



Pension Investment
Association of Canada
Association canadienne des
gestionnaires de caisses de retraite

May 9, 2016

Robert Day
Senior Specialist Business Planning
Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, Ontario
M5H 3S8
Via rday@osc.gov.on.ca

Dear Mr. Day

Re: NOTICE 11-774 – STATEMENT OF PRIORITIES

We are writing in response to the March 10, 2016 publication for comment of the above-captioned Notice outlining the OSC's proposed 2016-2017 Statement of Priorities.

PIAC has been the national voice for Canadian private and public pension funds since 1977 in matters related to pension investment and governance. Senior investment professionals employed by PIAC's member funds are responsible for the oversight and management of over \$1.5 trillion in assets on behalf of millions of Canadians. PIAC's mission is to promote sound investment practices and good governance for the benefit of pension plan sponsors and beneficiaries.

We wish to applaud the OSC for including in its articulation of its goals for the coming year an action plan to conduct targeted disclosure reviews to monitor the progress on corporate governance changes related to disclosure requirements for gender diversity on boards and executive officer positions and determine the impact of those changes in our markets. To this end, we understand that the OSC intends to complete a review of all TSX-listed issuers to assess compliance with these disclosure requirements.

In our view, corporate decision-making benefits from a diversity of views which in turn leads to improved direction, leadership, growth and performance. Diversity in general and gender diversity in particular improves an organization's ability to innovate, attract partners and retain and cultivate talent in changing demographics and unpredictable markets. We feel that the introduction of the comply or explain framework for TSX-listed

firms under National Instrument 58-101 was an important step towards establishing a higher level of representation of women on boards and in executive positions. We agree with the OSC that an “evidence-based approach” is critical to effective policy development and regulatory oversight. To this end, we feel that the efforts the OSC proposes to make to evaluate disclosures made to date as part of a commitment to maintain a public focus on corresponding corporate governance changes is a critical component for achieving further progress. Furthermore, PIAC suggests that, in the event of a lack of progress, the OSC may consider additional measures to encourage and enhance compliance. Companies should be encouraged to conduct rigorous individual director evaluations and avoid automatic re-nomination of directors.

PIAC’s members represent pension plans with a focus on delivering returns over the long term. In alignment with the OSC’s goals to be an effective and responsive securities regulator, to align with international best practice standards, and to instill investor confidence, we would like to request the OSC include mandatory Say on Pay for issuers on the OSC’s proposed 2016-2017 Statement of Priorities. We believe that Say on Pay offers an important means of communication between shareholders and issuers which is fundamental to shareholder democracy. We further encourage the OSC to take concrete steps towards implementing mandatory Say on Pay so that Canadian shareholders may benefit from what is increasingly recognized globally as best corporate governance practice.

Thank you for this opportunity to respond to the proposed Statement of Priorities.

Yours sincerely,



Lisa Jankov
Chair