



5650 Yonge Street  
Toronto, Ontario M2M 4H5

416 228.5900 or  
1 877 812.7989

fax: 416 730.5349

[www.otpp.com](http://www.otpp.com)

June 29, 2006

Stephen Walsh  
Vice-President, Operations  
New York Stock Exchange  
20 Broad Street - 11 Wall Street  
New York, NY 10005  
USA

Via email: [nyseclientservices@nyse.com](mailto:nyseclientservices@nyse.com)

Dear Mr. Walsh,

Re: Report and Recommendations of the Proxy Working Group

The Ontario Teachers' Pension Plan (Teachers') is an independent corporation responsible for investing over \$80 billion Canadian dollars in assets and administering the pensions of Ontario's 163,000 elementary and secondary school teachers and 101,000 retired teachers. We are one of Canada's largest institutional investors, with significant equity and debt investments both in Canada and abroad. Our exposure to U.S. investments is approximately \$7.6 billion Canadian dollars.

We have reviewed the Report and Recommendations of the Proxy Working Group dated June 5, 2006 and commend the Exchange for seeking independent input on issues related to governance and proxy voting. Teachers' wishes to provide support and input on the issues identified by the Working Group.

Rule 452 concerning the election of directors

As shareholders and owners of corporations, we firmly believe the election of directors to be a non-routine matter. Shareholders delegate the responsibility of overseeing management to directors. Being able to exercise voting rights in a meaningful manner with respect to the election of these directors is critical. If shareholders feel strongly enough that a directors' nomination to the board ought not to be renewed, having this vote decision overturned by including broker votes in the count dilutes the decisions of those who take voting their shares seriously as part of the oversight of their investments.

NYSE taking a leading role in educating investors on the proxy voting system

The proxy voting process is highly layered and complex. Education in this area is not only welcome, but necessary.

NYSE supporting efforts of issuers in communicating with beneficial owners

Shareholders have a responsibility concerning the investments they make and hold. Voting shares and communicating with issuers are ways of fulfilling this responsibility. If communication is facilitated by educating investors as to the distinction between non-objecting beneficial owners and objecting beneficial owners which the Working Group's preliminary research seems to indicate, then this should certainly be explored further by the NYSE and SEC.

Rule 452 concerning broker discretionary voting

As a shareholder who takes all voting decisions seriously, Teachers' welcomes the elimination of discretionary broker voting. We understand that this may have a negative impact on the issuers' ability to achieve quorum given the statistics cited in the Working Group report. It seems inappropriate to us that broker votes be considered for meeting quorum if brokers cannot vote as voting is the principal business undertaken at meetings for which quorum is required. We believe that phasing out discretionary broker voting over a period of time, facilitating communication between issuers and their shareholders and a concerted investor education program will resolve the quorum issue.

Study of the impact of non-shareholder group on the proxy voting system

The Ontario Teachers' Plan has long taken issue with the role that proxy advisors and voting services have in this arena. We believe that such a study is overdue and support NYSE undertaking such a review with the SEC.

It is our opinion that those advisors who provide services to both issuers as well as shareholders are in a position of conflict. The influence that these groups have is underscored by the fact that issuers seek input from such groups before putting forward certain proposals to shareholder vote. If the advice of these groups is being sought, it is because they are influential over the voting decisions of shareholders and they take the place of owners in communications with issuers.

We believe that if the NOBO/OBO situation is clarified and more investors come forward to fulfill their ownership responsibilities, then this will facilitate the ability of issuers to communicate directly with their investors.

In closing, we support the findings of the Working Group and encourage the ongoing review of NYSE rules through future independent working groups.

Yours sincerely,

Claude L. Lamoureux  
Chief Executive Officer  
Ontario Teachers' Pension Plan