

Canadian Coalition for  
GOOD GOVERNANCE

THE VOICE OF THE SHAREHOLDER

January 19, 2009

The Honorable Christopher Cox, Chair  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

RE: Broker Non-Votes

Dear Chairman Cox:

I am writing this letter on behalf of the members of the Canadian Coalition for Good Governance ("CCGG"). The membership of the CCGG consists of 45 institutional investors (listed in the appendix) that manage, in aggregate, approximately C\$1.4 trillion. The submission represents the collective view of the CCGG members.

Approximately 170 Canadian listed issuers are listed on a U.S. exchange and most other Canadian issuers have shareholders in the U.S. Many of these shares are held by US based brokers on behalf of their clients.

The CCGG has undertaken a study of the proxy voting system in Canada with the objective of improving the system. Through our research, we have discovered that the practice of U.S.-based brokers is to return proxy forms for unvoted shares in their client accounts ("broker non-votes") effectively voting "FOR" management. According to Canadian-based proxy solicitors, there have been cases where broker non-votes submitted by U.S. brokers has exceeded five percent of the vote. This is significant in our market as Canadian brokerage firms do not submit broker non-votes.

We understand that the Council of Institutional Investors ("CII") has long advocated changes to Rule 452. Like the CII, our members believe that eliminating the ability of brokers to vote uninstructed client shares for the election of directors is an important first step in improving shareholder democracy and enhancing the integrity of the proxy voting system.

The elimination of US broker non-votes would not adversely impact the ability of Canadian issuers to obtain a quorum for the purposes of conducting business at a shareholder meeting. In Canada, issuers with a quorum in excess of 30% are the exception and the norm is 10% or less. Yet it is typical to see over 60% of shares represented by proxy at a shareholder meeting of a senior Canadian issuer.

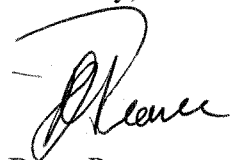
The CCGG applauds the leadership of the NYSE Euronext on this issue. But it is now approaching two years since the exchange submitted an amended proposal to eliminate broker voting in director elections. We are disappointed that this important investor-friendly reform has languished at the Securities and Exchange Commission.

Further, we are troubled by alternative proposals contemplated by groups such as the Shareholder Communications Coalition, which is promoting, among other things, the concept of proportional voting. This solution implies that it is still worth compromising the integrity of proxy voting for no other obvious benefit than to help issuers achieve quorum at shareholder meetings. We are surprised that the members of the Shareholder Communications Coalition would recommend such a compromised solution to the broker non-vote problem.

We join the CII in urging the SEC to release as soon as possible for public comment the proposal to eliminate broker non-votes. Our members are very concerned about the integrity of the proxy voting process within and outside Canadian borders. The impact of US broker non-votes on the integrity of the Canadian voting system, while one of many systemic proxy voting problems identified by the CCGG, is of great concern to our members. Votes cast by shareholders and the integrity of director elections must not be distorted by broker non-votes, particularly since over 100 Canadian issuers have now adopted a majority vote standard for director elections.

We would be happy to discuss our position further or to respond if you have any questions or need additional information.

Sincerely,



Doug Pearce  
Chairman

cc: Elisse B. Walter, Commissioner, Securities and Exchange Commission  
Luis A. Aquilar, Commissioner, Securities and Exchange Commission  
Troy A. Paredes, Commissioner, Securities and Exchange Commission  
Kathleen L. Casey, Commissioner, Securities and Exchange Commission  
Sen. Christopher Dodd (D-Connecticut)  
Chair, Senate Committee on Banking, Housing, and Urban Affairs  
Sen. Richard Shelby (R-Alabama)  
Ranking Minority Member, Senate Committee on Banking, Housing, and Urban Affairs  
Sen. Jack Reed (D-Rhode Island)  
Chair, Subcommittee on Securities, Insurance, and Investment of the Senate Committee on  
Banking, Housing, and Urban Affairs  
Rep. Barney Frank (D-Massachusetts)  
Chair, House Committee on Financial Services  
Rep. Spencer Bachus (R-Alabama)  
Ranking Minority Member, House Committee on Financial Services  
Rep. Paul E. Kanjorski (D-Pennsylvania)  
Chair, Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises  
of the House Committee on Financial Services  
Jonathan D. Urick, Council of Institutional Investors  
Anne Yerger, Council of Institutional Investors

Appendix - CCGG Members

Acuity Investment Management Inc.  
Alberta Investment Management, Alberta Finance  
Alberta Teachers' Retirement Fund Board  
Aurion Capital Management Inc.  
Barclays Global Investors Canada Limited  
BMO Harris Investment Management Inc.  
British Columbia Investment Management Corporation (bcIMC)  
Burgundy Asset Management Ltd.  
Canada Post Corporation Registered Pension Plan  
CIBC Global Asset Management  
Colleges of Applied Arts and Technology Pension Plan (CAAT)  
Connor, Clark & Lunn Investment Management  
CPP Investment Board  
Ethical Funds Company (The)  
Franklin Templeton Investments Corp.  
Fiducie Globale des Régimes de Retraite de la Société de transport de Montréal  
Greystone Managed Investments Inc.  
Heathbridge Capital Management Ltd.  
Hospitals of Ontario Pension Plan (HOOPP)  
Jarislowsky Fraser Limited  
KBSH Capital Management Inc.  
Leith Wheeler Investment Counsel Ltd.  
Lincluden Investment Management  
Mackenzie Financial Corporation  
McLean Budden Limited  
MFC Global Investment Management  
New Brunswick Investment Management Corporation (NBIMC)  
Ontario Municipal Employees Retirement Board (OMERS)  
Ontario Pension Board  
Ontario Teachers' Pension Plan (Teachers')  
OPSEU Pension Trust  
Pembroke Management Ltd.  
Phillips, Hager & North Investment Management Ltd.  
Public Sector Pension Investment Board (PSP Investments)  
RBC Asset Management Inc.  
Scotia Cassels Investment Counsel Limited  
SEAMARK Asset Management Ltd.  
Sionna Investment Managers Inc.  
Standard Life Investments Inc.  
TD Asset Management Inc.  
UBS Global Asset Management (Canada) Co.  
University of Toronto Asset Management  
Workers' Compensation Board - Alberta  
York University Pension Fund