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February 17, 2011

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission – Securities Division
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Government of Yukon
Registrar of Securities, Department of Justice, Government of the Northwest Territories
Registrar of Securities, Legal Registries Division, Department of Justice, Government of Nunavut

c/o Mr. John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8

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

Sent via e-mail

Dear Sirs and Mesdames:

The Ontario Teachers' Pension Plan Board ("Teachers'") is an independent corporation responsible for investing over $96 billion in assets and administering the pensions of Ontario's 175,000 elementary and secondary school teachers and 114,000 retired teachers. On behalf of our members, we thank you for the opportunity to comment on proposed amendments to Form 51-102F6 *Statement of Executive Compensation* ("51-106F1") and the consequential amendments thereto. We hope that you find our comments thoughtful and relevant.

In general, we are supportive of the proposed amendments as we believe they will improve the clarity of compensation information currently provided to shareholders and congratulate the CSA for bringing them forward at this time. Following are our comments to the specific proposed amendments.

ITEM 2 – Compensation Discussion and Analysis (CD&A)

Serious prejudice exemption in relation to the disclosure of performance goals or similar provisions

Teachers' agrees that an issuer should be required to explicitly state when it is relying on the serious prejudice exemption and to explain why providing the performance goals would seriously harm the issuer's interest. In the past we have found that issuers rely on the serious prejudice exemption without sufficient justification, even when the relevant information was previously disclosed in other publicly filed documents. We believe that an issuer should have to explicitly state that it is relying on the serious prejudice exemption and show reasonable cause for such reliance.

Risk management in relation to the issuer's compensation policies and practices

Teachers' supports the amendment requiring an issuer's CD&A to address whether its Board has considered the implications of the risks associated with the issuer's compensation policies and practices. The amendments will encourage Boards to assess compensation policies and practices in terms of whether or not they encourage executives to engage in unintended or inappropriate risky behaviours.

While we believe that the examples provided in paragraph 4. of the commentary to Section 2.1(5) are appropriate in a general sense, the paragraph should explicitly state that the list of examples is not exhaustive and that it is the responsibility of the issuer to assess its particular circumstances to determine what situations could encourage inappropriate or excessive risks.

Disclosure regarding Executive Officer and Director hedging

We believe that issuers should be required to disclose their policy with respect to the ability of Named Executive Officers (NEOs) and directors to hedge their equity investment in the issuer. However, we do not feel that this proposed amendment goes far enough.

In addition to requiring a disclosure of the policy, Teachers' believes that issuers should also disclose which NEOs and directors, as of the date of the Management Information Circular, engaged in hedging activity over the past year. As written, the proposed amendment only obligates issuers to disclose if a policy exists, leaving it up to the investor to search through the System for Electronic Disclosure by Insiders (SEDI) to confirm whether any NEOs and/or directors have in fact hedged their equity interests in the past year.

We believe there is value to shareholders in knowing who has actually hedged their equity exposure to the issuer. It is commonly accepted that the purpose of share ownership by executives and directors is to create an alignment of interests with shareholders. When shares are hedged, the number of shares reported as owned is not the same as the number of shares over which the individual maintains direct economic control or exposure. If NEOs and directors are able to reduce their economic exposure through hedging, the alignment of their interests with the interests of shareholders

becomes distorted. We believe it is important for shareholders to know when such a misalignment occurs. Any statements with respect to the hedging activities undertaken by NEOs and directors should be current to the date of the Circular, as is the share ownership/control disclosure required under Item 7 of Form 51-102F5 Information Circular.

Requiring issuers to provide the names of individuals who have hedged will not impose any additional costs on issuers and will present investors with a significantly less misleading picture of the actual equity exposure of directors and NEOs. The additional disclosure will also allow investors to perform a more targeted and efficient search in SEDI to determine whether a significant misalignment of interests has occurred.

Disclosure of fees paid to compensation advisors

Teachers' agrees that the current disclosure required for compensation consultants should be expanded to include a description of the advisor's mandate and a breakdown of the fees paid, as described in the proposed amendments. We do not believe that a materiality threshold based on a specified dollar amount is appropriate; whether a specific amount is material will vary based on the size of the issuer and the size of the consultant. We believe that all fees should be disclosed, regardless of magnitude, as the size and breakdown of fees paid can be of value to shareholders in revealing any potential bias on the part of the issuer and/or advisor.

ITEM 3 – Summary Compensation Table (SCT)

SCT Format

We support the proposed amendment to prohibit alterations to the SCT. A common format for the SCT creates consistency in reporting. We agree that issuers should add additional tables and charts, rather than amending the SCT, if they feel additional information is required to provide investors with a more complete picture.

Reconciliation to "accounting value"

We agree with this proposed amendment. Teachers' believes there is value in having all the information in the management information circular, easily accessible to shareholders.

ITEM 5 – Pension Plan Benefits

As the proposed amendments address disclosure with respect to defined contribution plans (DC plans), we see no need to require issuers to disclose the NEO's discretionary contribution to a plan, since such contributions do not form a portion of the individual's compensation.

Other Issues

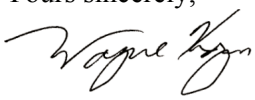
Amount realized upon exercise of option awards

We are disappointed that the CSA chose not to require disclosure of gains realized upon the exercise of option awards. This information is of value to shareholders as it completes the picture of total compensation paid to the executive. The disclosure provided at the time of grant is an estimate of what the Board believed it was paying the executive as of such date, sometimes referred to as the "compensation opportunity". Disclosing the gains provides information on what the executive actually received. Both pieces of information are important factors to consider when evaluating compensation programs. Part of this comparison will be a comparison among the compensation opportunity, actual compensation realized and performance. We believe requiring shareholders to conduct a SEDI search to create their own calculations of option award gains per NEO (as recommended in the proposed amendments) is cumbersome, highly inefficient and goes against the spirit of many of these amendments in providing clearer, consolidated compensation information to shareholders.

Performing the calculation of option gains requires the ability to match the option grants with option exercises. Unfortunately, SEDI filings do not provide sufficient information to match grants and exercises. This is particularly evident when there have been multiple awards at fluctuating prices. The application of a "first in first out" (i.e. the oldest options are exercised first) or a "lowest price first" approach to calculating option gains is impractical and inexact.

We appreciate the opportunity to respond to your request for comment and hope that you find our feedback relevant. Feel free to contact us if we can be of further assistance.

Yours sincerely,



Wayne Kozun
Senior Vice-President, Public Equities