



Pension Investment  
Association of Canada

Association canadienne des  
gestionnaires de caisses de retraite

July 6, 2009

ICGN Secretariat  
International Corporate Governance Network  
16 Park Crescent  
London, W1B 1AH  
[consultations@icgn.org](mailto:consultations@icgn.org)

VIA EMAIL

**Re: ICGN Global Corporate Governance Principles: Revised (2009)**

This letter is submitted by the Pension Investment Association of Canada (“PIAC”) in response to the membership consultation published June 5, 2009 by the International Corporate Governance Network (“ICGN”) on the ICGN Global Corporate Governance Principles: Revised (2009) (the “ICGN Principles”).

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.

We are very supportive of the aim and purpose of the ICGN Principles. We agree that the ICGN Principles provide a clear and thoughtful summary of the current best practices in corporate governance and only have the following minor comments:

**Section 2.4.3 Independence**

We agree with the fact that individual directors with relationships to management are by definition not considered to be independent, but question whether this automatically applies to those directors with relationships to a dominant or significant shareholder. As set out in our Corporate Governance Principles and Guidelines (available on our website, [www.piacweb.org](http://www.piacweb.org)), we believe a director is independent if he or she has no direct or indirect material relationship with the issuer.

### Section 2.7.1 Election of Directors

We feel it would be helpful if section 2.7.1 was clarified to specifically call for a majority vote standard for the election of directors. In Canada most companies have a plurality vote standard for the election of directors. As noted in our Guidelines, we believe a majority vote standard for the election of directors should be adopted and shareholders should have the option to vote against the election of any individual director. In cases where a director receives less than 50% of the votes cast or the votes against the election of a director exceed the votes for the election of such director, the nominee should be considered not to have received the support of the shareholders and should not be elected.

### Section 8.5 Record of Ownership of a Company's Shares

In Canada under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”) a beneficial owner can chose to object to the disclosure of its ownership information to the corporation. Procedures are set out in NI 54-101 to ensure that objecting beneficial owners receive proxy materials, including a proxy. We do not agree with the requirement in section 8.6 of the ICGN Principles that jurisdictions should be encouraged to enact laws which give corporations the right to require registered owners to provide the corporation with the identity of beneficial owners.

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We appreciate this opportunity to comment on the ICGN Policy. Please contact me or Eleanor Farrell, Chair of PIAC's Corporate Governance Committee, ([efarrell@cppib.ca](mailto:efarrell@cppib.ca), 1.416.868.6377) if we can be of further assistance.

Yours truly,



Gayle McDade  
Chair