



OPTrust Statement on Proxy Access

As a long-term investor, OPTrust believes that good governance practices support stronger long-term performance and enhance shareholder value. We work with leading organizations, such as the Canadian Coalition for Good Governance (CCGG), that seek to promote sound corporate governance, shareholder rights and responsible investing in Canada and around the world.

Our Approach to Proxy Access

Proxy access is a mechanism that allows shareholders to nominate one or more candidates for a position on a company's board of directors, using the company's own proxy materials. It provides a meaningful way for shareholders to take part in the process for nominating the individuals they will eventually elect to look after the long-term interests of the companies in which they invest. Currently, shareholders have minimal influence or input into the process of nominating candidates for directors. OPTrust believes it is reasonable that shareholders have some capability to provide input into the director nomination process, which is an important tenet of shareholder democracy.

While current provisions in the *Canadian Business Corporations Act* allow shareholders to nominate directors, they require the shareholder to make a significant investment in preparing a separate proxy statement and proxy card, which can be cost prohibitive.

The CCGG has proposed a policy that will provide enhanced proxy access to investors in a practical manner and consistent with good governance practices. The policy includes certain qualifications to curb frivolous nominations such as ownership requirements and limits on the number of nominees. This form of enhanced proxy access is not meant as a substitute for a contested meeting where a dissident shareholder(s) is seeking to replace an entire board or most of its directors.

OPTrust believes that board members should engage with their shareholders regularly on all governance issues including their director nomination process. We believe that boards should provide full transparency about the process they use to recruit and vet director nominees. Furthermore, we encourage Canadian public companies to voluntarily adopt CCGG's proxy access policy.

About OPTrust

With assets of \$17.5 billion, the OPSEU Pension Trust (OPTrust) invests and manages one of Canada's largest pension funds and administers the OPSEU Pension Plan, a defined benefit plan with over 86,000 members and retirees. OPTrust was established to give plan members and the Government of Ontario an equal voice in the administration of the Plan and the investment of its assets, through joint trusteeship. OPTrust is governed by a 10-member Board of Trustees, five of whom are appointed by OPSEU and five by the Government of Ontario.

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