

**Samantha Whitlow**

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**From:** FAIR Canada [samantha@faircanada.ca]  
**Sent:** Monday, January 26, 2009 9:50 AM  
**To:** samantha@faircanada.ca  
**Subject:** FAIR Canada Applauds OSC Decision and Urges TSX...

**FAIR**

Canadian Foundation *for*  
Advancement of Investor Rights

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## **FAIR Canada Applauds OSC Decision in HudBay Case and Urges TSX to Bring Shareholder Approval Requirements in Line with Major Markets**

The Canadian Foundation for the Advancement of Investor Rights ("FAIR"), an organization committed to advancing the rights of shareholders and individual investors, announced today that it has written to the CEO of the Toronto Stock Exchange ("TSX") urging the TSX that it adopt shareholder approval requirements consistent with other major financial markets and global corporate governance best practice. FAIR Canada applauds the decision of the Ontario Securities Commission to require that the shareholders of HudBay be given an opportunity to vote on the company proposed takeover of Lundin Mining Corp.

"TSX shareholder approval requirements fail to meet the standards set by the major exchanges such as NYSE, London Stock Exchange and HKEX or standards set by international organizations" said Emanno Pascutto, Executive Director of Fair Canada. "In leading securities markets a major transaction involving the issuance of shares representing 20% or more would require shareholder approval. The TSX permits listed companies to dilute existing shareholders by issuing as much as 100% or more shares without the need of shareholder approval. The quality of the TSX market place is undermined by permitting such transactions to proceed without shareholder approval."

Corporate governance standards published by international organizations such as the Organization for Economic Development and Cooperation (OECD) and the International Corporate Governance Network require shareholder approval for major transactions especially where the transaction would materially dilute existing shareholders.

"Canada was once a leader in corporate governance and securities regulation. Now we have fallen behind international best practice. The ability of a board of directors to disregard the views of the owners of the listed company reduces confidence in the integrity of the TSX market" said Mr. Pascutto.

The TSX was allowed to continue to regulate listed companies even after it demutualized and became a listed "for profit" company. There is an inherent conflict between the "for profit" status of the TSX and it acting as a regulator of listed companies

If the TSX is to retain its role as a regulator of listed companies it needs to act in the best interests of the markets and not simply seek to please the management of listed companies who disregard the views of the majority of their own shareholders. Both individual and institutional shareholders are overwhelmingly in favour of shareholder approval for major transactions. It is time for the TSX to act.

A copy of the FAIR letter to the TSX is available on its [website](#).

For more information, please contact please contact Ermanno Pascutto at [ermanno.pascutto@faircanada.ca](mailto:ermanno.pascutto@faircanada.ca).

## **FAIR Canada launches website**

### **[www.faircanada.ca](http://www.faircanada.ca)**

**The Canadian Foundation for Advancement of Investor Rights (FAIR Canada)**

has launched their website [www.faircanada.ca](http://www.faircanada.ca) and invites you to visit us and learn more about what we do and the issues and topics FAIR Canada is currently working on for Shareholder Rights and Retail Investors.

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