

# FAIR

Canadian Foundation *for*  
Advancement *of* Investor Rights

FOR IMMEDIATE RELEASE

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

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Toronto, January 23, 2009. 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 Ermanno 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 ever 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 our website [www.faircanada.ca](http://www.faircanada.ca).

### **About FAIR Canada**

The Canadian Foundation for Advancement of Investor Rights [Fondation Pour L'Avancement des Droits des Investisseurs] (“FAIR”) is a newly established independent non-profit organization dedicated to representing the interests of Canadian investors in securities regulation. The mission of FAIR is to be a national voice for investors on securities regulation and a catalyst for enhancement of the rights of Canadian shareholders and retail investors.

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