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Delivered By Email

March 31, 2011

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

Dear Sir:

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

We appreciate the opportunity to comment upon the issues raised in OSC Staff Notice 54-701 – *Regulatory Developments Regarding Shareholder Democracy Issues*. Our comment is focused on the issue of mandatory shareholder advisory votes on executive compensation and “golden parachute” payments, or “say on pay”. We strongly encourage the Ontario Securities Commission, in conjunction with the other Canadian securities regulatory authorities, to develop a proposal to make “say on pay” mandatory for reporting issuers in Canada.

By way of introduction, our firm is actively involved in protecting the interests of shareholders against corporate misconduct. We represent institutional and retail shareholders in securities class actions and other shareholder rights litigation. In particular, our firm was one of the first firms in Canada to investigate and prosecute actions relating to stock option backdating and other manipulation, and through that process we have seen first-hand abusive executive compensation practices within Canadian public companies.

We are at a loss to understand why reporting issuers would be resistant to shareholders having the right to express their *non-binding* opinion on an issuer’s approach to executive compensation. The specious argument has been advanced that “say on pay” would entail an unwanted intrusion by shareholders into executive compensation, which is the exclusive domain of directors. However, “say on pay” would not derogate from the powers of directors with respect to executive compensation. It simply requires them to exercise those powers with a view to respecting the views of shareholders. In light of the fact that there is no mandatory requirement in Canada for all members of a reporting issuer’s compensation committee to be

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independent, we believe that “say on pay” would provide an important check on executive compensation practices.

“Say on pay” has been endorsed by the Canadian Coalition for Good Governance, which recommends that boards voluntarily add to each annual meeting agenda a shareholder advisory vote on the executive compensation disclosure contained in the annual proxy circular. That endorsement should be accepted as a resounding statement by Canadian shareholders that “say on pay” is a valuable development for corporate governance in Canada. Many reporting issuers in Canada have voluntarily adopted “say on pay”,¹ which is a testament to the fact that “say on pay” is not an onerous requirement and that it is viewed as a positive development. Other reporting issuers should follow the example set by the early adopters of “say on pay”.

While we agree with some of the submissions that direct dialogue between shareholders and directors is critical to ensuring that executive compensation practices (and, indeed, all other significant corporate actions) comport with shareholder expectations, it is not, and cannot be, the only means of achieving that objective. Retail investors may not have the same access, or may not believe that they have the same access, to directors as large institutional shareholders, and therefore “say on pay” provides an important mechanism for retail investors to voice their approval or disapproval of executive compensation practices. An unfavourable “say on pay” could encourage directors to look critically at their compensation practices and seek further input from shareholders about the areas in which improvement is required. In this way, “say on pay” is not an alternative to direct dialogue but rather a potential impetus for direct dialogue.

We would also point out that, in the private company context, it would be uncontroversial that shareholders should have the right to express their views on executive compensation. We believe that the case for extending that right to shareholders is even more compelling in the public company context where, because voting power is widely distributed, shareholders have less control over the actions of directors.

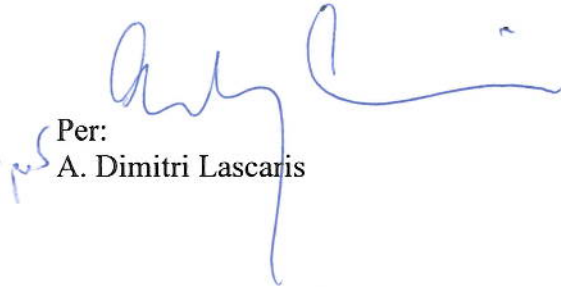
We recognize that mandatory “say on pay” is not a panacea for all issues relating to executive compensation but we do believe that it would represent a positive step forward for corporate governance in Canada.

¹ See the list of companies that have adopted “say on pay” at www.share.ca.

We look forward to reviewing the Commission's proposals with respect to the matters addressed in OSC Staff Notice 54-701.

Yours truly,

Siskinds LLP

A handwritten signature in blue ink, appearing to read 'A. Dimitri Lascaris', is written over the typed name. The signature is fluid and cursive, with a long horizontal stroke at the end.

Per:
A. Dimitri Lascaris