



# POLICY ON THE PRINCIPLES GOVERNING THE EXERCISE OF VOTING RIGHTS OF PUBLIC COMPANIES

## PR-11 SHAREHOLDER RIGHTS

### PR-11-01 Unequal or subordinate voting shares

We generally favour the issuance of single voting shares. However, in certain circumstances, a company benefits from or is justified in using a capital structure with unequal voting shares, such as when it is in the interests of a majority of the shareholders that the holder of a large block of shares retain effective control of the company. An adequate framework to protect against the impacts of such a structure should be implemented.<sup>1</sup>

### PR-11-02 Super-majority approval of business transactions

We are opposed to any proposal to increase to more than 66.6% the number of shares outstanding required to approve the company's transactions.

### PR-11-03 Simple majority

Subject to applicable legal provisions, we favour the adoption of resolutions by a simple majority vote.

### PR-11-04 Resolutions approved by a majority of shareholders

We favour the board of directors taking measures to follow up on any resolution supported by a majority of shareholders and reporting back on these measures within a reasonable period of time. Should no follow up on such a resolution be conducted, the board must provide explanations to shareholders within a reasonable period of time. Should inaction by the company not be justified, we may vote against members of the governance committee.

### PR-11-05 Linked proposals

We support resolutions that include multiple items, provided that the overall resolution is in the interests of shareholders.

We do not support linked proposals whose objective is to make one element of the proposal more acceptable.

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<sup>1</sup> See Appendix 1 for conditions where la Caisse may favour unequal voting shares.