



THE INVESTMENT FUNDS INSTITUTE OF CANADA
L'INSTITUT DES FONDS D'INVESTISSEMENT DU CANADA

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December 8, 2009

Sandra Jakab, Director, Capital Markets Regulation
Noreen Bent, Manager & Senior Legal Counsel, Corporate Finance
British Columbia Securities Commission

David Linder, Executive Director
Cynthia Martens, Legal Counsel
Alberta Securities Commission

Bob Bouchard, Director and Chief Administrative Officer
Manitoba Securities Commission

Leslie Byberg, Director, Investment Funds
Rhonda Goldberg, Manager, Investment Funds
Susan Thomas, Legal Counsel, Investment Funds
Doug Welsh, Senior Legal Counsel, Investment Funds
Ontario Securities Commission

Éric Lapierre, Manager, Investment Funds
Sylvie Lalonde, Manager, Regulation
Autorité des marchés financiers

Dear Sirs/Mesdames:

Re: Subsection 3.12(1) of National Instrument 81-107

In our letter to you of March 30, 2009 (a further copy of which is attached for reference), we proposed an amendment to subsection 3.12(1) of National Instrument 81-107 ("NI 81-107").

Based on feedback provided to our NI 81-107 Fund Governance Working Group by Autorité des marchés financiers staff, we have revised our proposed amendment as follows:

“A decision by the independent review committee on a conflict of interest matter or any other matter that securities legislation requires the independent committee to review requires the agreement of a majority of the independent review committee’s members. If the decision is taken at a meeting, then the agreement of a majority of votes cast is required, provided reasonable notice of the meeting has been given to all members of the independent review committee.”

We look forward to having the opportunity to meet with you when your amendment project gets underway and we appreciate the ongoing opportunity to provide you with our views.

Yours truly,

THE INVESTMENT FUNDS INSTITUTE OF CANADA

A handwritten signature in blue ink, appearing to read "J. DeLaurentiis". The signature is fluid and cursive, with a large initial "J" and "D".

By: Joanne DeLaurentiis
President & Chief Executive Officer



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March 3, 2009

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Sylvie Lalonde, Manager, Regulation
Autorité des marchés financiers

Dear Sirs/Mesdames:

Re: Subsection 3.12(1) of National Instrument 81-107

Further to our letter of November 24, 2008, we have identified an additional issue that we believe warrants your attention as you consider proposed technical amendments to National Instrument 81-107 (“NI 81-107”).

Subsection 3.12(1) of NI 81-107 states:

“A decision by the independent review committee on a conflict of interest matter or any other matter that securities legislation requires the independent review

committee to review requires the agreement of a majority of the independent review committee's members".

The practical result of the above provision is that if, for example, a four member independent review committee ("IRC") only has three members present at a meeting (assuming three members constitutes quorum) or if a member needs to recuse his/herself, unanimous agreement of the three voting members is required to provide any approvals or recommendations.

This is inconsistent with established corporate board practice where boards may conduct business by majority vote of those voting at a meeting. We are unsure as to whether this is an intentional result. In our view, there does not appear to be any policy reason for IRCs to be subject to a different standard than a corporate board in this respect.

We believe that an IRC should have the flexibility to put matters to a simple majority vote at any validly constituted meeting and that this should be made clear in NI 81-107.

Given the foregoing, we suggest the following amendment:

"A decision by the independent review committee on a conflict of interest matter or any other matter that securities legislation requires the independent review committee to review requires the agreement of a majority of the independent review committee's members. If the decision is taken at a meeting, then the agreement of a majority of votes cast is required."

Again, we look forward to having the opportunity to meet with you when your amendment project gets underway and we appreciate having the opportunity to provide you with our views.

Yours truly,

THE INVESTMENT FUNDS INSTITUTE OF CANADA



By: Joanne DeLaurentiis
President & Chief Executive Officer