

June 3, 2013

Mr. Robert Day  
Manager, Business Planning  
Ontario Securities Commission  
20 Queen Street West  
19th Floor, Box 55  
Toronto, Ontario M5H 3S8

via email: [rday@osc.gov.on.ca](mailto:rday@osc.gov.on.ca)

Dear Mr. Day,

**Re: Ontario Securities Commission (“OSC”) Draft 2013-2014 Statement of Priorities**

We have reviewed the OSC’s draft 2013-14 Statement of Priorities and thank you for the opportunity to provide you with comments.

BC Investment Management Corporation (bcIMC) is one of the largest Canadian institutional investors and manages a C\$100 billion portfolio of globally diversified investments on behalf of the public sector pension plans of British Columbia and publicly-administered trust funds, as well as other public sector bodies. As a large, diversified investor, bcIMC believes that sound corporate governance and corporate responsibility practices contribute to the long-term success of our investments, particularly in the public corporations in which we own shares.

Overall, we were disappointed that the OSC’s commitment to improvements in the proxy voting system was not reflected in the 2013 Draft Statement of Priorities. Over the past year, the urgency of our ability as investors to be able to rely on the integrity of the proxy voting system has escalated. We understand that the Canadian Securities Administrators are focussing on these issues and that the OSC is part of that initiative. However, we believe that it is important for each securities regulator to maintain its individual commitment to the basic right of shareholders to have every vote cast to be fully counted at each shareholder meeting. In our view, shareholders are entitled to rely on the OSC and each of the other securities regulatory authorities to protect that right. We urge the OSC to reflect its commitment to improving the proxy voting system prominently in its Statement of Priorities for 2013-2014.

In bcIMC’s previous submission to the OSC dated May 29, 2012 we advocate for a number of changes to the proxy voting system. In addition, the recent proxy battle involving Agrium and JANA Partners highlighted an additional regulatory gap related to proxy voting. In the case of Agrium, compensation was offered to retail brokers for encouraging clients to support company management rather than the dissident.

Such practices are not permitted in the United States and it is our opinion that it should also not be permitted in Canada. The OSC could collaborate with the Investment Industry Regulatory Organization of Canada (IIROC) to address this under its identified priority of *Advisor Responsibilities to Investors*.

Finally, another outstanding issue on the regulatory front is the issue of majority voting. While the TSX has amended its listing standards to adopt a 'comply or explain' approach on majority voting, our preference is a mandatory majority voting standard for all reporting issuers in Ontario. As a member of the Canadian Coalition for Good Governance (CCGG) we reiterate their submission asking that the OSC "*spearhead reform initiatives with other regulators and lawmakers so that a majority voting standard for uncontested director elections is required for all Canadian public companies.*"

Thank you again for this opportunity to comment on the 2013-2014 Draft Statement of Priorities. Should you have any questions, please do not hesitate to contact Jennifer Coulson at [jennifer.coulson@bcimc.com](mailto:jennifer.coulson@bcimc.com).

Regards,



Doug Pearce  
Chief Executive Officer/Chief Investment Officer