



May 23, 2017

Robert Day
Senior Specialist Business Planning
Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, Ontario
M5H 3S8
Via email: rday@osc.gov.on.ca

Re: Notice 11-777 – Statement of Priorities

Dear Mr. Day,

British Columbia Investment Management Corporation (bcIMC) is an investment manager with over CAD\$120 billion in assets under management, and one of the largest institutional investors in Canada. Our investment activities help finance the pensions of approximately 500,000 people in our province, including university and college instructors, teachers, health care workers, firefighters, police officers, municipal and other public sector workers. On behalf of these pension beneficiaries, we provide long-term capital to companies around the world that we believe will provide strong and stable financial returns.

We appreciate the OSC's clear articulation of its goals for the coming year, including identifying opportunities to reduce regulatory burden for issuers, a review of disclosure related to women on boards and in executive officer positions, and enhancing system risk oversight.

Reducing Regulatory Burden

bcIMC is mindful of the impact of regulatory burden on market participants. To that end, we are generally supportive of regulatory changes that streamline disclosure requirements, but only when our interests as investors are adequately protected and access to the information required for thoughtful, effective decision-making is not compromised. bcIMC will respond to "*CSA Consultation Paper 51-404 Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers*" separately with comments on the proposal to allow issuers to move to semi-annual reporting.

Gender Diversity

We are pleased to see that the OSC is planning to conduct another review of TSX-listed issuers' disclosure related to gender diversity on boards and in executive officer positions. We support the Commission's efforts to evaluate progress and identify any potential need for further disclosure requirements. In this regard, we would encourage the OSC to include an assessment of

the quality of disclosure provided by issuers. Under a 'comply or explain' regime, as exists under National Instrument 58-101, there is an inherent risk of a reliance on boilerplate language that is not useful for investors and undermines the intent of the disclosure requirement.

In the event that the OSC finds there is a lack of progress, we believe the commission should consider additional, more prescriptive measures such as mandatory term limits that promote board refreshment. However, as bcIMC has stated in its submission on "**Ontario Securities Commission Staff Consultation Paper 58-401 Disclosure Requirements Regarding Women on Boards and in Senior Management**", we feel that to make real progress on this issue, the OSC should require that issuers have a formal, written diversity policy in place. We also believe the OSC should consider mandating the adoption of a specific target to encourage action and progress. We have suggested that a target of 30% representation in 3 years is an ambitious yet achievable target.

Systemic Risk

bcIMC commends the OSC for considering, as part of their review of market stability issues, the need for companies to disclose their exposure to climate change risk, as is indicated in the preamble to the Statement. We are strong supporters of enhanced disclosure of environmental, social and governance factors by Canadian issuers and are happy to participate in the OSC's efforts to engage investors on this matter.

Advisory Vote on Executive Compensation ("Say-on-Pay")

bcIMC notes that the Statement of Priorities does not include any reference to a consideration of or any steps toward implementing a mandatory advisory vote on executive compensation ("say-on-pay") for companies listed on the TSX. bcIMC believes that a say-on-pay vote is an important mechanism that allows shareholders to articulate a view on executive compensation and that also fosters engagement between corporate issuers and investors.

We believe that say-on-pay aligns with the OSC's mandate to foster fair and efficient capital markets, and as such we are somewhat disappointed that this important issue remains excluded from the OSC's priorities. In alignment with the OSC's goals to be an effective and responsive securities regulator, as well as to align with international best practice standards and to instill investor confidence, we request the OSC include mandatory say-on-pay for issuers on the OSC's proposed 2017-2018 Statement of Priorities.

Thank you for this opportunity to respond to the proposed Statement of Priorities.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Bryan Thomson".

Bryan Thomson
Senior Vice President, Public Equities