

March 31, 2011

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

Dear Mr. Stevenson,

Re: OSC Staff Notice 54-701– Regulatory Developments Regarding Shareholder Democracy Issues - Effectiveness of Proxy Voting System

As a leading custodian in the Canadian market, RBC Dexia Investor Services would like to respond to the OSC following your request for comments in Staff Notice 54-701.

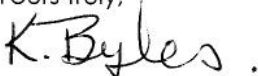
By way of background, RBC Dexia currently provides custody services to more than 3,200 institutional clients, representing 37,000 accounts. Our clients are administrators of large institutional funds, including pension plans, mutual funds, insurance companies, domestic and foreign financial institutions, corporations, governments and their investment managers, as well as investment counsellors representing high net worth individuals. RBC Dexia has CAD 2.8 trillion in client assets under administration and ranks among the world's top 10 global custodians.

We commend the OSC for your commitment to review protections for shareholders' rights and shareholder democracy issues and, in particular, your review of the effectiveness of the proxy voting system. We have read the discussion paper released by Davies Ward Phillips & Vineberg, *The Quality of the Shareholder Vote in Canada*, and, if its portrayal of the proxy voting system in Canada is accurate, are deeply concerned.

As Canada's leading custodian, RBC Dexia has invested time and resources in our proxy voting systems and we take great pride in the effective processes we have established to vote shares on behalf of our clients. RBC Dexia employs robust safeguards that protect against the possibility of double voting, as well as options that enable owners to participate in securities lending programs while retaining the option to vote.

We feel that our expertise and knowledge in the industry might be helpful to the OSC and would be interested in actively participating in your consultative process. We would be pleased to discuss these issues with you or your delegate at your convenience.

Yours truly,



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