



STATE STREET.

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RE: CSA Consultation Paper 54-401 Review of the Proxy Voting Infrastructure

Dear Sirs/Mesdames:

State Street Corporation (“State Street”) appreciates the opportunity to provide comments on Consultation Paper 54-401: Review of the Proxy Voting Infrastructure (“Consultation Paper”) issued by the Canadian Securities Association (“CSA”) in August of 2013.

State Street is one of the world's leading providers of financial services to institutional investors including investment servicing, investment management and investment research and trading. With \$26 trillion in assets under custody and administration and \$2.2 trillion in assets under management at September 30, 2013, State Street operates in more than 100 geographic markets worldwide, including the U.S., Canada, Europe, the Middle East and Asia.

State Street’s comments today focus on three key areas we view as particularly important to our customers and the proxy system as a whole: improvements to the vote confirmation

process, issues related to the lending and borrowing of securities, and the impact of OBO-NOBO concept on voting integrity.

End-to-end Voter Confirmation

State Street agrees with the suggestions in the Consultation Paper that the Canadian proxy system would be improved through an end-to-end vote confirmation process. While we do not observe any evidence of significant failures in tabulations of votes or the calculation of voting entitlements, we agree that shareholders, intermediaries and issuers would all benefit from more effective and transparent vote confirmation. While end-to-end vote confirmation is available through certain vendors, a uniform, regulatory-mandated system of vote confirmation would provide increased opportunities to further advance Straight-Through-Processing (STP) initiatives within the process, improve investor confidence in the proxy voting process and, potentially, increase shareholder voting participation.

Impact of Securities Lending

State Street acts as a securities lending agent for a variety of institutional investor customers, including mutual funds and pension funds. In this capacity, we have established systems which permit these investors to recall shares they may wish to vote, generally requiring a client to provide notice within four days of the recall date.

In our experience, institutional investors participating in securities lending programs are well-informed on the proxy voting process as it relates to securities lending, and aware of their need to balance the economic benefits of lending securities with their interests in voting proxies. Generally, unless a proxy vote is expected to have a materially economic impact on an issuer, institutional lenders of securities frequently elect not to recall securities in order to vote proxies, due to the potential loss of income from the securities lending program. We believe further regulation in this area would not impact the decision making process for lenders, and consequently, is unlikely to increase voting participation by institutional investors lending securities.

Impact of the OBO-NOBO Concept on Voting Integrity

State Street supports high levels of transparency throughout the proxy process, and recognizes the potential benefits, particularly the potential cost savings, of increasing direct communication between issuers and beneficial owners. However, we believe the benefits of transparency and efficiency should be weighed against the legitimate preference of some shareholders for anonymity. By enhancing the issuer's ability to identify shareholders and target communications, both parties can experience more meaningful engagement. Likewise, the distribution of solicitation materials would be more efficient and less burdensome to both issuers and investors. Nevertheless, some shareholders or beneficial owners may prefer to remain anonymous for a variety of reasons, most notably in order to protect proprietary

trading strategies or other confidential information, or to otherwise avoid use of shareholder information for purposes other than proxy solicitation purposes.

We support efforts to consider alternatives to address this issue, but urge the CSA to proceed cautiously, and seek a balanced solution that protects the legitimate interests of shareholders who wish to remain anonymous and offer issuers an enhanced level of transparency into their shareholder base.

State Street will be pleased to engage further with the CSA on these issues as the regulatory process proceeds.

Sincerely,

A handwritten signature in black ink, appearing to read "Stefan M. Gavell". The signature is fluid and cursive, with a prominent initial "S" and "G".

Stefan M. Gavell