

Monday, January 6, 2014

I am a private citizen not involved in the management or employment of a corporation. My only involvement with corporations is to own shares in certain publicly traded corporations.

I strongly support legislation and policy to give shareholders real influence over corporate office and director compensation. Further the existing compensation disclosure requirements should be rewritten to require that the information provided be clear and understandable. Any person who takes a moment to read and try and understand executive compensation disclosure documentation from a large Canadian public corporation e.g. a bank or TransCanada will immediately see that the information is incomprehensible and probably is written for that purpose. "Say on pay" shareholder votes should be mandatory and corporate boards should be at least required to show that serious consideration has been given to the shareholder votes if not be bound by the vote.

I have a general belief that board membership on Canadian corporations is far too in-bred and that generally boards of directors do not do enough to perform the role they are supposed to (represent shareholder and long-term corporate interests) and instead yield far too easily to the wishes of executive and senior corporate management. Corporate boards are always "captured" by the executive/senior management.

I do not think diversity on corporate boards is a problem and mandating diversity will not lead to any material change or improvement in corporate governance nor will it serve any other legitimate corporate purpose.

It is obvious that the CEO and board Chairman should be separate persons. No intelligent argument can be made that the same person can fully and faithfully perform both roles.

I don't think disclosure of social and environmental impacts of corporate acts is required. Aside from what it would really mean, it would just result in further virtually incomprehensible corporate-language disclosure.

I hold the view that insider trading is a far bigger problem than is generally known. Therefore any effort to strengthen legislation and legal remedies to those affected would be useful.

These are my comments.

Thank you.

Wayne Mercer