



Pension Investment
Association of Canada

Association canadienne des
gestionnaires de caisses de retraite

February 11, 2011

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission – Securities Division
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Government of Yukon
Registrar of Securities, Department of Justice, Government of the Northwest Territories
Registrar of Securities, Legal Registries Division, Department of Justice, Government of Nunavut

c/o Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario M5H 3S8
Email: jstevenson@osc.gov.on.ca
Attention: John Stevenson, Secretary

RE: Proposed Amendments to Form 51-102F6 *Statement of Executive Compensation* (“51-102F6) and Consequential Amendments (the “Proposed Amendments”)

This submission is made by the Pension Investment Association of Canada (“PIAC”) in reply to the request for comments published on November 19, 2010 by the Canadian Securities Administrators (the “CSA”) on the Proposed Amendments.

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 \$940 billion 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. PIAC is very supportive of the Proposed Amendments and agrees that the effect of them will be to enhance the quality of information provided to investors on key risks, governance and compensation matters and assist companies in fulfilling their executive compensation disclosure obligations. We also agree that the Proposed Amendments will help investors make more informed voting and investment decisions. We are supportive of all of the Proposed Amendments, including the proposed disclosure of all fees paid to compensation advisors for each service provided.

Given the new disclosure requirement regarding executive officer and director hedging, we would encourage the CSA to reconsider its position on the disclosure of a company's minimum shareholding requirements and make this required disclosure or at least specifically include reference to it in commentary under subsection 2.1(1) of 51-102F6. We would also encourage the CSA to reintroduce the requirement to disclose the aggregated dollar value realized upon the exercise of options or stock appreciation rights. PIAC members believe that the value actually realized by executives from equity-based awards is an important factor to consider when assessing the overall alignment between executive compensation and shareholder returns and that this information should be disclosed. The disclosure of realized gains is particularly meaningful since equity-based awards typically represent a large portion of long-term compensation. This disclosure, along with fair value of the equity-based awards at the time of the grant, will assist investors in evaluating the compensation plans and the board's understanding of the impact these plans will have on the executives total compensation.

The CSA should continue to review and report on executive compensation disclosure as was done in CSA Staff Notice 51-331 *Report on Staff's Review of Executive Compensation*. These reports are very helpful to companies, as they clarify expected disclosure, and to investors, as they further improve disclosure.

We appreciate this opportunity to comment on the Proposed Amendments. Please do not hesitate to contact Stephanie 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,



Barbara Miazga
Chair