it is the most comprehensive analysis of the proxy system in Canada that has been done to date. In our view, Ms. Hansell's report will be an excellent foundation upon which to base your analysis and the much needed reforms in this area.

We thank you again for the opportunity to provide you with our comments. If you have any questions regarding the above, please feel free to contact our Executive Director, Stephen Griggs, at 416.868.3585 or sgriggs@ccgg.ca.

Yours very truly,



David Denison
Chair of the Board
Canadian Coalition for Good Governance

CCGG FULL MEMBERS

Acuity Investment Management Inc.
Alberta Investment Management Corporation (AIMCo)
Alberta Teachers' Retirement Fund Board
Aurion Capital Management Inc.
BlackRock Asset Management Canada Limited
BMO Harris Investment Management Inc.
British Columbia Investment Management Corporation (bcIMC)
Burgundy Asset Management Ltd.
Canada Post Corporation Registered Pension Plan
CIBC Global Asset Management
Colleges of Applied Arts and Technology Pension Plan (CAAT)
Connor, Clark & Lunn Investment Management
CPP Investment Board
Franklin Templeton Investments Corp.
Genus Capital Management
Greystone Managed Investments Inc.
Hospitals of Ontario Pension Plan (HOOPP)
Jarislowsky Fraser Limited
Leith Wheeler Investment Counsel Ltd.
Lincluden Investment Management
Mackenzie Financial Corporation
McLean Budden Limited
MFC Global Investment Management
New Brunswick Investment Management Corporation (NBIMC)
Northwest & Ethical Investments L.P.
Ontario Municipal Employees Retirement Board (OMERS)
Ontario Pension Board
Ontario Teachers' Pension Plan (Teachers')
OPSEU Pension Trust
Public Sector Pension Investment Board (PSP Investments)
RBC Asset Management Inc.
Régimes de retraite de la Société de transport de Montréal
Scotia Asset Management
SEAMARK Asset Management Ltd.
Sionna Investment Managers Inc.
Standard Life Investments Inc.
TD Asset Management Inc.
UBS Global Asset Management (Canada) Co.
University of Toronto Asset Management Corporation
Workers' Compensation Board - Alberta
York University