

# 11 KEY PROXY VOTE SURVEY



**by Catherine Smith, Senior Research Analyst**

**The Shareholder Association for Research and Education (SHARE) is a social enterprise that coordinates and assists responsible investment practices. Since its creation in 2000, SHARE has carried out this mandate by providing active ownership services, including proxy voting and engagement, as well as education, policy advocacy, and practical research on responsible investment issues.**

**The SHARE Key Proxy Vote Survey is an annual survey of the discretionary proxy voting practices of investment managers and proxy voting services that vote the proxies of Canadian shares owned by Canadian pension plans and other institutional investors.**

**The 2011 Key Proxy Vote Survey is also available in French, thanks to the support of the Fédération des travailleurs et travailleuses du Québec (FTQ) and the Fondation pour la formation économique du Fonds de solidarité FTQ.**

**L'enquête sur les vote clés de procuration 2011 est aussi disponible en français. Pour obtenir une copie, contactez SHARE. La traduction a été effectuée grâce à la collaboration de la Fédération des travailleurs et travailleuses du Québec (FTQ) et de la Fondation pour la formation économique du Fonds de solidarité FTQ.**

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## EXECUTIVE SUMMARY

This report summarizes the results of the 11th annual Canadian Key Proxy Vote Survey. The Key Proxy Vote Survey is a project of the Columbia Institute, the Fonds de solidarité FTQ, and the Shareholder Association for Research and Education (SHARE).

The survey is sent to investment managers and proxy voting firms that have Canadian pension plans as clients and that vote at least some of those clients' proxy ballots without input or guidance from their clients. The results of the survey give pension plan trustees and other investors information about how these firms handle proxy voting for their pension clients. The information provided by the survey is not readily available anywhere else.

Thirty-two investment managers and proxy voting services participated in the 2011 survey, yielding a response rate of 52%. By participating in the survey, these firms demonstrate their commitment to transparency and accountability in proxy voting.

The results of this year's survey are encouraging. All but one of this year's respondents have proxy voting guidelines, a positive development. In addition, 61% of those firms make their proxy voting guidelines available to the public.

The results also suggest that most participating firms give more careful consideration to proxy voting than do other shareholders. The survey asked firms how they voted on a set of 21 issues that appeared on proxy ballots in the preceding year. We compared how respondents voted on each issue with the vote results reported by the company on the same issue. The results showed that most of the responding firms were more likely than other shareholders to vote against the recommendations of management when they felt doing so was in their clients' best interests. For example, only about 40% of the shareholders of Niko Resources voted against a poorly designed stock option plan, but 72% of the firms that voted Niko shares voted against the plan. For more details, see the section "Participating firms' votes by issue," beginning on page 34.

In addition, we compared the votes of participating firms with those of firms that did not respond to the survey but that post their proxy voting records on their websites. This comparison showed that survey respondents are more likely to vote against management recommendations than were firms that did not respond to the survey.

Finally, the number of participating firms reporting that they decide how to vote most of their pension clients' proxy ballots has decreased slightly. This result suggests that pension plan trustees may be taking a more active role in the oversight of their plans' proxy voting by giving their voting agents guidance about how their proxy ballots should be voted. SHARE strongly encourages pension trustees to adopt a set of proxy voting guidelines and give those guidelines to their proxy voting agents. This allows trustees to ensure that their plans' proxy ballots are exercised in the best interests of their plans' beneficiaries.

A summary of the 2011 survey's results can be found in the table "Survey results at a glance," on page 8.

# INTRODUCTION

Proxy voting is an important aspect of share ownership. For most share owners, proxy voting is their most direct means of communication with the management and directors of the companies in which they have invested. Proxy voting is also part of the fiduciary duty of pension fund trustees. The voting rights that accompany most shares of stock are assets of the pension plans that own the shares. Pension fund trustees have a responsibility, as part of their duty of care, to see that those voting rights are exercised in the best interests of their plans' beneficiaries.


The 2011 Key Proxy Vote Survey is a project of the Columbia Institute, the Fonds de solidarité FTQ, and the Shareholder Association for Research and Education (SHARE). The survey provides pension plan trustees and other investors with information about the proxy voting practices and voting records of firms that vote proxies for their clients. The information provided by the survey is not readily available anywhere else.

**Although participating firms did not always vote in the same way as SHARE, the results show that most of these firms are more likely than other shareholders to vote against the recommendations of corporate management when they believe it is in their clients' best interests to do so.**

It allows investors to compare how different firms manage proxy voting and makes it possible for investors to evaluate how their money managers vote proxies in comparison with the industry as a whole.

Each year, the survey is sent to investment managers and proxy voting services whose clients include Canadian pension plans and who vote at least some of those pension clients' proxy ballots at their own discretion—that is, they decide how the ballots should be voted without input from their clients. The survey asks firms how they manage proxy voting and how they voted on a set of issues that appeared on the proxy ballots of Canadian companies in the previous year.

Thirty-two investment managers and proxy voting services participated in the 2011 Key Proxy Vote Survey. One of the respondents is participating in the survey for the first time; eighteen have been taking part in the survey for five years or more, and two have been participating for more than ten years. By taking part in the survey, these firms demonstrate their commitment to transparency and accountability in proxy voting. Their participation also contributes to the investment industry's overall transparency and accountability, and it allows investors who have third parties vote their proxies to make more informed decisions about their proxy voting agents.



The 2011 survey yielded some encouraging results.

Most of the firms that participated in the survey give more careful consideration to proxy voting than do other shareholders. Although participating firms did not always vote in the same way as SHARE, the results show that most of these firms are more likely than other shareholders to vote against the recommendations of corporate management when they believe it is in their clients' best interests to do so. This was true across a broad range of issues, including some where participants of past surveys had been more reluctant to vote against management's choices, such as on the appointment of auditors. In addition, almost all of this year's participating firms have a set of proxy voting guidelines, and a large majority (61%) make their guidelines available to the public.

Ideally, all pension funds would give their proxy voting agents guidelines or directions on how their ballots should be voted. This year the survey results show a small step toward that ideal, in that fewer participating firms indicated that they decide how to vote most of their pension clients' proxy ballots. This is an encouraging sign. Pension trustees have a fiduciary duty to oversee how their funds' proxies are being voted. They can do this more effectively if they give their voting agents guidance on how their votes should be cast.

The pension assets under management reported for this year's participating firms were decidedly larger than in past years. In previous years these amounts were in the hundreds of billions; this year they were just over a trillion dollars. Most of this increase can be attributed to the participation of BlackRock.

A summary of the 2011 survey results can be found in the next section, "Survey Results at a Glance." This is followed by a description of the methods that were used to conduct the Key Proxy Vote Survey, and an analysis of the proxy issues in this year's survey, including an explanation of SHARE's voting guideline on each issue. After that, the results of the survey are analyzed and discussed in more depth. The details of each firm's responses are provided in the appendix (page 40).

## SURVEY RESULTS AT A GLANCE

PROPOSALS	2011	2010	2009
Number of proposals surveyed	21	28	33
Number of management proposals surveyed	14	24	25
Number of shareholder proposals surveyed	7	4	8

RESPONSES			
Response rate	52%	60%	56%
Number of participating firms	32*	36*	35†
Number of firms that did not respond	26	18	21
Number of firms that declined to participate	6	6	8
*One of these firms gave only a partial response			
†Two of these firms gave only partial responses			

ASSETS (IN CAD\$ BILLIONS)			
Total pension assets under management by participating firms	\$1,143.4*	\$277.1*	\$353.7*
Total pension assets invested in Canadian equities under management by participating firms	\$131.8	\$53.0	\$54.7
* Not all participating firms reported their assets under management			

PROXY VOTING SYSTEMS EMPLOYED BY INVESTMENT MANAGERS*			
Delegated to or took recommendations from a proxy service	19%	23%	29%
Relied on an in-house proxy voting staff person	31%	29%	37%
Relied on individual portfolio managers	31%	11%	23%
Relied on an internal proxy voting committee	31%	26%	20%
Other	19%	29%	14%
* Results total more than 100% because some firms use more than one system			



<b>VOTING DISCRETION</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Investment managers who exercised voting discretion over 80% or more of pension plan clients' Canadian equity assets	79%	79%	71%

<b>PROXY VOTING GUIDELINES</b>			
Firms with proxy voting guidelines	97%	94%	94%
Firms that review their proxy voting guidelines at least annually	97%	91%	89%
Firms that consult clients in developing their guidelines	42%	46%	49%
Firms that disclose their guidelines publicly	61%	51%	40%

<b>PROXY VOTING REPORTS TO PENSION PLAN CLIENTS</b>			
Firms that report to clients how their proxy votes have been cast	100%	97%	100%
Firms whose reports are annual	9%	9%	9%
Firms whose reports are quarterly	34%	46%	37%
Firms whose reports are made at a frequency determined by the client	47%	43%	51%
Firms whose reports are made at some other frequency	9%	6%	0%
Firms whose reports are in a standard format	63%	54%	54%
Firms whose reports are in a customized format	25%	37%	40%
Firms whose reports can be in either format	13%	9%	6%

<b>PUBLIC DISCLOSURE</b>			
Firms that disclose all or some of their proxy votes publicly	41%	43%	31%


<b>SECURITIES LENDING</b>			
Firms that manage securities lending for pension clients	25%	26%	29%
Firms that have procedures to recall lent securities for proxy voting	22%	20%	26%

## HOW ISSUES IN THE SURVEY ARE SELECTED

To be included in the survey, proposals must have appeared on the ballots of Canadian companies. They also had to meet the following criteria:

1. *They were put before shareholders for a vote between July 1, 2010, and July 1, 2011.* This range of dates coincides with the end the second quarter, which is often considered the end of the proxy voting season. This time frame allows us to include issues that appear on the ballots of companies that hold their annual shareholders' meetings outside the traditional spring proxy season.
2. *They appeared on the ballots of companies that were in the S&P/TSX Composite Index as of June 30, 2011.* Most pension plans' Canadian stock holdings are primarily in companies on the index.
3. *They addressed issues that are covered in SHARE's Model Proxy Voting Guidelines.*<sup>1</sup> We made exceptions to this criterion when proposals raised issues that we believed were of particular interest to shareholders.
4. *For management proposals, the proposal won less than 75% of the votes cast, with three exceptions.* The exceptions were made for proposals where it was highly improbable that less than 75% of shareholders would vote for the proposal. Specifically:
  - a. Proposals at companies where a small number of shareholders control a large portion of the votes. This exception allows the survey to more accurately reflect the position of pension funds, which are usually minority shareholders in these companies.
  - b. Proposals for the election of directors and appointment of auditors. Shareholders cannot vote against these proposals; they can only vote for them or withhold their votes. Shareholders do not ordinarily withhold their votes for directors and auditors. A vote of more than 5% against a director or auditor is unusual.
  - c. Proposals on the ballots of companies that did not disclose the numeric results of their shareholders' votes. This was done to avoid biasing the survey against companies that do disclose the numeric results of shareholder votes.

<sup>1</sup> The SHARE guidelines were developed in 2002 and are revised annually, with the advice and guidance of a committee of experts in corporate governance and socially responsible investing. The guidelines serve as a model to assist Canadian pension funds in developing their own proxy voting guidelines and evaluating proxy voting done by voting agents. Copies of the guidelines are available on SHARE's website, [www.share.ca](http://www.share.ca).

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5. *For shareholder proposals, the proposal won more than 10% of the votes cast. We applied the same exceptions, however, that we applied to management proposals for controlled or closely held companies and for companies that did not disclose their numeric vote results.*

Using these criteria, we selected issues from the ballots of Canadian companies for inclusion in the survey. The proposals included in the 2011 Key Proxy Vote Survey are discussed in detail in the next section, “Analysis of proxy issues.”

The 2011 Key Proxy Vote Survey was sent to 61 investment managers and proxy voting services. The survey forms were sent to recipients on September 7, and the deadline for responses to the survey was October 5.

# ANALYSIS OF PROXY ISSUES

Twenty-one management and shareholder proposals were included in the 2011 Key Proxy Vote Survey. This section describes those proposals and explains why each is important to shareholders. They are grouped by general topic and preceded by the appropriate guideline from SHARE's Model Proxy Voting Guidelines. The outcome of the shareholder vote as reported by the company, the date of the shareholders' meeting, and a detailed explanation of SHARE's position on the issue is provided for each proposal.

## ELECTION OF DIRECTORS

### DIRECTORS' ATTENDANCE

SHARE guideline: Directors' ability to devote sufficient time and energy: attendance

Although attendance at board meetings is not the sole determinant of a director's performance, poor attendance makes it difficult for a director to fulfill his or her responsibilities to the board. Since boards customarily schedule their routine meetings and committee meetings at least a year in advance, anyone who agrees to be nominated for director should be prepared to attend all board meetings. SHARE will withhold its vote for directors if they have missed 25% or more of the board's meetings, including committee meetings, unless extenuating circumstances are set out in the proxy materials.

#### **Barrick Gold Corporation**

Election of directors: Gustavo Cisneros

Meeting date: 27 April 2011

SHARE's vote: Withhold

Vote result: 25.6% withheld

Mr. Cisneros attended only 66% of the meetings of Barrick's board. He did not serve on any committees.

## BOARD INDEPENDENCE

SHARE guideline: Independent boards of directors

A company's management is responsible for running the company and is accountable to the board of directors. The board of directors is responsible for overseeing management's performance in a way that ensures the long-term, sustainable growth of shareholder value. The board is accountable to the shareholders as owners of the corporation.

Directors have a legal obligation to act in the best interests of the company. However, it is difficult for anyone to avoid being influenced by conflicts of interest. This is why boards of directors must be largely independent of the company's management. Directors are not in a good position to hold management accountable if they have a relationship to the company other than as shareholders and directors. For this reason, two-thirds of the board of directors should be independent.

If independent directors make up less than two-thirds of a board, SHARE withholds votes from the directors who are not independent. If it is not possible to vote on individual directors, SHARE votes against the entire slate of director candidates.

### **Baytex Energy Corp.**

Election of directors: John Brussa

Meeting date: 17 May 2011

SHARE's vote: Withhold

Vote result: 28.1% withheld

Only four of Baytex's nine directors are independent of management. Mr. Brussa is not independent, because he is a partner with Burnet, Duckworth & Palmer LLP, which provides legal services to the company.

### *INDEPENDENT CHAIR OF THE BOARD*

SHARE guideline: Independent chair of the board

The chair of the board of directors must be an independent director in order to guide the board in its responsibility for overseeing management's performance. No one can fulfill the responsibilities of chair and those of a senior management position without potential conflicts of interest. Former executives and executives of client or vendor companies also have potential conflicts of interest and should not serve as chair.

### **Pason Systems Inc.**

Election of directors: James D. Hill

Meeting date: 17 May 2011

SHARE's vote: Withhold

Vote result: 12.93% withheld

Mr. Hill is both the chair of Pason's board of directors and its CEO. This arrangement creates potential conflicts of interest for the board and should be avoided. Some shareholders find that an independent lead director is an acceptable substitute for an independent board chair. However, Pason does not have an independent lead director. SHARE voted to withhold for Mr. Hill.

*INDEPENDENT KEY COMMITTEES*

SHARE guidelines: Key board committees; Independent compensation committee

All boards of directors should have audit, compensation, and nominating committees made up entirely of independent directors. These committees are essential in overseeing a company. They are also in the best position to prevent corporate malfeasance and protect shareholder value.

Every board should have a compensation committee that is responsible for the direction and oversight of the company's executive compensation program and for regularly evaluating the performance of senior management. In order to be effective and avoid conflicts of interest, this committee must be made up entirely of independent directors.

**The Jean Coutu Group**

Election of directors (slate)

Meeting date: 6 July 2010

SHARE's vote: Withhold

Vote result: Passed; numeric results were not disclosed

This board was presented to shareholders as a slate; votes on individual directors were not permitted. There were a number of problems with the board's independence, but SHARE was especially concerned about Sylvie Coutu. Ms. Coutu is a member of the compensation committee. She is also the sister of François Coutu, who is the CEO. This means she participates in setting her brother's remuneration. The company asserted that Ms. Coutu is independent, but family members of the CEO cannot be considered independent directors.

**FAILURE IN DUTIES AS A DIRECTOR OF ANOTHER COMPANY**

SHARE guideline: Voting for directors

SHARE votes for directors on a case-by-case basis, taking into consideration our guidelines and the long-term performance of the corporation and the directors. One reason to vote against management's nominees for director is if they have regularly demonstrated a failure in their duty of care concerning shareholders' best interests. This could include a director's service on the board of another company, if that board demonstrated a particularly egregious failure in its duty of care.

**Canadian Imperial Bank of Commerce**

Meeting date: 28 April 2011

Election of directors: Leslie Rahl

SHARE's vote: Withhold

Vote result: 20.76% withheld

Ms. Rahl was a director of the U.S. Federal National Mortgage Association, commonly known as Fannie Mae, from 2004 to 2008. She was chair of Fannie Mae's Risk Committee. During this period, Fannie Mae overstated its profits, had to issue multiple financial restatements, and finally collapsed in 2008. Fannie Mae's board

should have been particularly careful about the company's internal controls, because the company had also been investigated for accounting irregularities in 2003 and 2004, and three of its former executive officers were sued by U.S. regulators for manipulating the company's earnings. We believe the Fannie Mae board as a whole and the Risk Committee in particular failed in its duty of care, giving inadequate oversight to the company's internal controls and the decisions of management. A failure of this magnitude raises serious questions about Ms. Rahl's ability to serve as a corporate director.

## WOMEN DIRECTORS

SHARE guideline: Diversity on boards of directors

In order to foster the long-term success of corporations, boards should include directors with a wide variety of backgrounds and expertise, including women and people from various racial, cultural, and economic backgrounds. This is not mere tokenism. Women and visible minorities make up more than half of the workforce and own roughly a third of all small businesses in Canada. Studies of corporate performance have found that companies with diverse boards of directors and senior executives tend to be more innovative, have better reputations, and do a better job of creating long-term value than do companies without this diversity. The variety of experiences and perspectives on a diverse board of directors can give a corporation a distinct competitive advantage.

Currently, most boards of directors do not include enough women. Approximately 35% of the companies on the TSX/S&P Composite Index have no women on their boards of directors.

### Bank of Montreal

Shareholder proposal: Adopt a gender parity policy for the board of directors

Meeting date: 22 March 2011

SHARE's vote: For

Vote result: 18.3% for

This proposal asked the bank to adopt a policy to seek to have an equal number of men and women on its board in ten years' time. Although the bank has more women on its board than most corporations, only five of its eighteen directors are female.

Some investors objected to this proposal because it asked the bank to appoint a fixed proportion of women directors. These investors were concerned that setting a "quota" of female directors would lead to the nomination of directors based on their gender instead of their qualifications. However, this objection assumes that there are not enough qualified women available to serve as corporate directors, which is untrue. Companies frequently identify candidates for director simply by relying on the acquaintances of the existing board members. Companies that have expanded their recruiting process, which may include nominations from shareholders, find that there are plenty of women who are qualified to be competent, effective directors.

The bank and its shareholders are likely to benefit from having more women on the board, because companies with women on their boards tend to do a better job of creating long-term value. Ten years is an adequate amount of time to achieve this goal. SHARE voted for the proposal.

## APPOINTMENT OF AUDITORS

### AUDIT FEES

SHARE guideline: Auditor independence and the appointment of auditors

Auditor independence is vital to shareholders. A company's annual financial statement is usually the only independently verified information shareholders have about the company's performance and financial condition. Shareholders must be confident that they can rely on this information and that the auditors who reviewed the information are independent.

From time to time, companies hire their outside auditors to provide them with tax advice or other services. Some of these services are permitted under securities regulations. However, SHARE believes that hiring outside auditors to perform other work has the potential to compromise the independence of those auditors. SHARE strongly prefers auditors who have not performed other services for a corporation and do not hold contracts to perform services other than the annual audit. We will vote against the appointment of the auditor if more than one-third of the fees paid to the auditor in the previous year are for work other than the annual audit.

#### **Shoppers Drug Mart Inc.**

Appoint Deloitte & Touche LLP as the auditor

Meeting date: 10 May 2011

SHARE's vote: Withhold

Vote result: The company reported that "at least 47%" of its shareholders voted to withhold

In 2010 Shoppers Drug Mart paid Deloitte & Touche \$1,418,680 in audit and audit-related fees and \$3,356,805 for work not related to the annual audit.

### AUDITOR TENURE AND ROTATION

SHARE guideline: Rotation of auditors

Companies that use the same accounting firm for long periods of time to conduct their audits run the risk of developing a close relationship that can compromise the independence of their annual audit. SHARE prefers that companies rotate their audit firms every six to ten years. We vote against the auditors if the company has kept the same accounting firm as its auditor for more than ten years.

#### **Enbridge Inc.**

Appoint PricewaterhouseCoopers as the auditor

Meeting date: 11 May 2011

SHARE's vote: Withhold

Vote result: 0.74% withheld

PricewaterhouseCoopers and its predecessors have been Enbridge's external auditors since 1949.



## DIRECTOR COMPENSATION

### STOCK OPTION PLANS

SHARE guideline: Directors' equity-based compensation

Directors should not be included in executives' compensation plans. This practice has the potential to compromise the board's independence because it tends to align the directors' interests with the interests of the executives the board is supposed to oversee.

In addition, directors should not be granted stock options. Stock options only have value when the exercise price is higher than the grant price, which tends to focus option-holders' attention on short-term fluctuations in share price. Stock options give directors an incentive to foster relatively short-term gains in share price, even when this does not result in improved long-term shareholder value.

#### **Crew Energy Inc.**

Approve the unallocated stock options

Meeting date: 1 June 2011

SHARE's vote: Against

Vote result: 35.2% against

Crew Energy's executive stock option plan included non-executive directors as participants. This is not a good compensation practice, for the reasons given in the guideline above.

## EXECUTIVE COMPENSATION

### PAY FOR PERFORMANCE

SHARE guideline: Executive compensation and performance

Executives are motivated to excel when their compensation is tied to their performance. As a general rule, executive compensation should be based on performance rather than tenure or other criteria. SHARE votes against executive compensation plans that have no performance criteria. Measures of executive performance must be within the control or influence of the employee being evaluated. This excludes measures such as increases in stock price, which are not necessarily within the control of an individual employee and may have little to do with the performance of the company itself.

#### **Savanna Energy Services Corp.**

Approve the unallocated stock options

Meeting date: 2 June 2011

SHARE's vote: Against

Vote result: 29.94% against

This stock option plan had no performance requirements, either for the awards or for vesting. Some companies have argued that stock options have a built-in performance requirement because the recipients only benefit if the share price rises. But, as we note in our guideline above, share price is not a fair measure

of performance because it can rise or fall for reasons that are beyond the control of any executive. Without any other performance criteria, stock options are not an effective way to motivate executives to build shareholder value over the long term.

### *DILUTION*

SHARE guideline: Dilution

Equity-based compensation plans dilute the earnings and voting strength of the company's shares. The level of acceptable dilution is relative to the size of the firm. Small companies may have a dilution rate of as much as 10%, but larger companies should have less dilution.

#### **Minefinders Corporation, Ltd.**

Approve the 2011 stock option plan

Meeting date: 18 May 2011

SHARE's vote: Against

Vote result: 47.74% against

The proposed stock option plan would have increased Minefinders' overall rate of dilution to 14.5%. This is more dilution than shareholders should accept from executive compensation at a company of this size. SHARE voted against the plan for this reason.

### *CHANGE-IN-CONTROL PROVISIONS*

SHARE guideline: Change-in-control provisions

Executive compensation plans often include provisions that allow equity-based grants to vest immediately if the company changes hands. These provisions have come under increased scrutiny, because they have been used to pay executives and directors substantial amounts for changes in control of the company that were initiated but never completed. The plans may also provide an incentive for executives and directors to pursue changes in control that benefit them but not other shareholders.

One way to address this problem is to require that the change in control be completed before equity-based compensation can vest. Another approach is to allow an executive's equity-based compensation to vest if a change of control takes place, but only if the executive also loses his or her job with the company as a result. These are called "double-trigger plans," as opposed to "single-trigger plans," which require only a change of control for equity-based awards to vest. Single-trigger plans give executives an incentive to pursue changes in control even when those changes do not benefit other shareholders.

#### **Niko Resources Ltd.**

Stock option plan: Confirm all unallocated options

Meeting date: 9 September 2010

SHARE's vote: Against

Vote result: 39.91% against

Niko Resources holds its annual shareholders' meeting in September. This was the company's 2010 annual meeting.

This stock option plan had a "single-trigger" change-in-control provision that allowed all outstanding options to vest immediately if an entity gained control of more than half of the company's shares, regardless of whether or not the executives who hold the options lose their jobs with Niko Resources as result. SHARE voted against the proposal for this reason.

## DISCLOSURE

SHARE guidelines: Disclosure of executive compensation

In order to vote wisely on compensation issues, shareholders must understand the company's executive compensation plan and philosophy. The company should describe its entire executive compensation plan clearly in its proxy circular, including the rationale for salary levels, incentive pay and bonuses, equity-based compensation, severance arrangements, retirement benefits, perquisites, and any other contractual obligations the company owes to named executives. The company should disclose the basis on which awards are made for each plan, such as the specific performance criteria. It should also disclose the full value of all compensation. Where the value of a benefit must be estimated (such as with retirement benefits), companies should disclose the basis on which the estimate was made. This disclosure may go beyond what the company is legally required to disclose about its executive compensation.

### Royal Bank of Canada

Shareholder proposal: Improve disclosure of the peer group's effect on executive compensation

Meeting date: 3 March 2011

SHARE's vote: For

Vote result: 9.94% for

This vote result is just below the 10% threshold SHARE normally uses for including shareholder proposals in this survey. However, the vote result is close enough to 10%, and the issue important enough, that we believe its inclusion in the survey is warranted.

Companies often use a group of similar companies to evaluate how their compensation and performance compares to that of their peers. This can be an effective way to keep executive compensation from becoming excessive, if companies attempt to keep their compensation in line with that of their peers. Unfortunately, this has not been the case in practice. Instead, many companies set their executive compensation above the median of their peers, often between the median and the 75th percentile. This practice quickly inflates the amounts of executive pay in an industry or peer group to levels that are widely regarded as excessive.

This proposal asked RBC to disclose more information about the peer group it uses for benchmarking its executive compensation, including how much importance the board gives to the peer group when it determines how much its executives should make. RBC discloses that it sets its CEO's compensation above the median of the comparator group, and that it increased the salaries of other named executives in order to raise their compensation relative to the comparator group.

RBC's corporate governance practices in other areas are quite good, but the way it uses peer groups for its executive compensation is questionable. The bank's shareholders deserve a comprehensive explanation of the bank's reasons for using benchmarking the way it does in determining its executives' compensation.

**Bank of Nova Scotia**

Shareholder proposal: Disclose all performance targets

Meeting date: 31 March 2011

SHARE's vote: For

Vote result: 35.89% for

This shareholder proposal asked the bank to disclose all of the performance targets it uses to determine its executives' compensation, including those called "other measures."

Scotiabank discloses some of the specific performance targets and their assigned weights in its executive pay plan, but it does not disclose all of them. Some are lumped into poorly defined categories called, for example, "corporate performance factor." The result is that, although the bank's executive compensation is reasonable overall, there are gaps in the disclosure that leave shareholders guessing about what the performance criteria really are. Scotiabank's compensation disclosure would be improved by including the additional information requested in this proposal.

**COMPARISON OF EXECUTIVES' COMPENSATION TO EMPLOYEES' PAY**

SHARE guidelines: Executive salaries and employee wages

In 2009 the median income of the 104 highest-paid CEOs of Canadian companies was about 63 times the median Canadian income. This disparity between executives' and workers' salaries has been shown to lower employee morale and productivity, factors that affect shareholder value. It is not in the shareholders' best interests for the gap between executive and employee compensation to be so great that it hurts productivity and morale.

**Bank of Montreal**

Shareholder proposal: Disclose an acceptable ratio of CEO compensation to the average employee's compensation

Meeting date: 22 March 2011

SHARE's vote: For

Vote result: 18.6% for

This shareholder proposal asked the bank to adopt a policy stating what ratio of CEO pay to that of the average worker the bank believes is ethically acceptable, and to explain that policy in the bank's proxy circular. SHARE supported the proposal because large disparities in pay have a negative effect on shareholder value.

**EXECUTIVE COMPENSATION: MULTIPLE ISSUES**

SHARE guideline: Executive compensation

Executive compensation must be attractive enough to draw, motivate, and keep qualified executives. However, executive compensation is widely perceived to be excessive. Directors are under great pressure to be careful in setting executive compensation. In some cases, shareholders have sued directors for excessive executive compensation. High levels of executive compensation have also been found to correlate with financial misrepresentation.

SHARE does not believe shareholders should design executive compensation plans; this is the job of independent compensation committees. However, in cases where SHARE believes that executive compensation is excessive, we will vote against compensation plans and/or the directors responsible for them.

SHARE's guidelines regarding the other issues in question at Pacific Rubiales Energy Corporation were listed earlier in reference to other companies. These issues are the independence of the compensation committee, the inclusion of directors in executive stock option plans, and performance-based executive compensation.

### **Pacific Rubiales Energy Corp.**

Approve the unallocated entitlements under the stock option plan

Meeting date: 31 May 2011

SHARE's vote: Against

Vote result: 38.17% against

SHARE had a number of objections to this company's compensation practices, and to this stock option plan in particular.

It is not clear whether the stock option plan has performance criteria or not. The stock option plan is the only component in the company's long-term incentive compensation. Pacific Rubiales claims in its proxy circular that its incentive pay is based on performance. However, the company's description of its stock option plan gives no indication that either the awards or vesting of the options are based on performance. The company also says that stock option awards are not granted to reflect or reward past performance. If that is the case, it is difficult to see how the stock option plan could be based on performance.

SHARE believes that executive compensation at Pacific Rubiales is excessive and that the stock option plan contributes to these large amounts of executive pay. Four of the five named executive officers received stock option awards in 2010 valued at \$9.8 million each. The company argues that these high levels of compensation are justified by its excellent performance. However, the total compensation awarded to the named executive officers was 11% of the company's pre-tax profits. Another measure of pay versus performance, the cost-of-management ratio (total compensation to the five highest-paid executives, divided by the net income after taxes), was 21%. The cost of management ratio at most Canadian companies is between 1% and 5%. This indicates that executive compensation at Pacific Rubiales is excessive relative to the company's performance.

Finally, we are concerned about the independence of the board's compensation committee. Miguel de la Campa, the executive co-chair of the board, is also the chair of the Compensation and Human Resources Committee. In other words, he chairs the committee that determines his compensation. Although the company claims that he does not vote on any of the committee's compensation decisions, he is still in a position to influence the committee's work. His presence on this committee creates the potential for conflicts of interest and may be contributing to the excessive amounts of executive pay.

SHARE voted against this proposal for all of these reasons.

## TAKEOVER DEFENCES

### SHAREHOLDER RIGHTS PLANS

SHARE guideline: Shareholder rights plans

A company with a shareholder rights plan issues stock purchase rights to its shareholders. These rights cannot be exercised unless a takeover offer is tendered or a potential acquirer of the company purchases a specified percentage of the shares. If the company cannot negotiate a takeover arrangement with a prospective acquirer, the rights allow shareholders other than the acquirer to buy additional shares at very favourable prices. This makes the takeover much more expensive for the acquirer.

Shareholder rights plans are intended to push potential buyers of the company to negotiate with a company's board of directors, since buyers can avoid triggering the plan by doing so. In this way, a plan can ensure that all shareholders are treated equally in a takeover, and it can give the board time to negotiate a better deal with the acquirer, or to solicit and consider competing bids that would maximize the value of the company's shares. However, shareholder rights plans must be designed so that they fulfill this function without thwarting takeover offers that would benefit shareholders and without benefiting management at the expense of shareholders.

#### **Lake Shore Gold Corp.**

Confirm the shareholder rights plan

Meeting date: 4 May 2011

SHARE's vote: Against

Vote result: This proposal was withdrawn before the annual meeting.

Shareholder rights plans have provisions for prospective acquirers of a company to make an offer directly to shareholders to purchase their shares. These are called "permitted bids." The bid or offer is permitted if it meets certain requirements that are intended to ensure that all shareholders are treated equally. One of the requirements is that the offer must remain open for a certain period of time. Canadian law requires a permitted bid to remain open for a minimum of 35 days.

The shareholder rights plan at Lake Shore Gold requires permitted bids to remain open for a minimum of 60 days. SHARE believes this is too long. Sixty days should be the longest, not the minimum period that permitted bids are required to remain open. Periods longer than 60 days are likely to discourage takeover bids that could benefit shareholders. SHARE voted against the proposal for this reason.

## PROTECTION OF SHAREHOLDERS' RIGHTS

### EFFECTS OF REINCORPORATION

SHARE guidelines: Reincorporation

Companies may reincorporate in a different jurisdiction for sound business reasons, but also as a takeover defence or as a way to limit the directors' liability. SHARE votes against reincorporation if shareholders' rights would be limited as a result.

#### Extorre Gold Mines Limited

Continuance of the company under the Business Corporations Act (British Columbia) and adoption of new articles

Meeting date: 9 June 2011

SHARE's vote: Against

Vote result: 56.19% against

Extorre was incorporated under the Canadian Business Corporation Act, which requires at least 25% of the directors on a board to be Canadian. Extorre found this provision limiting. It proposed to reincorporate in British Columbia, where the Business Corporations Act (BCBCA) does not include residency requirements for directors.

SHARE voted against this proposal because the BCBCA limits shareholders' rights by allowing corporations to make significant changes in the company without shareholders' consent. Under the BCBCA, companies can split or consolidate shares without seeking the approval of their shareholders, even though both have a direct effect on shareholders. Stock splits almost always benefit shareholders, but stock consolidations are more complicated and may not always be in shareholders' interests. The BCBCA also allows corporations to sell or lease their business without shareholder approval. This contradicts the principle that all major changes in a company should be submitted to a vote of the shareholders, because they are company's owners.

### SHARES WITH UNEQUAL VOTING RIGHTS

SHARE's guideline: Unequal voting shares and dual classes of shares

Common stock traditionally carries one vote per share. Companies with dual-class share structures have a class or classes of shares with more votes per share than the company's common stock. Dual-class share structures allow some shareholders to maintain control of the corporation without investing an equivalent amount of money in it.

SHARE is opposed to unequal voting rights for several reasons. First, they violate the principle of one share, one vote, making it possible for the company to act without the support of shareholders owning a true majority of the stock. Second, when shares with multiple voting rights are initiated, they are likely to dilute the voting power of shares already issued. Third, it is not in the best interests of the majority of shareholders for one investor, or a group of investors, to control the corporation without a corresponding financial stake in the company.

### Power Corporation of Canada

Shareholder proposal: Adopt governance rules to ensure the minority interest shareholders have a meaningful influence on decisions

Meeting date: 13 May 2011

SHARE's vote: For

Vote result: 9.13% for

Power Corporation has a dual-class share structure in which multiple voting shares have 10 votes per share and subordinate voting shares have one vote per share. Approximately 20% of the holders of subordinate voting shares voted for this proposal.

Paul Desmarais Sr. controls 61% of the voting rights of Power Corporation and owns 24.5% of the shares. Currently, members of the Desmarais family and their associates hold 11 of the 21 seats on the board. This proposal asked Power Corporation to adopt the following rules to protect the rights of those shareholders who hold subordinate voting shares:

1. A shareholder or affiliated shareholders should not control 50% or more of the votes without owning at least 20% of company's shares;
2. the chair of the board should be an independent director;
3. at least a third of board members should be elected by minority shareholders;
4. a director who does not receive at least 50% of the minority shareholders' votes must resign immediately; and
5. only one vote per share should apply to votes on shareholders' proposals and on an advisory vote on executive compensation.

SHARE voted for this proposal. The rules that the shareholder who filed proposed are reasonable corporate governance practices. They would protect the interests of Power Corporation's subordinate voting shareholders, who are the majority of the shareholders.

## VOTES TO ABSTAIN

### Canadian Imperial Bank of Commerce

Shareholder proposal: Allow shareholders to abstain in proxy voting

Meeting date: 28 April 2011

SHARE's vote: For

Vote result: 65.67% for

This proposal asked CIBC to change its ballot to include "abstain" as an option. Currently, shareholders of Canadian companies can only vote "for," "against," or "withhold." Canadian proxy ballots do not include "abstain" as a choice.

SHARE's guidelines do not cover this issue. However, it is a reasonable request that expands shareholders' choices and does not interfere with their rights.



## ENVIRONMENTAL PERFORMANCE AND RISKS

SHARE guidelines: Reports on social and environmental performance; Environmental issues

Companies' responsibility for protecting the environment is a component of shareholder value. Environmental damage risks not only harm to public health and the environment, but also legal liability, remediation costs, the costs of changes in operations, and a damaged reputation. Corporations have a responsibility to disclose to their shareholders the risks and potential liabilities of their operations, including the risks associated with social and environmental aspects of their operations. This includes risks associated with greenhouse gas emissions and climate change.

### TransAlta Corporation

Shareholder proposal: Report on the risks of using coal as fuel

Meeting date: 28 April 2011

SHARE's vote: For

Vote result: This proposal was withdrawn before the shareholders' meeting.

This shareholder proposal asked TransAlta to report on the risks the company faces as a result of using coal to fuel seven power-generating plants, and on its plans to change to more sustainable energy sources for those facilities.

Coal-fired power plants are one of the most polluting ways to generate electricity. They pose risks to TransAlta's shareholders that power plants using environmentally responsible fuel sources do not. Burning coal releases large amounts of greenhouse gases, as well as compounds that cause acid rain. A recent study published in *American Economic Review* found that the pollution created by coal-fired power plants has a higher economic cost than the value the plants create.<sup>2</sup> As concern about the effects of burning coal increases, so too does the risk that the costs of those effects will be borne by investors. Thus, TransAlta's coal-fired power plants could become a significant liability for its shareholders. Although TransAlta's response to this proposal was quite detailed, the response did not address either the risks of using coal as fuel or plans for changing to a more sustainable fuel for these power plants.

2 N. Muller, R. Mendelsohn, and W. Nordhaus, "Environmental Accounting for Pollution in the United States Economy," *American Economic Review* 101 (August 2011): 1649–1675. <http://www.aeaweb.org/articles.php?doi=10.1257/aer.101.5.1649>.

# SURVEY RESULTS

This section of the report gives an overview of the survey responses. The responses of the individual firms that participated in the 2011 survey are in the appendix.

## WHO RESPONDED?

Thirty-two investment managers and proxy voting services took part in the 2011 survey, resulting in a response rate of 52%. This is a lower rate than last year, but it is within the range of the response rates of the past three years, which were between 50% and 60%. The expected rate of response for most surveys is about 25%, so a response rate of just over half the survey recipients is quite acceptable.

The following firms participated in the survey. This demonstrates their commitment to being transparent and accountable in their proxy voting practices.

## SURVEY PARTICIPANTS

Two firms have an exceptional record of responding to the Key Proxy Vote Survey, which they have participated in every year for more than 10 years:

Greystone Managed Investments Inc.

Leith Wheeler Investment Counsel Ltd.

The following firms also responded to the 2011 survey:

Acuity Investment Management Inc.

AllianceBernstein Institutional  
Investment Management

AMI Partners Inc. Investment Counsel

Bâtirente Inc.

Beutel, Goodman & Company Ltd.

Black Rock, Inc.

BMO Asset Management Inc.

BonaVista Asset Management Ltd.

Fidelity Investments Canada ULC

Foyston, Gordon & Payne Inc.

Glass, Lewis & Co. LLC

Groupe Investissement Responsable Inc.

Gryphon Investment Counsel Inc.

Highstreet Asset Management Inc.

Institutional Shareholder Services  
– Proxy Advisory Services

Institutional Shareholder Services  
– Social Advisory Services

Institutional Shareholder Services	Natcan Investment Management
–Taft Hartley Advisory Services	PCJ Investment Counsel Ltd.
Invesco Canada Ltd.	Phillips, Hager & North Investment Management Ltd.
Jarislowsky, Fraser Limited	Proxy Vote Plus
Manulife Asset Management	Seamark Asset Management Ltd.
Marco Consulting Group	Sionna Investment Managers
Montrusco Bolton Investments Inc.	UBS Global Asset Management (Canada) Inc.

**PARTIAL RESPONSE**

One firm submitted a partial response to the survey: Connor, Clark & Lunn Investment Management

**FIRMS THAT DECLINED TO PARTICIPATE**

The following firms informed SHARE that they would not take part in the survey. Three of these firms declined to participate before the survey forms were sent out. As a result, they were not included in calculations of the response rate.

Aberdeen Asset Management Inc.	Kingwest & Company
Fiera Sceptre Inc.	Scotia Asset Management Ltd.
Goldman Sachs Canada Inc.	TD Asset Management

**FIRMS THAT DID NOT RESPOND**

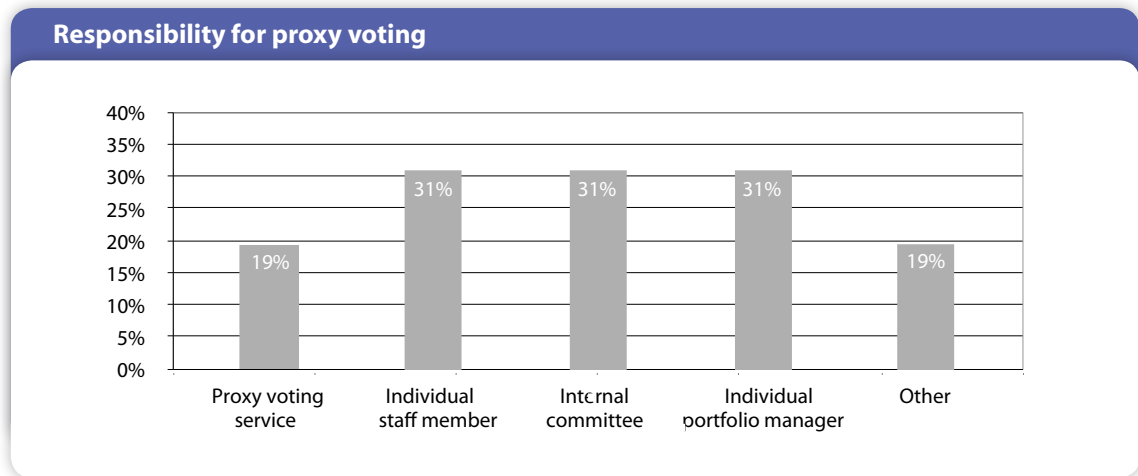
Twenty-six investment managers did not respond in any way to the survey.

Addenda Capital	Laketon Investment Management Ltd.
Aurion Capital Management Inc.	Letko, Brosseau & Associates Inc.
Bissett Investment Management	Lincluden Investment Management
Burgundy Asset Management Ltd.	Manning & Napier Advisors, Inc.
CIBC Asset Management Inc.	Mawer Investment Management Ltd.
Deans Knight Capital Management Ltd.	McLean Budden Limited
Galileo Global Equity Advisors Inc.	Pembroke Management Ltd.
GE Asset Management Incorporated	Russell Investments Canada Limited
Gluskin Sheff & Associates Inc.	Sarona Asset Management
GWL Investment Management	Scheer, Rowlett & Associates Investment Management Ltd.
Hexavest	Standard Life Investments Inc.
HSBC Global Asset Management (Canada) Limited	State Street Global Advisors
J. Zechner Associates Inc.	Van Berkorn & Associates

## HOW PARTICIPATING FIRMS MANAGE PROXY VOTING

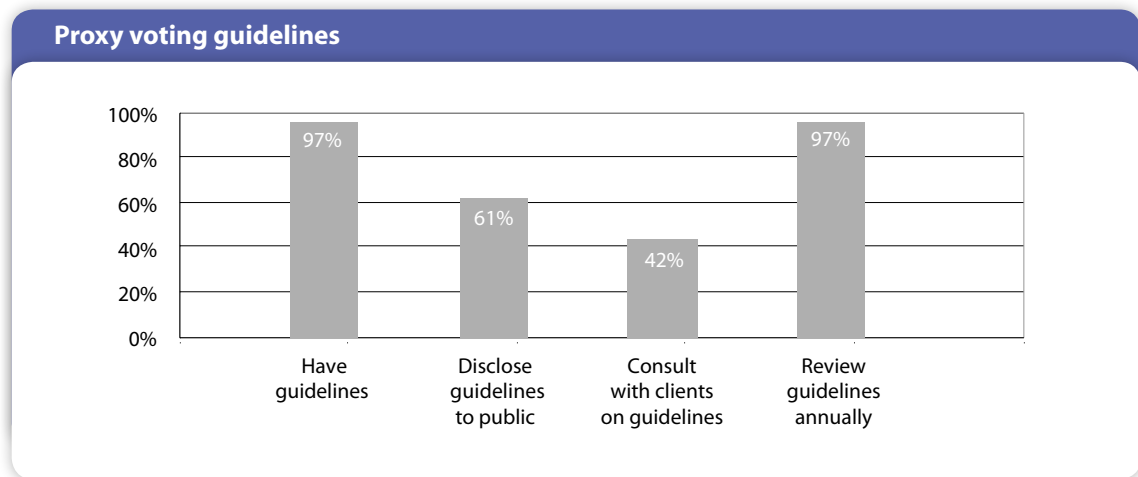
### WHO IS RESPONSIBLE FOR PROXY VOTING?

The chart below shows how participating firms assign responsibility for proxy voting. The percentages equal more than 100% because some firms use more than one way of assigning proxy voting responsibility. The most common arrangements are for a committee within the firm to be responsible for voting, for individual portfolio managers to vote the ballots in their portfolios, and/or for one staff person, such as a director of compliance, to be responsible for proxy voting.



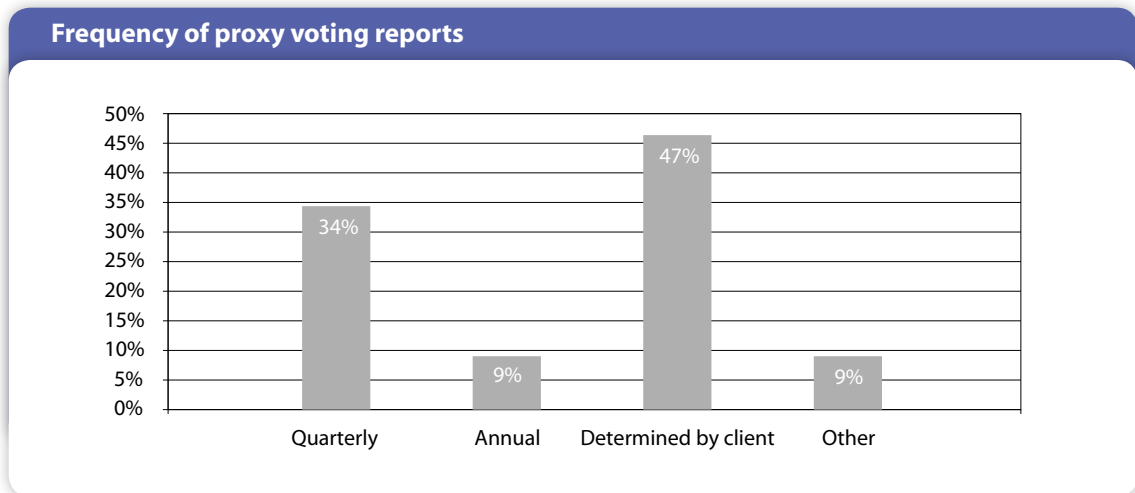
### PROXY VOTING GUIDELINES

All but one of the firms have their own proxy voting guidelines, and most firms review their guidelines annually. Sixty percent of firms report that they disclose their guidelines to the public. This is an increase from 2010, when 50% of participating firms said that they made their proxy voting guidelines available to the public. It is less common for firms to consult with their clients about their proxy voting guidelines. Less than half of the firms (42%) indicated that they do this.

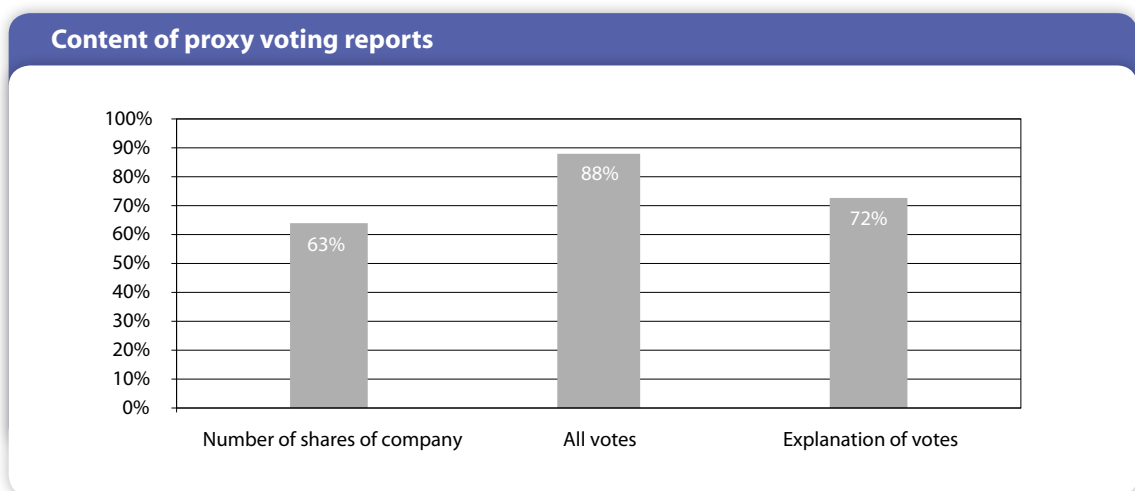


PROXY VOTING REPORTS

All of the participating firms issue proxy voting reports to their clients. The following chart shows how often firms send proxy voting reports to their clients.



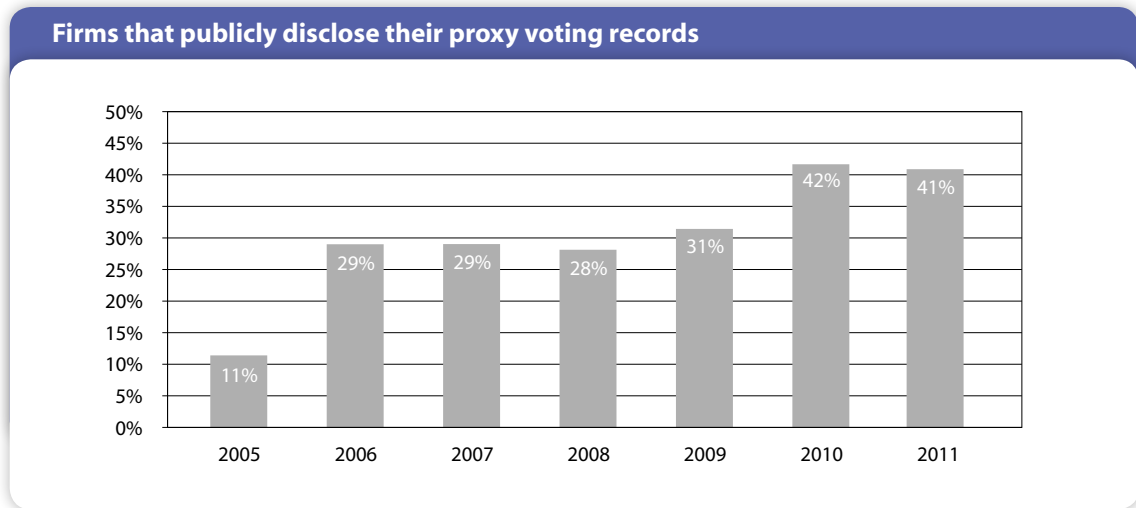
The survey also asks about the content of firms’ proxy voting reports. The chart below summarizes the responses of participating firms. Sixty-three percent of the proxy voting reports that respondents give to their clients include the number of shares the client holds in each company. Eighty-eight percent of participating firms report all of their proxy votes to their clients. The others only report the votes they cast that were opposed to the recommendations of the company’s management.



A large proportion (72%) of participating firms include an explanation of their proxy voting decisions in their proxy voting reports. This is an important part of a proxy voting report. It gives firms an opportunity to explain why they voted as they did. It also provides pension plans with information about how their proxy voting agents are making decisions and how their proxy voting guidelines are being implemented.

**PUBLIC DISCLOSURE OF PROXY VOTING RECORDS**

The survey includes questions about whether or not firms make their proxy voting records available to the public. Investment managers have been required to make the proxy voting records of their mutual funds available to investors since 2006. Many managers make those records available to the public on their websites.



As this chart shows, the number of participating firms that disclose their proxy voting records to the public has not changed significantly (42% in 2010; 41% this year). However, the number of firms that disclose their records publicly has been noticeably higher in the past two years than it was before 2010. This improved disclosure allows investors to compare how different firms vote proxies and to evaluate their managers' voting records in light of those comparisons.

**SECURITIES LENDING**

Voting rights are attached to shares of stock, and if those shares are lent, the voting rights go to the borrower. Investors who lend their shares and want to exercise their voting rights must recall their shares in time to vote them.

Only eight of the participating firms, or 25%, manage securities lending for their clients. Of these, all but one have procedures in place to recall lent shares in time for the shares to be voted.

FIRMS THAT MANAGE SECURITIES LENDING FOR THEIR CLIENTS	DOES THE FIRM HAVE RECALL PROCEDURES?
Acuity Investment Management Inc.	Yes
AMI Partners Inc. Investment Counsel	Yes
Bâtirente Inc.	Yes
Black Rock, Inc.	Yes
Fidelity Investments Canada ULC	Yes
Groupe Investissement Responsable Inc.	Yes
Highstreet Asset Management Inc.	No
Manulife Asset Management	Yes

## PARTICIPATING FIRMS' VOTING RECORDS

SHARE's votes on the issues in the survey are compared with the votes of the participating firms and a score is calculated on this basis. This section gives the scores and explains how they are calculated and how they should be interpreted.

### NUMBER OF ISSUES VOTED ON AND SCORE RELIABILITY

Only a few firms voted on all 21 of the issues that were included in the survey. For other firms, their clients may not have held shares in all of the companies whose ballot issues were chosen for the survey. In addition, some firms chose not to vote on certain ballot issues. These non-votes were excluded from the calculation of their scores.

The more issues the firm voted on, the more reliable its score is. If a firm did not vote on most of the issues in the survey, its score will not be reliable enough to be a meaningful indicator of how that firm votes on proxy ballot issues. A firm must have voted on at least seven of the ballot issues in the survey in order to have a meaningful score. The following firms participated in the survey, but voted on fewer than seven of the issues included in the survey.

FIRM	NUMBER OF VOTES CAST
Bâtirente Inc.	3
Gryphon Investment Counsel Inc.	3
Leith Wheeler Investment Counsel Ltd.	6
Natcan Investment Management	6

These firms were not assigned a score, but they are included in the individual firm results in the appendix.

### PARTICIPATING FIRMS' SCORES

The comparison of participating firms' votes to SHARE's votes results in a raw score, which is the number of votes a firm cast that match SHARE's votes, divided by the number of proxy issues in the survey that the firm voted. For example, Marco Consulting Group voted on 15 of the 21 issues included in the survey, and their vote matched SHARE's on 14 of those issues. The raw scores are also calculated as percentages. Marco Consulting Group's score was 14 divided by 15, or 93%.

FIRM SCORES (SORTED BY PERCENTAGE)	RAW SCORE	%
Marco Consulting Group	14 out of 15	93%
Groupe Investissement Responsable	6 out of 8	75%
Acuity Investment Management Inc.	8 out of 11	73%
Proxy Vote Plus	13 out of 18	72%
Montrusco Bolton Investments Inc.	12 out of 19	63%

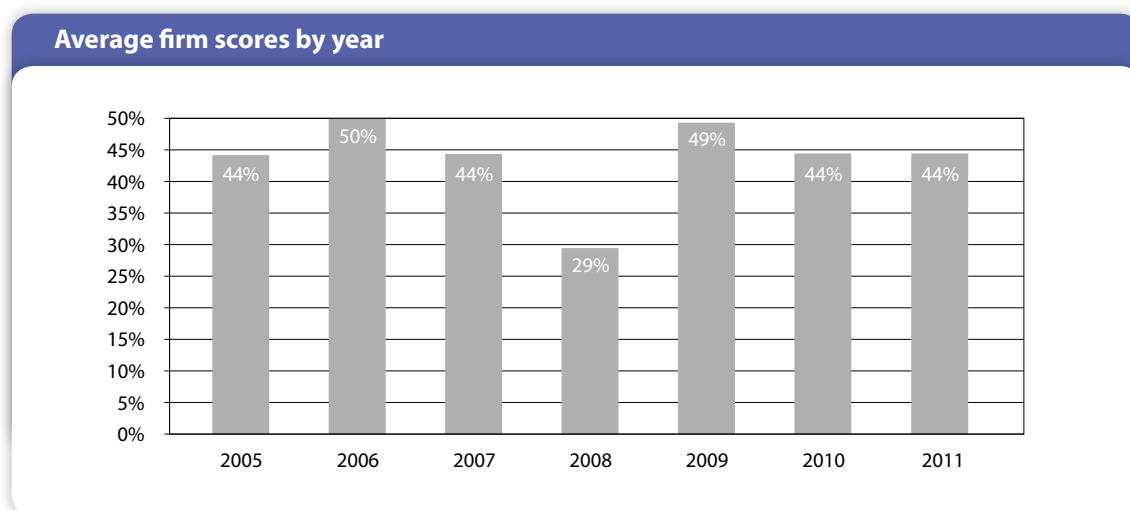


FIRM SCORES (SORTED BY PERCENTAGE) <i>continued</i>	RAW SCORE	%
Institutional Shareholder Services – Social Advisory Services <sup>a</sup>	13 out of 21	62%
PCJ Investment Counsel Ltd.	4 out of 7	57%
Seamark Asset Management Ltd.	4 out of 7	57%
Institutional Shareholder Services – Taft Hartley Advisory Services <sup>a</sup>	9 out of 16	56%
Phillips, Hager & North Investment Management Ltd.	9 out of 16	56%
Institutional Shareholder Services – Proxy Advisory Services <sup>a</sup>	11 out of 21	52%
BMO Asset Management Inc.	9 out of 18	50%
Bona Vista Asset Management Ltd.	4 out of 8	50%
Glass, Lewis & Co. LLC	10 out of 21	48%
Sionna Investment Managers	5 out of 11	45%
Highstreet Asset Management Inc.	5 out of 11	45%
Manulife Asset Management	9 out of 19	47%
Beutel, Goodman & Company Ltd.	4 out of 10	40%
Greystone Managed Investments Inc.	4 out of 11	36%
Foyston, Gordon & Payne Inc.	4 out of 11	36%
AMI Partners Inc. Investment Counsel	3 out of 12	25%
Black Rock, Inc.	5 out of 21	24%
AllianceBernstein Institutional Investment Management	2 out of 14	14%
Fidelity Investments Canada ULC	2 out of 14	14%
UBS Global Asset Management (Canada) Inc.	0 out of 17	0%
Jarislowsky, Fraser Ltd.	0 out of 8	0%
Invesco Canada Ltd.	0 out of 13	0%

<sup>a</sup> The scores for all three of the Institutional Shareholder Services funds were affected by the firm’s engagement with two of the companies whose ballot issues were included in the survey, Pacific Rubiales Energy and Savanna Energy Services. The funds originally voted against the compensation-related proposals at these companies. However, the funds changed their votes to “for” after Institutional Shareholder Services engaged with both companies and persuaded them to improve their compensation plans. Neither Institutional Shareholder Services nor Savanna Energy publicized these changes. Pacific Rubiales issued a press release about improvements to its compensation plans after its proxy materials had been sent to shareholders.

As the table above shows, the range of scores was quite large, from 0% to 93%. These scores show how the participating firms’ voting decisions compared with SHARE’s on these issues. However, one should make only limited inferences on the basis of these scores, because the scores do not provide any information about these firms’ reasons for voting as they did. Those explanations are beyond the scope of the survey, but they are important. We encourage trustees whose proxy voting agents responded to the survey to talk to them about these scores before making any conclusions about the quality of those firms’ proxy voting decisions.

The participating firms' scores for 2011 are within the usual range of average scores for this survey, as the chart below shows. Except for 2008, the average score has been between 44% and 50% since 2005.



### PARTICIPATING FIRMS' VOTES BY ISSUE

In addition to comparing each participating firm's votes with SHARE's, we pooled the participating firms' votes and compared their votes for each proposal with SHARE's. The scores for each proposal were calculated in the same way as the firms' individual scores. These are shown in the table below. We also compared the proposal scores to the results of the shareholders' votes as reported by each company after its shareholders' meeting. For example, for the re-election of Gustavo Cisneros to the board of Barrick Gold, 21 of the participating firms voted on this proposal, and 8 of them voted against it, as SHARE did. This resulted in a score of 38% for the proposal. Barrick Gold reported that 25.6% of its shareholders voted against the election of Mr. Cisneros.

As with the firms' scores, if fewer than seven participating firms voted on an issue, we did not calculate a score for the proposal because we did not have enough votes for a score to be reliable. This was the case for one ballot issue from the survey, the proposal by Extorre Gold Mines to change the jurisdiction of its incorporation.

## SURVEY RESULTS

AGGREGATE FIRM RESPONSE BY PROPOSAL				
COMPANY	PROPOSAL	SURVEY PARTICIPANTS' VOTES		SHARE-HOLDERS' VOTE <sup>a</sup>
		RAW SCORE	% SCORE <sup>a</sup>	
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	5 of 25	20%	19%
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	9 of 25	36%	19%
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	17 of 26	65%	36%
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	8 of 22	36%	26%
Baytex Energy Corp.	Election of directors: John A. Brussa	9 of 19	47%	28%
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	5 of 28	18%	21%
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	20 of 29	69%	66%
Crew Energy Inc.	Approve the unallocated stock options	10 of 17	59%	35%
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	2 of 22	9%	1%
Extorre Gold Mines Ltd.	Continuance of the company under the Business Corporations Act (British Columbia) and adoption of new articles	4 of 4	100%	56%
Jean Coutu Group	Elect the directors (slate)	6 of 12	50%	No numeric results reported
Lake Shore Gold Corp.	Confirm the shareholder rights plan	9 of 13	69%	Withdrawn
Minefinders Corporation, Ltd.	Approval of 2011 stock option plan	7 of 10	70%	41%
Niko Resources Ltd.	Confirm all unallocated stock options	13 of 18	72%	40%
Pacific Rubiales Energy Corp.	Approve unallocated entitlements under the stock option plan	8 of 17	47%	38%
Pason Systems Inc.	Election of directors: James D. Hill	4 of 10	40%	13%
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	7 of 20	35%	9% <sup>b</sup>
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	12 of 28	43%	10%
Savanna Energy Services Corp.	Approve the unallocated stock options	3 of 14	21%	30%
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	14 of 21	67%	app.47%
TransAlta Corp.	Shareholder proposal: Report on risks of using coal as fuel	6 of 16	38%	Withdrawn

<sup>a</sup> Rounded to nearest 1%.

<sup>b</sup> 20% of subordinate shares.

For TransAlta and Lake Shore Gold, the proposal included in the survey was withdrawn after ballots were distributed to shareholders but before the shareholders' meeting was held. In these cases, the company did not report a vote result. Jean Coutu Group reported only that its proposal to elect its nominees to the board passed; no numeric vote results were included. Shoppers Drug Mart reported in its vote results that "at least" 47% of its shareholders voted against the appointment of Deloitte & Touche as its external audit firm. This is an unusual way to report a vote result. It is the reason we show the result as approximately 47%, since we do not know exactly what the numeric outcome was.

This table lends itself to comparisons between the votes of the survey participants and the overall votes of shareholders. However, these numbers must be interpreted very cautiously, because the votes of the participating firms and the overall vote results are not completely separate. The overall shareholders' vote results include the votes cast by the participating firms at each company. This means that no valid statistical comparisons can be made between the two sets of votes, only some descriptive comparisons.

With that in mind, we can see that participants in the survey tend to vote more like SHARE does, and are more willing, as a group, than other shareholders to vote against management recommendations. In general, the respondents' scores are closer to SHARE's votes than are overall vote results. This was true of across a broad range of issues, including those—such as the appointment of auditors—where participating firms used to be less likely to vote against the choices of management.

There were two exceptions: the election of Leslie Rahl at CIBC and the proposal to approve stock options at Savanna Energy Services. The difference between the respondents' votes and the shareholders' votes on the election of Leslie Rahl at CIBC was quite small, 17.8% versus 20.76%, or less than 3%.

The difference between the two votes is larger for the proposal at Savanna Energy Services. As described in the discussion of the survey issues, this proposal sought approval for a stock option plan that had no performance requirements. And, as we noted in footnote 3, Institutional Shareholder Services persuaded Savanna Energy to improve this stock option plan, though that fact was not publicized. If some of the participating firms learned of those improvements—for example, if they were Institutional Shareholder Services subscribers—they may have voted for the plan when they would otherwise have voted against it. That might account for the difference between the respondents' votes and the overall vote result.

## VOTING RECORDS OF FIRMS THAT DID NOT RESPOND

Of the firms that did not participate in the survey, 11 publish their proxy voting records on their websites. We used these records to compare the firms that did not respond to the survey with those that did.

Three firms did not cast votes on enough of the proxy issues in the survey for us to calculate a score. These are shown in the table below.

FIRM	NUMBER OF VOTES CAST
Galileo Global Equity Advisors Inc.	3
GE Asset Management Inc.	2
Mawer Investment Management Ltd.	6

The votes of the remaining companies were compared with SHARE's votes and their scores were calculated in the same way as for the firms that took part in the survey.

FIRM	RAW SCORE	SCORE
Bissett Investment Management	4 out of 12	33%
CIBC Asset Management Inc.	6 out of 15	40%
Fiera Sceptre Inc.	6 out of 15	40%
HSBC Global Asset Management (Canada) Ltd.	3 out of 8	38%
McLean Budden Ltd.	0 out of 11	0%
Russell Investments Canada Ltd.	6 out of 17	35%
Scotia Asset Management Ltd.	6 out of 19	32%
TD Asset Management	2 out of 15	13%

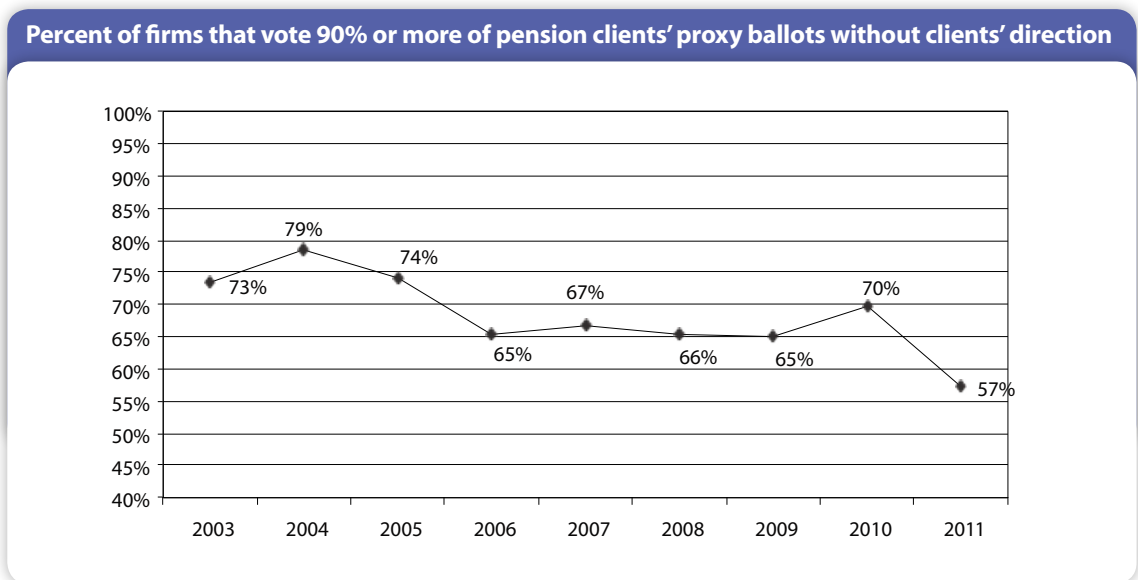
The average score for these firms is 29%, which is significantly lower than the average score of 44% for the firms that participated in the survey.<sup>3</sup> This indicates that firms that participate in the survey are more likely to vote the same way as SHARE than are firms that do not participate. More importantly, this result indicates that firms that take part in the survey are more likely to vote against management when they believe doing so is in the best interests of their clients than are firms that do not respond.

<sup>3</sup> A Mann-Whitney U test for nonparametric ranked samples resulted in  $z = 1.964$ , which is significant at  $p < 0.05$ .

## PENSION FUNDS’ OVERSIGHT OF THEIR PROXY VOTING

One of the survey questions asks firms about the extent to which they decide how to vote their pension clients’ Canadian proxy ballots without receiving guidance or instructions from those clients about how their proxies should be voted. The results show how many participating firms indicate that they decide how to vote the proxy ballots of Canadian companies held by most of their pension plan clients. We define “most” as 90% or more of those clients. These data makes it possible to estimate the extent to which voting agents are getting direction from their pension clients about how to vote those clients’ proxy ballots.

The chart below shows the percentages of respondents who have reported that they decide how to vote the proxy ballots for most of their pension clients for every year since 2003. This number has sharply decreased, from 70% last year to 57% this year.



This chart shows that, although there have been some increases and decreases from year to year, the overall trend is that fewer firms are deciding how to vote the Canadian proxy ballots for most (that is, 90% or more) of their pension clients. In other words, there has been a decrease in the proportion of voting decisions that participating firms are making for their pension clients.

This decrease is not large when one considers that it applies to only about 10% of participating firms’ pension clients. But it is a positive development nevertheless. Although the survey data do not allow us to be certain, these results suggest that more pension funds may be giving their voting agents directions about how their proxies should be voted than in previous years, as they should. It is difficult for trustees to oversee how their proxies are being voted when the voting decisions are left to someone else. These results suggest that pension fund trustees are being more active in the oversight of their funds’ proxy voting, which is part of their fiduciary duty. SHARE encourages trustees to give their proxy voting agents a set of guidelines or another form of direction on how the votes that are attached to their shares should be cast.

## CONCLUSION

Overall, the results of the 2011 Key Proxy Vote Survey are encouraging. They show that, as a group, participating firms are more likely than shareholders in general to vote against the recommendations of management when it is in their clients' interests to do so. The results also show that most participating firms have and follow a set of proxy voting guidelines.

The results also show more public disclosure related to proxy voting. More participating firms are disclosing their proxy voting guidelines to the public. The proportion of firms that disclose their proxy voting records to the public has not changed significantly since last year, but the increase that we saw last year has been maintained. This improvement in disclosure makes it easier for investors to compare and evaluate how various voting agents handle proxy voting. It also contributes to the overall accountability and transparency of the investment industry.

Finally, there has been a decrease in the number of participating firms that report that they decide how to vote most of their pension clients' proxy ballots. This suggests that more pension plans may be giving their voting agents directions on how their proxies should be voted. It also suggests that trustees are becoming more active in their oversight of how their funds' voting rights are being exercised, as part of their responsibility to ensure that those rights are used in the best interests of their plan's beneficiaries.

SHARE recommends that pension fund trustees take these steps to oversee how their funds' proxy ballots are voted:

1. Review the proxy voting record of your plan's investment manager or proxy voting service and discuss it with them. Discuss with them how they voted on the issues in the Key Proxy Vote Survey. Ask for an explanation of their votes on issues in the survey and on other issues of interest to you.
2. Establish proxy voting guidelines that match the geographical scope of your plan's investments. For example, if the plan has global investments, establish proxy voting guidelines with a global scope.
3. In your plan's statement of investment policies and procedures (SIPP), set out the roles and responsibilities for voting your plan's proxies. Trustees should retain the discretion to direct proxy voting if they choose to do so. The SIPP should make reference to the plan's proxy voting guidelines.
4. Give investment managers, proxy voting services, or other voting agents a copy of your plan's proxy voting guidelines.
5. Monitor how your plan's proxies are being voted to ensure that they are being voted according to the guidelines.

## APPENDIX: RESPONSES OF PARTICIPATING FIRMS

### ACUITY INVESTMENT MANAGEMENT INC.

Total institutional assets:	\$3.2 billion	<b>SCORE</b> 8 votes with SHARE's recommendations out of 11 votes = 73%	
Total pension assets:	\$1.3 billion		
Pension assets invested in Canadian equities:	100%		
Canadian equity pension assets voted at the firm's discretion:	No answer		
Who is responsible for proxy voting?	Investment manager; Proxy voting service		
<b>Proxy voting reports to clients</b>		<b>Proxy voting guidelines</b>	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Determined by client	Reviews guidelines at least annually?	Yes
Format of reports:	Standard	Consults with clients on guidelines?	No
<b>Reports include</b>		Discloses guidelines to public?	Yes
Number of shares held:	Yes	Discloses proxy voting record publicly?	Yes
Votes cast on all issues:	Yes	Engages in securities lending?	Yes
Rationale for votes:	Yes	Has recall procedures in place for lent securities?	Yes

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	For
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	For
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	For
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	For
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	For
TransAlta Corp.	Shareholder proposal: Report on risks of using coal as fuel	For
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	For
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Crew Energy Inc.	Approve the unallocated stock options	Against/withhold
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	For
Niko Resources Ltd.	Confirm all unallocated stock options	Against/withhold



**ALLIANCE BERNSTEIN INSTITUTIONAL INVESTMENT MANAGEMENT**

Total institutional assets:	\$242 billion	<b>SCORE</b> 2 votes with SHARE's recommendations out of 14 votes = 14%	
Total pension assets:	Not available		
Amount of pension assets invested in Canadian equities:	Not available		
Canadian equity pension assets voted at the firm's discretion:	No answer		
Who is responsible for proxy voting?	Internal committee; Individual staff member		
<b>Proxy voting reports to clients</b>		<b>Proxy voting guidelines</b>	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Determined by client	Reviews guidelines at least annually?	Yes
Format of reports:	Standard or custom	Consults with clients on guidelines?	Yes
<b>Reports include</b>		Discloses guidelines to public?	Yes
Number of shares held:	Yes	Discloses proxy voting record publicly?	Yes
Votes cast on all issues:	Yes	Engages in securities lending?	No
Rationale for votes:	No		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	Against/withhold
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	Against/withhold
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	Against/withhold
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy	Against/withhold
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	Against/withhold
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	Against/withhold
TransAlta Corp.	Shareholder proposal: Report on risks of using coal as fuel	Against/withhold
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	For
Baytex Energy Corp.	Election of directors: John A. Brussa	For
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	For
Niko Resources Ltd.	Confirm all unallocated stock options	For
Pacific Rubiales Energy Corp.	Approve unallocated entitlements under the stock option plan	Against/withhold
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	Against/withhold

**AMI PARTNERS INC. INVESTMENT COUNSEL**

Total institutional assets:	\$2.877 billion	<b>SCORE</b> 3 votes with SHARE's recommendations out of 12 votes = 25%
Total pension assets:	\$2.746 billion	
Amount of pension assets invested in Canadian equities:	\$2.1263 billion	
Canadian equity pension assets voted at the firm's discretion:	80–89%	
Who is responsible for proxy voting?	Internal committee; Investment manager; Individual staff member	

Proxy voting reports to clients		Proxy voting guidelines	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Determined by client	Reviews guidelines at least annually?	Yes
Format of reports:	Custom	Consults with clients on guidelines?	No
<b>Reports include</b>		Discloses guidelines to public?	Yes
Number of shares held:	Yes	Discloses proxy voting record publicly?	No
Votes cast on all issues:	Yes	Engages in securities lending?	Yes
Rationale for votes:	Yes	Has recall procedures in place for lent securities?	Yes

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	Against/withhold
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	Against/withhold
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	For
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	Against/withhold
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	Against/withhold
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	Against/withhold
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	For
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Crew Energy Inc.	Approve the unallocated stock options	Against/withhold
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	For
Pacific Rubiales Energy Corp.	Approve unallocated entitlements under the stock option plan	Against/withhold
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	For

**BÂTIRENTE INC.**

Total institutional assets:	Not available	<b>SCORE</b> Too few votes to be scored
Total pension assets:	\$842 million	
Pension assets invested in Canadian equities:	10.23% (\$86.13 million)	
Canadian equity pension assets voted at the firm's discretion:	100%	
Who is responsible for proxy voting?	Proxy voting service	

Proxy voting reports to clients		Proxy voting guidelines	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Quarterly	Reviews guidelines at least annually?	No
Format of reports:	Standard	Consults with clients on guidelines?	Yes
		Discloses guidelines to public?	Yes
Reports include		Discloses proxy voting record publicly?	Yes
Number of shares held:	Yes	Engages in securities lending?	Yes
Votes cast on all issues:	Yes	Has recall procedures in place for lent securities?	Yes
Rationale for votes:	Yes		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
TransAlta Corp.	Shareholder proposal: Report on risks of using coal as fuel	For
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	Against/withhold
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	Against/withhold

**BEUTEL, GOODMAN & COMPANY LTD.**

Total institutional assets:	\$22.1 million	<b>SCORE</b> 4 votes with SHARE's recommendations out of 10 votes = 40%
Total pension assets:	\$21.9 million	
Pension assets invested in Canadian equities:	37%	
Canadian equity pension assets voted at the firm's discretion:	70–79%	
Who is responsible for proxy voting?	Investment manager	
<b>Proxy voting reports to clients</b>		
Issues reports to clients?	Yes	<b>Proxy voting guidelines</b> Has proxy voting guidelines? No
Frequency of reports:	Quarterly	
Format of reports:	Standard	
<b>Reports include</b>		
Number of shares held:	Yes	Discloses proxy voting record publicly? Firm's managed funds only
Votes cast on all issues:	Yes	
Rationale for votes:	Yes	Engages in securities lending? No

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	For
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	For
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	For
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Baytex Energy Corp.	Election of directors: John A. Brussa	For
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Crew Energy Inc.	Approve the unallocated stock options	For
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	For
Minefinders Corporation, Ltd.	Approval of 2011 stock option plan	For
Pacific Rubiales Energy Corp.	Approve unallocated entitlements under the stock option plan	For
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	Against/withhold

**BLACK ROCK, INC.**

Total institutional assets:	\$2.6805 trillion	<b>SCORE</b> 5 votes with SHARE's recommendations out of 21 votes = 24%
Total pension assets:	\$890.8 billion	
Amount of pension assets invested in Canadian equities:	\$10.6 billion	
Canadian equity pension assets voted at the firm's discretion:	90–100%	
Who is responsible for proxy voting?	Internal committee; Investment manager; Corporate governance and responsible investment team	

Proxy voting reports to clients		Proxy voting guidelines	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Monthly	Reviews guidelines at least annually?	Yes
Format of reports:	Standard	Consults with clients on guidelines?	Yes
		Discloses guidelines to public?	Yes
Reports include		Discloses proxy voting record publicly?	Mutual funds only
Number of shares held:	No	Engages in securities lending?	Yes
Votes cast on all issues:	Yes	Has recall procedures in place for lent securities?	Yes
Rationale for votes:	Yes		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	Against/withhold
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	Against/withhold
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	Against/withhold
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	Against/withhold
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	Against/withhold
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	Against/withhold
TransAlta Corp.	Shareholder proposal: Report on risks of using coal as fuel	Against/withhold
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	Against/withhold
Baytex Energy Corp.	Election of directors: John A. Brussa	Against/withhold
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Crew Energy Inc.	Approve the unallocated stock options	For
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	For
Extorre Gold Mines Ltd	Continuance of the company under the Business Corporations Act (British Columbia) and adoption of new articles	Against/withhold
The Jean Coutu Group	Elect the directors (slate)	For

## RESPONSES OF PARTICIPATING FIRMS

### *Black Rock, Inc., continued*

Lake Shore Gold Corp.	Confirm the shareholder rights plan	Against/withhold
Minefinders Corporation, Ltd.	Approval of 2011 Stock Option Plan	For
Niko Resources Ltd.	Confirm all unallocated stock options	Against/withhold
Pacific Rubiales Energy Corp.	Approve unallocated entitlements under the stock option plan	For
Pason Systems Inc.	Election of directors: James D. Hill	For
Savanna Energy Services Corp.	Approve the unallocated stock options	For
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	For

**BMO ASSET MANAGEMENT INC.**

Total institutional assets:	\$8.5 billion	<b>SCORE</b> 9 votes with SHARE's recommendations out of 18 votes = 50%	
Total pension assets:	\$2 billion		
Amount of pension assets invested in Canadian equities:	\$700 million		
Canadian equity pension assets voted at the firm's discretion:	90–100%		
Who is responsible for proxy voting?	Individual staff member		
<b>Proxy voting reports to clients</b>		<b>Proxy voting guidelines</b>	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Annually	Reviews guidelines at least annually?	Yes
Format of reports:	Standard	Consults with clients on guidelines?	No
<b>Reports include</b>		Discloses guidelines to public?	No
Number of shares held:	Yes	<b>Discloses proxy voting record publicly?</b>	
Votes cast on all issues:	Yes	All mutual fund mandates only	
Rationale for votes:	No	<b>Engages in securities lending?</b>	No

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	For
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	For
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	Against/withhold
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	Against/withhold
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	For
TransAlta Corp.	Shareholder proposal: Report on risks of using coal as fuel	Against/withhold
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	Against/withhold
Baytex Energy Corp.	Election of directors: John A. Brussa	Against/withhold
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	Against/withhold
Crew Energy Inc.	Approve the unallocated stock options	For
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	For
Lake Shore Gold Corp.	Confirm the shareholder rights plan	For
Minefinders Corporation, Ltd.	Approval of 2011 Stock Option Plan	For
Niko Resources Ltd.	Confirm all unallocated stock options	Against/withhold
Pacific Rubiales Energy Corp.	Approve unallocated entitlements under the stock option plan	For
Savanna Energy Services Corp.	Approve the unallocated stock options	For
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	Against/withhold

**BONAVISTA ASSET MANAGEMENT LTD.**

Total institutional assets:	\$987 million	<b>SCORE</b> 4 votes with SHARE's recommendations out of 8 votes = 50%	
Total pension assets:	\$691 million		
Pension assets invested in Canadian equities:	52%		
Canadian equity pension assets voted at the firm's discretion:	90–100%		
Who is responsible for proxy voting?	Individual staff member		
<b>Proxy voting reports to clients</b>		<b>Proxy voting guidelines</b>	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Quarterly	Reviews guidelines at least annually?	Yes
Format of reports:	Standard	Consults with clients on guidelines?	No
<b>Reports include</b>		Discloses guidelines to public?	Yes
Number of shares held:	Yes	Discloses proxy voting record publicly?	No
Votes cast on all issues:	Yes	Engages in securities lending?	No
Rationale for votes:	No		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	Against/withhold
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	Against/withhold
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	For
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	For
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	Against/withhold
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Baytex Energy Corp.	Election of directors: John A. Brussa	Against/withhold
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	Against/withhold



**CONNOR, CLARK & LUNN INVESTMENT MANAGEMENT**

Total institutional assets:	\$22 billion	<b>SCORE</b> Proxy votes not included in survey response
Total pension assets:	\$13.3 billion	
Pension assets invested in Canadian equities:	54%	
Canadian equity pension assets voted at the firm's discretion:	80–89%	
Who is responsible for proxy voting?	Individual staff member	

Proxy voting reports to clients		Proxy voting guidelines	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Quarterly	Reviews guidelines at least annually?	Yes
Format of reports:	Standard	Consults with clients on guidelines?	Yes
<b>Reports include</b>		Discloses guidelines to public?	No
Number of shares held:	No	Discloses proxy voting record publicly?	No
Votes cast on all issues:	Yes	Engages in securities lending?	No
Rationale for votes:	Yes		

Proxy votes not included in survey response

**FIDELITY INVESTMENTS CANADA ULC**

Total institutional assets:	\$66 billion	<b>SCORE</b> 2 votes with SHARE's recommendations out of 14 votes = 14%	
Total pension assets:	\$11.6 billion		
Pension assets invested in Canadian equities:	49%		
Amount of pension assets invested in Canadian equities:	\$5.7 billion		
Canadian equity pension assets voted at the firm's discretion:	90–100%		
Who is responsible for proxy voting?	Internal committee		
<b>Proxy voting reports to clients</b>		<b>Proxy voting guidelines</b>	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Determined by client	Reviews guidelines at least annually?	Yes
Format of reports:	Standard or custom	Consults with clients on guidelines?	Yes
		Discloses guidelines to public?	Yes
<b>Reports include</b>		Discloses proxy voting record publicly?	Mutual funds only
Number of shares held:	No	Engages in securities lending?	Yes
Votes cast on all issues:	Yes	Has recall procedures in place for lent securities?	Yes
Rationale for votes:	Yes		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	Against/withhold
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	Against/withhold
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	Against/withhold
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	For
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	Against/withhold
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	Against/withhold
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	For
Baytex Energy Corp.	Election of directors: John A. Brussa	For
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	For
The Jean Coutu Group	Elect the directors (slate)	For
Niko Resources Ltd.	Confirm all unallocated stock options	For
Pacific Rubiales Energy Corp.	Approve unallocated entitlements under the stock option plan	Against/withhold
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	For

**FOYSTON, GORDON & PAYNE INC.**

Total institutional assets:	\$11.777 billion	<b>SCORE</b> 4 votes with SHARE's recommendations out of 11 votes = 36%
Total pension assets:	\$5.800 billion	
Pension assets invested in Canadian equities:	64%	
Canadian equity pension assets voted at the firm's discretion:	80–89%	
Who is responsible for proxy voting?	Investment manager	

<b>Proxy voting reports to clients</b>		<b>Proxy voting guidelines</b>	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Determined by client	Reviews guidelines at least annually?	Yes
Format of reports:	Custom	Consults with clients on guidelines?	No
<b>Reports include</b>		Discloses guidelines to public?	No
Votes cast on all issues:	Yes	Discloses proxy voting record publicly?	No
Number of shares held:	No	Engages in securities lending?	No
Rationale for votes:	No		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	Against/withhold
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	Against/withhold
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	For
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	Against/withhold
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	For
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	For
TransAlta Corp.	Shareholder proposal: Report on risks of using coal as fuel	For
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	For
Pason Systems Inc.	Election of directors: James D. Hill	For
Savanna Energy Services Corp.	Approve the unallocated stock options	For

**GLASS, LEWIS & CO. LLC**

Total institutional assets:	NA (proxy voting service)	<b>SCORE</b> 10 votes with SHARE's recommendations out of 21 votes = 48%	
Total pension assets:	NA		
Pension assets invested in Canadian equities:	NA		
Canadian equity pension assets voted at the firm's discretion:	< 40%		
Who is responsible for proxy voting?	Internal committee		
<b>Proxy voting reports to clients</b>		<b>Proxy voting guidelines</b>	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Determined by client	Reviews guidelines at least annually?	Yes
Format of reports:	Standard or custom	Consults with clients on guidelines?	Yes
<b>Reports include</b>		Discloses guidelines to public?	No
Number of shares held:	Yes	Discloses proxy voting record publicly?	No
Votes cast on all issues:	Yes	Engages in securities lending?	No
Rationale for votes:	Yes		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	Against/withhold
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	Against/withhold
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	Against/withhold
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	For
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	For
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	Against/withhold
TransAlta Corp.	Shareholder proposal: Report on risks of using coal as fuel	Against/withhold
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	Against/withhold
Baytex Energy Corp.	Election of directors: John A. Brussa	Against/withhold
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	Against/withhold
Crew Energy Inc.	Approve the unallocated stock options	For
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	For
Extorre Gold Mines Ltd.	Continuance of the company under the Business Corporations Act (British Columbia) and adoption of new articles	Against/withhold
The Jean Coutu Group	Elect the directors (slate)	For
Lake Shore Gold Corp.	Confirm the shareholder rights plan	For

## RESPONSES OF PARTICIPATING FIRMS

*continued*

Minefinders Corporation Ltd.	Approval of 2011 Stock Option Plan	Against/withhold
Niko Resources Ltd.	Confirm all unallocated stock options	Against/withhold
Pacific Rubiales Energy Corp.	Approve unallocated entitlements under the stock option plan	Against/withhold
Pason Systems Inc.	Election of directors: James D. Hill	For
Savanna Energy Services Corp.	Approve the unallocated stock options	For
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	Against/withhold

**GREYSTONE MANAGED INVESTMENTS INC.**

Total institutional assets:	\$34.8 billion	<b>SCORE</b> 4 votes with SHARE's recommendations out of 11 votes = 36%
Total pension assets:	\$22.6 billion	
Pension assets invested in Canadian equities:	35%	
Canadian equity pension assets voted at the firm's discretion:	90–100%	
Who is responsible for proxy voting?	Individual investment manager who selected the stock for inclusion in the portfolio	

Proxy voting reports to clients		Proxy voting guidelines	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Quarterly	Reviews guidelines at least annually?	Yes
Format of reports:	Standard	Consults with clients on guidelines?	No
<b>Reports include</b>		Discloses guidelines to public?	No
Number of shares held:	Yes	Discloses proxy voting record publicly?	No
Votes cast on all issues:	Yes	Engages in securities lending?	No
Rationale for votes:	No		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	Against/withhold
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	Against/withhold
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	For
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	For
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	Against/withhold
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	Against/withhold
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Baytex Energy Corp.	Election of directors: John A. Brussa	For
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Lake Shore Gold Corp.	Confirm the shareholder rights plan	Against/withhold
Pacific Rubiales Energy Corp.	Approve unallocated entitlements under the stock option plan	For
Pason Systems Inc.	Election of directors: James D. Hill	Against/withhold

**GROUPE INVESTISSEMENT RESPONSABLE INC.**

Total institutional assets:	NA (proxy voting service)	<b>SCORE</b> 6 votes with SHARE's recommendations out of 8 votes = 75%	
Total pension assets:	NA		
Pension assets invested in Canadian equities:	NA		
Canadian equity pension assets voted at the firm's discretion:	50–59%		
Who is responsible for proxy voting?	Individual staff member		
<b>Proxy voting reports to clients</b>		<b>Proxy voting guidelines</b>	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Determined by client	Reviews guidelines at least annually?	Yes
Format of reports:	Custom	Consults with clients on guidelines?	Yes
<b>Reports include</b>		Discloses guidelines to public?	No
Number of shares held:	Yes	Discloses proxy voting record publicly?	No
Votes cast on all issues:	Yes	Engages in securities lending?	Yes
Rationale for votes:	Yes	Has recall procedures in place for lent securities?	Yes

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	Against/withhold
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	For
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	For
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	Against/withhold
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	For
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	For
TransAlta Corp.	Shareholder proposal: Report on risks of using coal as fuel	For
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Crew Energy Inc.	Approve the unallocated stock options	Against/withhold

**GRYPHON INVESTMENT COUNSEL INC.**

Total institutional assets:	\$1.1 billion	<b>SCORE</b> Too few votes to be scored
Total pension assets:	\$870.6 million	
Amount of pension assets invested in Canadian equities:	\$451.2 million	
Canadian equity pension assets voted at the firm's discretion:	90–100%	
Who is responsible for proxy voting?	Internal committee	

Proxy voting reports to clients		Proxy voting guidelines	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Determined by client	Reviews guidelines at least annually?	Yes
Format of reports:	Standard	Consults with clients on guidelines?	No
<b>Reports include</b>		Discloses guidelines to public?	No
Number of shares held:	No	Discloses proxy voting record publicly?	No
Votes cast on all issues:	Yes	Engages in securities lending?	No
Rationale for votes:	No		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	Against/withhold
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	Against/withhold
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For



**HIGHSTREET ASSET MANAGEMENT INC.**

Total institutional assets:	\$4.076 billion	<b>SCORE</b> 5 votes with SHARE's recommendations out of 11 votes = 45%
Total pension assets:	\$579.6 million	
Pension assets invested in Canadian equities:	95%	
Canadian equity pension assets voted at the firm's discretion:	90–100%	
Who is responsible for proxy voting?	Proxy voting service	

Proxy voting reports to clients		Proxy voting guidelines	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Determined by client	Reviews guidelines at least annually?	Yes
Format of reports:	Standard	Consults with clients on guidelines?	No
		Discloses guidelines to public?	No
<b>Reports include</b>		Discloses proxy voting record publicly?	Yes
Number of shares held:	No	Engages in securities lending?	Yes
Votes cast on all issues:	Yes	Has recall procedures in place for lent securities?	No
Rationale for votes:	Yes		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	Against/withhold
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	Against/withhold
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	Against/withhold
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	For
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	Against/withhold
Baytex Energy Corp.	Election of directors: John A. Brussa	Against/withhold
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	Against/withhold
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	For
Niko Resources Ltd.	Confirm all unallocated stock options	Against/withhold
Pason Systems Inc.	Election of directors: James D. Hill	For
Savanna Energy Services Corp.	Approve the unallocated stock options	For

**INSTITUTIONAL SHAREHOLDER SERVICES – PROXY ADVISORY SERVICES**

Total institutional assets:	NA (proxy voting service)	<b>SCORE</b> 11 votes with SHARE's recommendations out of 21 votes = 52%	
Total pension assets:	NA		
Pension assets invested in Canadian equities:	NA		
Canadian equity pension assets voted at the firm's discretion:	NA		
Who is responsible for proxy voting?	Other		
<b>Proxy voting reports to clients</b>		<b>Proxy voting guidelines</b>	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Determined by client	Reviews guidelines at least annually?	Yes
Format of reports:	Custom	Consults with clients on guidelines?	Yes
<b>Reports include</b>		Discloses guidelines to public?	Yes
Number of shares held:	Yes	Discloses proxy voting record publicly?	No
Votes cast on all issues:	Yes	Engages in securities lending?	No
Rationale for votes:	Yes		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	Against/withhold
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	Against/withhold
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	For
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	For
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	Against/withhold
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	For
TransAlta Corp.	Shareholder proposal: Report on risks of using coal as fuel	Against/withhold
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	For
Baytex Energy Corp.	Election of directors: John A. Brussa	For
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Crew Energy Inc.	Approve the unallocated stock options	Against/withhold
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	For
Extorre Gold Mines Ltd.	Continuance of the company under the Business Corporations Act (British Columbia) and adoption of new articles	Against/withhold
The Jean Coutu Group	Elect the directors (slate)	Against/withhold
Lake Shore Gold Corp.	Confirm the shareholder rights plan	Against/withhold

## RESPONSES OF PARTICIPATING FIRMS

*continued*

Minefinders Corporation, Ltd.	Approval of 2011 Stock Option Plan	Against/withhold
Niko Resources Ltd.	Confirm all unallocated stock options	Against/withhold
Pacific Rubiales Energy Corp.	Approve unallocated entitlements under the stock option plan	For
Pason Systems Inc.	Election of directors: James D. Hill	Against/withhold
Savanna Energy Services Corp.	Approve the unallocated stock options	For
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	Against/withhold

**INSTITUTIONAL SHAREHOLDER SERVICES – SOCIAL ADVISORY SERVICES**

Total institutional assets:	NA (proxy voting service)	<b>SCORE</b> 13 votes with SHARE's recommendations out of 21 votes = 62%	
Total pension assets:	NA		
Pension assets invested in Canadian equities:	NA		
Canadian equity pension assets voted at the firm's discretion:	NA		
Who is responsible for proxy voting?	Other		
<b>Proxy voting reports to clients</b>		<b>Proxy voting guidelines</b>	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Determined by client	Reviews guidelines at least annually?	Yes
Format of reports:	Custom	Consults with clients on guidelines?	Yes
<b>Reports include</b>		Discloses guidelines to public?	Yes
Number of shares held:	Yes	Discloses proxy voting record publicly?	No
Votes cast on all issues:	Yes	Engages in securities lending?	No
Rationale for votes:	Yes		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	For
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	For
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	For
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	For
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	Against/withhold
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	Against/withhold
TransAlta Corp.	Shareholder proposal: Report on risks of using coal as fuel	For
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	For
Baytex Energy Corp.	Election of directors: John A. Brussa	For
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Crew Energy Inc.	Approve the unallocated stock options	Against/withhold
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	For
Extorre Gold Mines Ltd.	Continuance of the company under the Business Corporations Act (British Columbia) and adoption of new articles	Against/withhold
The Jean Coutu Group	Elect the directors (slate)	Against/withhold
Lake Shore Gold Corp.	Confirm the shareholder rights plan	Against/withhold

## RESPONSES OF PARTICIPATING FIRMS

*continued*

Minefinders Corporation, Ltd.	Approval of 2011 Stock Option Plan	Against/withhold
Niko Resources Ltd.	Confirm all unallocated stock options	Against/withhold
Pacific Rubiales Energy Corp.	Approve unallocated entitlements under the stock option plan	For
Pason Systems Inc.	Election of directors: James D. Hill	Against/withhold
Savanna Energy Services Corp.	Approve the unallocated stock options	For
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	Against/withhold

**INSTITUTIONAL SHAREHOLDER SERVICES – TAFT HARTLEY ADVISORY SERVICES**

Total institutional assets:	NA (proxy voting service)	<b>SCORE</b> 9 votes with SHARE's recommendations out of 16 votes = 56%	
Total pension assets:	NA		
Pension assets invested in Canadian equities:	NA		
Canadian equity pension assets voted at the firm's discretion:	NA		
Who is responsible for proxy voting?	Other		
<b>Proxy voting reports to clients</b>		<b>Proxy voting guidelines</b>	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Determined by client	Reviews guidelines at least annually?	Yes
Format of reports:	Custom	Consults with clients on guidelines?	Yes
<b>Reports include</b>		Discloses guidelines to public?	Yes
Number of shares held:	Yes	Discloses proxy voting record publicly?	No
Votes cast on all issues:	Yes	Engages in securities lending?	No
Rationale for votes:	Yes		

CORPORATION	PROPOSAL	VOTE
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## RECOMMENDED VOTE: FOR

Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	Against/withhold
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	For
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	For
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	For
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	Against/withhold
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	For

## RECOMMENDED VOTE: AGAINST/WITHHOLD

Barrick Gold Corp.	Election of directors: Gustavo Cisneros	For
Baytex Energy Corp.	Election of directors: John A. Brussa	Against/withhold
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Crew Energy Inc.	Approve the unallocated stock options	Against/withhold
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	For
Lake Shore Gold Corp.	Confirm the shareholder rights plan	Against/withhold
Niko Resources Ltd.	Confirm all unallocated stock options	Against/withhold
Pacific Rubiales Energy Corp.	Approve unallocated entitlements under the stock option plan	For
Savanna Energy Services Corp.	Approve the unallocated stock options	For
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	Against/withhold

**INVESCO CANADA INC.**

Total institutional assets:	No answer	<b>SCORE</b> 0 votes with SHARE's recommendations out of 13 votes = 0%
Total pension assets:	No answer	
Pension assets invested in Canadian equities:	No answer	
Canadian equity pension assets voted at the firm's discretion:	90–100%	
Who is responsible for proxy voting?	Investment manager	

<b>Proxy voting reports to clients</b>		<b>Proxy voting guidelines</b>	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Quarterly	Reviews guidelines at least annually?	Yes
Format of reports:	Custom	Consults with clients on guidelines?	No
		Discloses guidelines to public?	Yes
<b>Reports include</b>		<b>Discloses proxy voting record publicly?</b>	
Number of shares held:	No	Retail mutual funds only	
Votes cast on all issues:	Yes		
Rationale for votes:	No	<b>Engages in securities lending?</b>	
		No	

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	Against/withhold
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	Against/withhold
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	Against/withhold
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	Against/withhold
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	Against/withhold
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	Against/withhold
TransAlta Corp.	Shareholder proposal: Report on risks of using coal as fuel	Against/withhold
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	For
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	For
Niko Resources Ltd.	Confirm all unallocated stock options	For
Savanna Energy Services Corp.	Approve the unallocated stock options	For
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	For

**JARISLOWSKY, FRASER LIMITED**

Total institutional assets:	\$37 billion	<b>SCORE</b> 0 votes with SHARE's recommendations out of 8 votes = 0%	
Total pension assets:	\$17.6 billion		
Pension assets invested in Canadian equities:	63%		
Canadian equity pension assets voted at the firm's discretion:	70–79%		
Who is responsible for proxy voting?	Internal committee		
<b>Proxy voting reports to clients</b>		<b>Proxy voting guidelines</b>	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Annually	Reviews guidelines at least annually?	Yes
Format of reports:	Standard	Consults with clients on guidelines?	No
<b>Reports include</b>		Discloses guidelines to public?	Yes
Number of shares held:	No	Discloses proxy voting record publicly?	JF Select funds only
Votes cast on all issues:	No	Engages in securities lending?	No
Rationale for votes:	Yes		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	Against/withhold
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	Against/withhold
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	Against/withhold
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	Against/withhold
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	Against/withhold
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	For
The Jean Coutu Group	Elect the directors (slate)	For
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	For



**LEITH WHEELER INVESTMENT COUNSEL LTD.**

Total institutional assets:	\$10.132 billion	<b>SCORE</b> Too few votes to be scored
Total pension assets:	\$7.638 billion	
Pension assets invested in Canadian equities:	38.7%	
Canadian equity pension assets voted at the firm's discretion:	90–100%	
Who is responsible for proxy voting?	Internal committee	

Proxy voting reports to clients		Proxy voting guidelines	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Quarterly	Reviews guidelines at least annually?	Yes
Format of reports:	Standard	Consults with clients on guidelines?	Yes
<b>Reports include</b>		Discloses guidelines to public?	No
Number of shares held:	No	Discloses proxy voting record publicly?	Yes
Votes cast on all issues:	No	Engages in securities lending?	No
Rationale for votes:	Yes		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	Against/withhold
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	For
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	Against/withhold
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Baytex Energy Corp.	Election of directors: John A. Brussa	For
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Savanna Energy Services Corp.	Approve the unallocated stock options	Against/withhold

**MANULIFE ASSET MANAGEMENT**

Total institutional assets:	\$208.97 billion	<b>SCORE</b> 9 votes with SHARE's recommendations out of 19 votes = 47%
Total pension assets:	\$58.32 billion	
Amount of pension assets invested in Canadian equities:	\$1.73 billion	
Canadian equity pension assets voted at the firm's discretion:	90–100%	
Who is responsible for proxy voting?	Proxy voting service	

Proxy voting reports to clients		Proxy voting guidelines	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Determined by client	Reviews guidelines at least annually?	Yes
Format of reports:	Standard	Consults with clients on guidelines?	Yes
<b>Reports include</b>		Discloses guidelines to public?	No
Number of shares held:	Yes	Discloses proxy voting record publicly?	No
Votes cast on all issues:	No	Engages in securities lending?	Yes
Rationale for votes:	No	Has recall procedures in place for lent securities?	Yes

CORPORATION	PROPOSAL	VOTE
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## RECOMMENDED VOTE: FOR

Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	Against/withhold
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	Against/withhold
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	For
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	For
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	Against/withhold
TransAlta Corp.	Shareholder proposal: Report on risks of using coal as fuel	Against/withhold

## RECOMMENDED VOTE: AGAINST/WITHHOLD

Barrick Gold Corp.	Election of directors: Gustavo Cisneros	For
Baytex Energy Corp.	Election of directors: John A. Brussa	For
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Crew Energy Inc.	Approve the unallocated stock options	Against/withhold
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	For
The Jean Coutu Group	Elect the directors (slate)	Against/withhold
Lake Shore Gold Corp.	Confirm the shareholder rights plan	Against/withhold
Minefinders Corporation, Ltd.	Approval of 2011 Stock Option Plan	Against/withhold
Niko Resources Ltd.	Confirm all unallocated stock options	Against/withhold
Pacific Rubiales Energy Corp.	Approve unallocated entitlements under the stock option plan	For
Pason Systems Inc.	Election of directors: James D. Hill	Against/withhold
Savanna Energy Services Corp.	Approve the unallocated stock options	For
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	Against/withhold

**MARCO CONSULTING GROUP**

Total institutional assets:	US\$133 billion	<b>SCORE</b> 14 votes with SHARE's recommendations out of 15 votes = 93%
Total pension assets:	US\$133 billion	
Pension assets invested in Canadian equities:	2%	
Canadian equity pension assets voted at the firm's discretion:	90–100%	
Who is responsible for proxy voting?	Internal committee	

Proxy voting reports to clients		Proxy voting guidelines	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Annually	Reviews guidelines at least annually?	Yes
Format of reports:	Standard	Consults with clients on guidelines?	Yes
<b>Reports include</b>		Discloses guidelines to public?	Yes
Number of shares held:	Yes	Discloses proxy voting record publicly?	No
Votes cast on all issues:	Yes	Engages in securities lending?	No
Rationale for votes:	Yes		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	For
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	For
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	For
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	For
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	For
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	Against/withhold
Baytex Energy Corp.	Election of directors: John A. Brussa	Against/withhold
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Crew Energy Inc.	Approve the unallocated stock options	Against/withhold
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	Against/withhold
The Jean Coutu Group.	Elect the directors (slate)	Against/withhold
Minefinders Corporation, Ltd.	Approval of 2011 Stock Option Plan	Against/withhold
Niko Resources Ltd.	Confirm all unallocated stock options	Against/withhold
Pacific Rubiales Energy Corp.	Approve unallocated entitlements under the stock option plan	Against/withhold
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	Against/withhold

**MONTRUSCO BOLTON INVESTMENTS INC.**

Total institutional assets:	\$4.65 billion	<b>SCORE</b> 12 votes with SHARE's recommendations out of 19 votes = 63%	
Total pension assets:	\$940 million		
Pension assets invested in Canadian equities:	0.7%		
Canadian equity pension assets voted at the firm's discretion:	80–89%		
Who is responsible for proxy voting?	Proxy voting service		
<b>Proxy voting reports to clients</b>		<b>Proxy voting guidelines</b>	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Annually and quarterly	Reviews guidelines at least annually?	Yes
Format of reports:	Standard	Consults with clients on guidelines?	No
<b>Reports include</b>		Discloses guidelines to public?	Yes
Number of shares held:	No	Discloses proxy voting record publicly?	Yes
Votes cast on all issues:	Yes	Engages in securities lending?	No
Rationale for votes:	No		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	Against/withhold
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	For
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	For
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	For
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	For
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	For
TransAlta Corp.	Shareholder proposal: Report on risks of using coal as fuel	Against/withhold
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	Against/withhold
Baytex Energy Corp.	Election of directors: John A. Brussa	Against/withhold
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	Against/withhold
Crew Energy Inc.	Approve the unallocated stock options	For
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	For
The Jean Coutu Group	Elect the directors (slate)	Against/withhold
Lake Shore Gold Corp.	Confirm the shareholder rights plan	For
Minefinders Corporation, Ltd.	Approval of 2011 Stock Option Plan	Against/withhold
Niko Resources Ltd.	Confirm all unallocated stock options	Against/withhold
Pason Systems Inc.	Election of directors: James D. Hill	For
Savanna Energy Services Corp.	Approve the unallocated stock options	Against/withhold
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	For

**NATCAN INVESTMENT MANAGEMENT**

Total institutional assets:	\$6.107 billion	<b>SCORE</b> Too few votes to be scored
Total pension assets:	\$2.684 billion	
Amount of pension assets invested in Canadian equities:	\$1.22 billion	
Canadian equity pension assets voted at the firm's discretion:	90–100%	
Who is responsible for proxy voting?	Internal committee; Investment manager; Proxy voting service; Dedicated staff	

Proxy voting reports to clients		Proxy voting guidelines	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Determined by client	Reviews guidelines at least annually?	Yes
Format of reports:	Standard	Consults with clients on guidelines?	No
<b>Reports include</b>		Discloses guidelines to public?	Yes
Number of shares held:	Yes	Discloses proxy voting record publicly?	No
Votes cast on all issues:	Yes	Engages in securities lending?	No
Rationale for votes:	Yes		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	For
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	For
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	For
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	For
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Pacific Rubiales Energy Corp.	Approve unallocated entitlements under the stock option plan	Against/withhold

**PCJ INVESTMENT COUNSEL LTD.**

Total institutional assets:	\$2.2 billion	<b>SCORE</b> 4 votes with SHARE's recommendations out of 7 votes = 57%	
Total pension assets:	\$1.5 billion		
Pension assets invested in Canadian equities:	100%		
Canadian equity pension assets voted at the firm's discretion:	60–69%		
Who is responsible for proxy voting?	Individual staff member		
<b>Proxy voting reports to clients</b>		<b>Proxy voting guidelines</b>	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Quarterly	Reviews guidelines at least annually?	Yes
Format of reports:	Standard or custom	Consults with clients on guidelines?	No
<b>Reports include</b>		Discloses guidelines to public?	No
Number of shares held:	No	Discloses proxy voting record publicly?	No
Votes cast on all issues:	Yes	Engages in securities lending?	No
Rationale for votes:	Yes		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	For
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	For
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	Against/withhold
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	For
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Crew Energy Inc.	Approve the unallocated stock options	Against/withhold
Lake Shore Gold Corp.	Confirm the shareholder rights plan	Against/withhold

**PHILLIPS, HAGER & NORTH INVESTMENT MANAGEMENT LTD.**

Total institutional assets:	\$63.6 billion	<b>SCORE</b> 9 votes with SHARE's recommendations out of 16 votes = 56%	
Total pension assets:	\$36.1 billion		
Pension assets invested in Canadian equities:	8.8%		
Canadian equity pension assets voted at the firm's discretion:	80–89%		
Who is responsible for proxy voting?	Individual staff member		
<b>Proxy voting reports to clients</b>		<b>Proxy voting guidelines</b>	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Quarterly	Reviews guidelines at least annually?	Yes
Format of reports:	Custom	Consults with clients on guidelines?	No
<b>Reports include</b>		Discloses guidelines to public?	Yes
Number of shares held:	Yes	Discloses proxy voting record publicly?	Yes
Votes cast on all issues:	Yes	Engages in securities lending?	No
Rationale for votes:	Yes		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	Against/withhold
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	Against/withhold
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	For
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	For
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	For
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	Against/withhold
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	For
Baytex Energy Corp.	Election of directors: John A. Brussa	Against/withhold
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Crew Energy Inc.	Approve the unallocated stock options	Against/withhold
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	For
The Jean Coutu Group	Elect the directors (slate)	For
Lake Shore Gold Corp.	Confirm the shareholder rights plan	Against/withhold
Niko Resources Ltd.	Confirm all unallocated stock options	Against/withhold
Pacific Rubiales Energy Corp.	Approve unallocated entitlements under the stock option plan	Against/withhold
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	Against/withhold

**PROXY VOTE PLUS**

Total institutional assets:	NA (proxy voting service)	<b>SCORE</b> 13 votes with SHARE's recommendations out of 18 votes = 72%	
Total pension assets:	NA		
Pension assets invested in Canadian equities:	5%		
Canadian equity pension assets voted at the firm's discretion:	90–100%		
Who is responsible for proxy voting?	Individual staff member		
<b>Proxy voting reports to clients</b>		<b>Proxy voting guidelines</b>	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency: Annually; semi-annually; quarterly		Reviews guidelines at least annually?	Yes
Format of reports: Standard		Consults with clients on guidelines?	No
<b>Reports include</b>		Discloses guidelines to public?	Yes
Number of shares held:	Yes	Discloses proxy voting record publicly?	No
Votes cast on all issues:	Yes	Engages in securities lending?	No
Rationale for votes:	Yes		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	Against/withhold
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	For
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	For
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	For
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	For
TransAlta Corp.	Shareholder proposal: Report on risks of using coal as fuel	For
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	For
Baytex Energy Corp.	Election of directors: John A. Brussa	For
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	Against/withhold
The Jean Coutu Group	Elect the directors (slate)	Against/withhold
Lake Shore Gold Corp.	Confirm the shareholder rights plan	Against/withhold
Minefinders Corporation, Ltd.	Approval of 2011 Stock Option Plan	Against/withhold
Niko Resources Ltd.	Confirm all unallocated stock options	Against/withhold
Pacific Rubiales Energy Corp.	Approve unallocated entitlements under the stock option plan	Against/withhold
Pason Systems Inc.	Election of directors: James D. Hill	For
Savanna Energy Services Corp.	Approve the unallocated stock options	Against/withhold
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	Against/withhold



**SEAMARK ASSET MANAGEMENT LTD.**

Total institutional assets:	\$1.005 billion	<b>SCORE</b> 4 votes with SHARE's recommendations out of 7 votes = 57%
Total pension assets:	\$835.4 million	
Pension assets invested in Canadian equities:	37%	
Canadian equity pension assets voted at the firm's discretion:	100%	
Who is responsible for proxy voting?	Investment manager	

<b>Proxy voting reports to clients</b>		<b>Proxy voting guidelines</b>	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Quarterly	Reviews guidelines at least annually?	Yes
Format of reports:	Standard	Consults with clients on guidelines?	No
<b>Reports include</b>		Discloses guidelines to public?	No
Number of shares held:	Yes	Discloses proxy voting record publicly?	No
Votes cast on all issues:	Yes	Engages in securities lending?	No
Rationale for votes:	Yes		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	For
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	For
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	For
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	For
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Crew Energy Inc.	Approve the unallocated stock options	For
Niko Resources Ltd.	Confirm all unallocated stock options	For

**SIONNA INVESTMENT MANAGERS**

Total institutional assets:	\$2.3 billion	<b>SCORE</b> 5 votes with SHARE's recommendations out of 11 votes = 45%	
Total pension assets:	\$342.3 million		
Pension assets invested in Canadian equities:	100%		
Canadian equity pension assets voted at the firm's discretion:	80–89%		
Who is responsible for proxy voting?	Investment manager		
<b>Proxy voting reports to clients</b>		<b>Proxy voting guidelines</b>	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Quarterly	Reviews guidelines at least annually?	Yes
Format of reports:	Standard	Consults with clients on guidelines?	No
<b>Reports include</b>		Discloses guidelines to public?	Yes
Number of shares held:	No	Discloses proxy voting record publicly?	No
Votes cast on all issues:	No	Engages in securities lending?	No
Rationale for votes:	Yes		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	Against/withhold
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	Against/withhold
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	For
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	For
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	Against/withhold
TransAlta Corp.	Shareholder proposal: Report on risks of using coal as fuel	Against/withhold
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	Against/withhold
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	Against/withhold
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	For
Savanna Energy Services Corp.	Approve the unallocated stock options	For
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	Against/withhold

**UBS GLOBAL ASSET MANAGEMENT (CANADA) INC.**

Total institutional assets:	\$615 billion	<b>SCORE</b> 0 votes with SHARE's recommendations out of 17 votes = 0%	
Total pension assets:	Not available		
Pension assets invested in Canadian equities:	No answer		
Canadian equity pension assets voted at the firm's discretion:	90–100%		
Who is responsible for proxy voting?	Investment manager; Corporate governance/voting team		
<b>Proxy voting reports to clients</b>		<b>Proxy voting guidelines</b>	
Issues reports to clients?	Yes	Has proxy voting guidelines?	Yes
Frequency of reports:	Determined by client	Reviews guidelines at least annually?	Yes
Format of reports:	Standard	Consults with clients on guidelines?	No
<b>Reports include</b>		Discloses guidelines to public?	Yes
Number of shares held:	Yes	Discloses proxy voting record publicly?	Some funds; disclosure varies by local requirement
Votes cast on all issues:	Yes	Engages in securities lending?	No
Rationale for votes:	Yes		

CORPORATION	PROPOSAL	VOTE
RECOMMENDED VOTE: FOR		
Bank of Montreal	Shareholder proposal #1: Adopt a gender parity policy for the board of directors	Against/withhold
Bank of Montreal	Shareholder proposal #2: Disclose acceptable ratio of CEO compensation to average employees' compensation	Against/withhold
Bank of Nova Scotia	Shareholder proposal #5: Disclose all performance targets	Against/withhold
Canadian Imperial Bank of Commerce	Shareholder proposal #1: Allow shareholders to abstain in proxy voting	Against/withhold
Power Corporation of Canada	Shareholder proposal #3: Ensure influence of minority interest shareholders	Against/withhold
Royal Bank of Canada	Shareholder proposal #4: Improve disclosure of the peer group's effect on executive compensation	Against/withhold
TransAlta Corp.	Shareholder proposal: Report on risks of using coal as fuel	Against/withhold
RECOMMENDED VOTE: AGAINST/WITHHOLD		
Barrick Gold Corp.	Election of directors: Gustavo Cisneros	For
Baytex Energy Corp.	Election of directors: John A. Brussa	For
Canadian Imperial Bank of Commerce	Election of directors: Leslie Rahl	For
Crew Energy Inc.	Approve the unallocated stock options	For
Enbridge Inc.	Appoint PricewaterhouseCoopers as the auditor	For
The Jean Coutu Group	Elect the directors (slate)	For
Lake Shore Gold Corp.	Confirm the shareholder rights plan	For
Niko Resources Ltd.	Confirm all unallocated stock options	For
Pacific Rubiales Energy Corp.	Approve unallocated entitlements under the stock option plan	For
Shoppers Drug Mart Inc.	Appoint Deloitte & Touche LLP as auditors	For

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