



Pension Investment
Association of Canada

Association canadienne des
gestionnaires de caisses de retraite

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Michel Pomotov
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Email: tsxrequestforcomments@tsx.com

RE: Proposed amendments to Part IV of the Toronto Stock Exchange (“TSX”) Company Manual (the “Manual”)

This submission is made by the Pension Investment Association of Canada (“PIAC”) in reply to the request for comments by TSX concerning proposed amendments to Part IV of the Manual (the “Amendments”) issued on September 9, 2011.

PIAC has been the national voice for Canadian pension funds since 1977. Senior investment professionals employed by PIAC's member funds are responsible for the oversight and management of over \$1 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 are pleased that TSX has proposed the Amendments which we believe will bring Canada closer to practices established in other major international jurisdictions with respect to director elections. We believe the Amendments are appropriate for TSX to pursue and that all exchanges should require their issuers to adopt these corporate governance standards which improve shareholder democracy. We have provided comments below in respect of the issues where we felt that our perspective might be helpful.

Majority Voting

PIAC believes that a majority vote policy for the election of directors should be adopted by all issuers. We agree that the proposed “comply or explain” disclosure model will encourage increased adoption of a majority voting policy. However, we think it is appropriate for TSX to go further and require listed issuers to adopt a majority voting policy for the election of directors. This will hold directors accountable for their performance and ensure that members of the board have the full confidence of shareholders.

Disclosure of voting results

PIAC believes that detailed voting results for all items should be disclosed to the public as soon as possible following all shareholder meetings, regardless of whether the vote was by way of a show of hands or ballot. We agree with the TSX statement that “[d]isclosure of the votes received for each director is also valuable information for security holders and other stakeholders”. We further believe that shareholders already have a reasonable expectation that issuers who have adopted or committed to adopt a majority voting policy will publically disclose detailed voting results setting out the level of support that a director received. Consequently, PIAC is strongly of the view that the requirement to make public disclosure of voting results should be formalized in a TSX rule and that the required disclosure should be by way of a press release and a filing on SEDAR.

We recommend that the TSX rule not provide that a ballot be a precondition to public disclosure of the detailed director election vote results. Unless a vote by ballot is required at a shareholders’ meeting, it is our view that the new TSX rule should provide that the issuer disclose the number of votes withheld and the number of votes cast in favour of each director, as voted by proxy.

We appreciate this opportunity to comment on the Amendments. Please do not hesitate to contact Stéphanie Lachance, Chair of the Corporate Governance Committee (514-925-5441; slachance@investpsp.ca), if you wish to discuss any aspect of this letter in further detail.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Barbara Miazga', with a stylized flourish extending to the right.

Barbara Miazga
Chair

cc: Ontario Securities Commission – marketregulation@osc.gov.on.ca