



The Honourable Rachel Notley
Premier of Alberta
Executive Branch
307 Legislature Building
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premier@gov.ab.ca

August 8, 2017

Dear Ms. Notley,

British Columbia Investment Management Corporation (bcIMC) is an asset manager with more than \$135 billion in assets under management, one of the largest institutional investors in Canada. Our investment activities help finance the pensions of approximately 535,000 people in our province. 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.

As a long-term investor, bcIMC relies on well-functioning capital markets. We see it as our responsibility to contribute to the overall stability of the financial system. As an active participant in the capital markets, we address systemic risks with the expectation that our efforts will lead to greater stability and integrity within the markets. We regularly engage with regulators and advocate for legal and regulatory changes to ensure that principles of good governance are integrated into the regulatory framework.

I am writing today to express frustration with particular elements of the *Alberta Business Corporations Act* (ABCA) that we find restrictive when exercising our rights as shareholders. The problematic provisions relate to requirements necessary for filing shareholder proposals with publicly-traded companies incorporated in Alberta. We understand that other institutional shareholders are becoming increasingly concerned with these restrictive provisions and our request is consistent with those organizations including the Canadian Coalition for Good Governance (CCGG). bcIMC was a founding member of the CCGG and is supportive of these efforts.

Currently, pursuant to ABCA Regulations outlined in Section 18.1, shareholders must meet the following criteria in order to submit a shareholder proposal to be presented and voted on at the Annual General Meeting:

- i) An investor must hold 1% of voting shares, or shares with a market value of at least \$2,000; and,
- ii) In addition to the above, investors must also have a prescribed level of support totaling 5% of voting shares.

The additional burden of showing support from other shareholders is highly unusual in the Canadian landscape and we would request that this be reviewed with the intention to provide more consistency with other jurisdictions.

The provisions established by the *Canada Business Corporations Act* (CBCA) for instance, require only the first stipulation of 1% of shares or shares with a market value of \$2,000. Using primarily this mechanism, bcIMC has over the years, selectively filed shareholder proposals when private dialogue reaches a standstill. It is not our first choice for engaging with companies we own, but sometimes it is necessary and it is a safeguard mechanism when escalation is required.

It is our view that the shareholder proposal mechanism has existed at both the federal level and other provincial jurisdictions in Canada, for several years without abuse by shareholders. Such proposals are constructive and often facilitate dialogue on issues such as executive compensation practices, gender diversity on boards and the assessment of climate risk. We have even seen examples where company management has shown support for shareholder-initiated proposals, illustrating their utility. This happened in 2016 when a shareholder proposal asking Suncor Energy to report on the company's resiliency in a low carbon economy was ultimately supported by management. As a result, the proposal was supported by 98% of shareholders and illustrates how constructive the process can be.

In conclusion, bcIMC encourages Alberta to consider amending the ABCA and its associated regulations to be consistent with other Canadian jurisdictions and provide an important right to shareholders in the process. Currently, shareholders have the ability to file shareholder proposals in theory only and we encourage you to remove the obstacles to realizing this in practical terms.

Please contact Jennifer Coulson at Jennifer.coulson@bcimc.com or 778-410-7118 if you have any questions regarding the contents of this letter.

I appreciate your time and attention to this matter.

Regards,

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

Bryan Thomson
Senior Vice President, Public Equities

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