

Appendix B

Summary of Comments

List of Commenters

407 International

Blake, Cassels & Graydon LLP

British Columbia Investment Management Corporation

Canada Pension Plan Investment Board

Canadian Coalition for Good Governance

Credit Union Central of British Columbia

Desjardins Group

Enbridge Inc.

Enersource Corporation

Institutional Shareholder Services Canada Corp.

Ontario Teachers' Pension Plan

Pension Investment Association of Canada

Shareholders Association for Research and Education (SHARE)

Stikeman Elliott LLP

TransCanada Pipelines Limited

Summary of Comments

| Issue | Summary of Comments | CSA Response |
|-------------------------------------|---|---|
| <p>Report of voting results</p> | <p>We received responses from 10 commenters on this issue.</p> <p>Eight commenters support disclosure of the results of proxies received for each matter voted upon, even if the vote is not conducted by ballot. These commenters indicated that disclosing the results of proxies will provide investors with a significant amount of information about the items voted on and will improve the transparency of voting results.</p> <p>Two commenters stated that the results of proxies voted on non-ballot initiatives have no legal force, and this disclosure would be inappropriate. The commenters also stated that it would be misleading as it would not cover shares voted in person, for example.</p> <p>One commenter believes that a ballot should be held on all matters where 5% or more of the shares voted are “withheld” or voted “against” on the matter.</p> | <p>We acknowledge that the majority of commenters support enhanced disclosure for the report of voting results. We will be studying the issue further.</p> |
| <p>Definition of Venture Issuer</p> | <p>We received responses from 6 commenters on this proposal. None of the commenters supported the proposed change.</p> <p>Five commenters stated that investors in debt securities have different information needs and primarily rely on the issuers credit ratings, capacity to repay and compliance with the deed of trust or similar agreement.</p> <p>One commenter recommended that debt-only venture issuers be required to file bond rating reports prepared by</p> | <p>As a result of the comments, we decided not to proceed with the proposed amendment to exclude all debt-only issuers with assets over \$25 million from the definition of venture issuer.</p> |

| | | |
|---|---|--|
| | <p>independent third-party bond rating agencies on SEDAR. Another recommended that we continue to treat debt-only issuers as at present.</p> <p>One commenter indicated that the proposed change to exclude all debt-only issuers with assets over \$25 million from the definition of venture issuer would result in unfairly categorizing some small financial institutions and co-operatives as non-venture issuers.</p> | |
| <p>Disclosure of Cease Trade Orders</p> | <p>We received responses from two commenters on this proposal. Both of these commenters were opposed to the amendment that would reduce from 10 years to 5 years the look-back period under which directors and executive officers of a company must disclose whether they were subject to a cease trade order. Both commenters stated that this information never becomes unimportant to shareholders.</p> <p>One commenter stated that they support a lifetime requirement for this disclosure.</p> | <p>We agree that the disclosure of cease trade orders provides important information to investors and decided to maintain the look-back period at 10 years.</p> <p>We think that a 10 year look-back provides a sufficient period and do not agree that a lifetime disclosure obligation is necessary.</p> |