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January 26, 2011

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

RE: OSC STAFF NOTICE 54-701  
REGULATORY DEVELOPMENTS REGARDING SHAREHOLDER DEMOCRACY ISSUES

In my January 13, 2011 submission, I recommended that the real solution to the shareholder democracy issue was to require officers and directors of public companies to hold a significant number of shares in the corporation so as to ensure their interests were aligned with those of the public shareholders.

The only thing that could be argued against this requirement is that it is impractical. This possible objection is refuted by the voluntary adoption of just such a requirement by a Canadian public company.

Since forwarding my January 13, 2011 letter, it has come to my attention that at least one Canadian public company has just such a requirement.

Gildan Activewear Inc. has a Director Share Ownership Policy pursuant to which each outside director is expected to establish, over a period of five years, ownership of an amount of common shares and/DSUs which is equivalent in value to three times the annual Board retainer and to maintain this position. Further, they are prohibited from purchasing financial instruments designed to hedge or offset decreases in market value of the shares. Gildan also has an Executive Share Ownership Policy pursuant to which each executive is expected to own and maintain ownership of an amount of common shares which is the lower of a multiple of base salary or a fixed share requirement based on a schedule by executive level. I believe the requirement should be based on a multiple or percentage of total remuneration rather than base salary to avoid companies paying small base salaries and large bonuses to get around the requirement.

As I indicated before, the required shareholdings of board members should be large enough to ensure their financial interests both to the upside and downside are aligned with shareholders in general. The alignment to the downside is critical to avoid officers and directors making one way bets to the detriment of shareholders.

I hope these comments will be of some assistance to you. I would be happy to elaborate further or answer any questions you have.

Respectfully submitted

Rodney Smith