

Ethical Investment Group Groupe d'investissement éthique

29 March 2011

Ontario Securities Commission
20 Queen St. West
19th floor, Box 55
Toronto ON M5H 3S8
Attention: John Stevenson, Secretary
Email: jstevenson@osc.gov.ca

Re: OSC Staff Notice 54-701: Regulatory Developments Regarding Shareholder Democracy Issues

Dear Mr Stevenson:

I am writing on behalf of the Ethical Investment Group (EIG), an investment club based in Montreal, whose primary goal is to make socially responsible investments. In addition to using SRI principles to choose the companies in which we invest, we are active as shareholders and routinely submit our proxy votes after careful analysis of proposals presented at annual shareholder meetings. We hold both Canadian and US companies in our portfolio.

We wish to express our support for the two important proposals presented in the above-mentioned OSC Staff Notice.

(1) Elimination of slate voting and mandatory majority voting for uncontested director elections.

Slate voting, in which shareholders may only vote on the entire slate of director nominees presented by management, prevents us from voting against specific directors on performance issues, e.g. poor board attendance. Our interests as shareholders would be better served by individual director voting, with a majority voting standard. In this case, any director without shareholder support would not be elected.

(2) Mandatory shareholder advisory votes on executive compensation (Say-on Pay).

Say-on-Pay is an important tool allowing shareholders to provide boards with feedback on executive compensation. Corporate management has a duty of accountability to its shareholders, who have a right to disclosure of executive pay information. We see this already acknowledged in our US holdings, following the coming into force of the Dodd-Frank Act. We believe Say-on-Pay will lead to the establishing of more responsible remuneration practices.

We trust these two initiatives will be incorporated into new securities regulation based on shareholder democracy principles.

Thank you,

Yours truly,



Judith Bird
Co-Chair, Equities Trading Committee, & Secretary



1980 Sherbrooke St. W,
Suite 720,
Montreal, QC H3H 1E8
Canada

Telephone: +1 514 939-6262 ex 202
Fax: +1 514 939-1880
Email: eig_gie@yahoo.com
Website: www.gie-eig.ca