



Eric B. Miller
Senior Vice President, Chief Legal Officer

Agrium Inc.
13131 Lake Fraser Drive S.E.
Calgary, Alberta, Canada T2J 7E8
Telephone: (403) 225-7000
Direct Line: (403) 225-7016
Facsimile: (403) 225-7610
Email: Eric.Miller@agrium.com

June 23, 2014

VIA EMAIL

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Superintendent of Securities, Prince Edward Island
Nova Scotia Securities Commission
Financial and Consumer Services Commission of New Brunswick
Securities Commission of Newfoundland and Labrador
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Nunavut

c/o The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor, Box 55
Toronto, Ontario M5H 2S8
Fax: 416-593-2318
Email: comments@osc.gov.on.ca

- and -

M^e Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22^e étage
C.P. 246, tour de la Bourse
Montréal, Québec H4Z 1G3
Fax: 514-864-6381
Email: consultation-en-cours@lautorite.qc.ca

RE: National Policy 25-201 Guidance for Proxy Advisory

Dear Sirs:

It is with great interest that your proposed National Policy 25-201 Guidance for Proxy Advisory Firms (the "Proposed Policy") was reviewed and the opportunity to comment on the Proposed Policy is

appreciated. This letter addresses what is considered to be the most important elements of the Proposed Policy from our experience.

Questions of General Governance versus Situational Expertise

Proxy Advisory Firms (“PAFs”) serve a very useful function on matters of pure governance related to accepted governance standards. The Proposed Policy rightfully is concerned with not hampering institutional shareholders ability to rely on the recommendations of the PAFs, and to allow the PAFs accreditation in governance. However, the Proposed Policy lacks both an appreciation of the issuer’s perspective and rigor in approaching the activities and impacts that PAFs have in the proxy voting market place (which Proxy Voting System already has its own compounding issues which the CSA is exploring). In doing so the CSA has failed to take the opportunity to clearly distinguish the pure governance situations from those where PAF’s do not have the expertise such as “Contested Situations” (ie. hostile takeovers / contested proxy battles based on different opinions of strategy). In these situations, because of the influence of the PAF’s, recommendations should be highly caveated unless they can show a level of expertise that the CSA is satisfied with.

Understanding the Proxy Landscape

While everyone can appreciate the enormity of the requirement on institutions to review virtually every investment’s proxy circular for good governance in order to meet the obligation to their investors, it is probably also recognized that to farm out the decision in Contested Situations to the PAFs would be a dereliction of such obligation. And while most institutions will say that in Contested Situations they do their own analysis and arrive at their own conclusions, a PAF recommendation is difficult to ignore in the marketplace. An additional and very important unintended consequence of all of this however, is the fact that many index funds and other smaller funds that do not have the resources rely solely on the PAFs recommendation. This can be a significant percentage of an issuer’s shareholdings.

As a policy matter therefore, putting the onus on institutions to certify to their investors that in Contested Situations they have met an appropriate level of due diligence (to be defined) to meet their obligation would be a reasonable step to consider. As an additional consideration, the CSA might look to recent European proposals which would see institutions explain how their decisions match their investment objectives and profile.

Required Consultation

And lastly with respect to expecting PAFs to engage in “consultation” with issuers the engagement with issuers would most often be described as a hurried submission, not consultation. The process must be hardwired such that when a PAF has reasonably determined that it will make a recommendation adverse to the issuer that the duty to consult is immediate. Leaving the “consultation” to the day or two before the report will be issued is not good or fair process.

Given this background, it is submitted that a policy-based approach providing guidance on recommended practices and disclosure is not appropriate in Contested Situations. At a minimum, the CSA should recognize and require that:

1. Institutions have an obligation to their investors and must do their own unbiased consultation and analysis in Contested Situations;
2. Institutions should establish an internal process to certify that they have complied with their obligation in Contested Situations;
3. It can be argued that PAFs do not have the expertise to opine in Contested Situations, and that to do so requires additional expertise certification from the CSA;

Again, thank you for the opportunity to comment on the Proposed Policy. Should you have any further questions or wish to discuss, please contact the undersigned.

Sincerely,

A handwritten signature in blue ink, appearing to read "EB Miller". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Eric B. Miller
Senior Vice President, Chief Legal Officer