

The following is a sample of bcIMC's engagement during the quarter on issues of corporate governance.

## Proxy Votes

<i>Issue Category</i>	<i>Number of companies</i>	<i>Number of Issues</i>	<i>bcIMC Voted FOR</i>	<i>bcIMC Voted AGAINST</i>
Auditors	906	933	784	149
Board of Directors	1,028	1,136	809	327
Executive Compensation	445	611	189	422
Shareholder Rights	477	1,130	815	315
Takeover Protection	27	27	17	10

## Public Company Engagement

<i>Company</i>	<i>Issue</i>	<i>Best Practice Standard</i>
Miramar	Executive compensation	Disclosure should have context and clarity to enable shareholders to understand how directors have linked executive pay to corporate performance. For example, the rationale and metrics for executive bonus awards should be clearly set out in company filings.
Centurion Energy	Board independence	A majority of board members should be independent outsiders.
Canadian Natural Resources	Director election	Majority vote standard.

## Vote Highlights

- **84 U.S. companies** – voted in support of resolutions calling for directors to be elected by an affirmative majority of votes cast (reform from plurality system). The proposals won more than 50% support at 32 companies including Home Depot, GM, and Weyerhaeuser.
- **Nortel** – voted against re-appointment of company's external auditor due to 90 year tenure. This degree of entrenchment can compromise auditor independence.
- **CN Rail, Exxon Mobil, Home Depot** – voted against reappointment of Compensation Committee members responsible for ratifying excessive executive compensation packages.

## Investor Coalition Activity

### International Corporate Governance Network (ICGN)

Provided comments on the ICGN draft Statement of Shareholder Responsibilities and draft Remuneration Guidelines, respectively.

### Asian Corporate Governance Association (ACGA)

Participated in a survey regarding the main impediments that institutional investors face when voting their shares in Asia. In bcIMC's view, the main impediments include insufficient information with which to vote, insufficient time to vote before meetings, bundling of resolutions and clustering of meeting dates.

## Public Policy Engagement

### Executive Compensation Disclosure

Submitted comments on the U.S. Securities and Exchange Commission (SEC) proposed executive compensation disclosure rules for U.S. listed companies. We support the new requirement for narrative, qualitative information regarding the rationale for pay awards and the requirement for a summary compensation table totaling all current year pay components into one figure.

### Modernization of Ontario Business Corporation Act

Responded to requests for comments on the Ontario Business Law Modernization consultation being undertaken by the Ontario Ministry of Government Services. We put forward our views on issues such as shareholder access to company disclosures, director attendance at board meetings and majority voting.

The following is a sample of bcIMC's engagement during the quarter on issues of corporate responsibility.

## Proxy Votes

<i>Issue Category</i>	<i>Number of companies</i>	<i>Number of Issues</i>	<i>bcIMC Voted FOR</i>	<i>bcIMC Voted AGAINST</i>
Environmental Responsibility	30	37	15	22
Social Responsibility	83	132	63	69

## Vote Highlights

- **Alcan** – voted for a resolution requesting that Alcan sponsor an independent advisory committee to assess and strengthen community relations in order to obtain social licensing for the company's proposed mining project in Kashipur, India.

## Public Company Engagement

<i>Company</i>	<i>Issue</i>	<i>Best Practice Standard</i>
Canadian Tire	Labour policies	Companies should implement fair, equitable and legal employment practices. The ILO provides reasonable labour standards against which companies may be held accountable. (Canadian Tire has implemented a social responsibility policy, posted on its website, for its global supply chain that mirrors the ILO standards, and has also established an independent monitoring program).

## Investor Coalition Activity

### **Carbon Disclosure Project 4 (CDP)**

Joined other Canadian signatories to the CDP4 project in writing a reminder letter to Canada's largest companies regarding the pending due date for completing the CDP information request/questionnaire. As a current investor in these companies, bcIMC supports the CDP as a medium for seeking improved data transparency on climate change-related business risks and opportunities in order to help us better understand the associated long-term financial risks to our investment portfolio.

### **Investor Network on Climate Risk**

Joined more than two-dozen other institutional investors, managing more than \$1 trillion of assets, in writing to U.S. Securities and Exchange Commission (SEC) Chairman Christopher Cox regarding requiring U.S. publicly-traded companies to enhance disclosure of the financial risks of global warming. We feel that climate change poses material financial risks to many of our portfolio companies and that those risks should be disclosed as a matter of routine corporate financial reporting to the SEC.

## Environmental Investment Initiatives

### **Real Estate**

To date, 13 properties in bcIMC's real estate portfolio have received BOMA "Go Green" environmental certification. In addition, Commerce Court, a major downtown Toronto office building complex owned by bcIMC clients, received the BOMA "Go Green Plus" environmental certification. The Building Owners and Managers Association (BOMA) created "Go Green" as a national environmental recognition and certification program.