

**Multilateral CSA Notice of Amendments to  
National Instrument 58-101  
*Disclosure of Corporate Governance Practices***

**October 15, 2014**

## **Introduction**

The securities regulatory authorities in Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Québec and Saskatchewan (collectively, the **Participating Jurisdictions** or **we**) are implementing amendments (the **Rule Amendments**) to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (**NI 58-101**) and Form 58-101F1 *Corporate Governance Disclosure* (**Form 58-101F1**).

The Participating Jurisdictions have coordinated their efforts in finalizing the Rule Amendments and the Rule Amendments have been made by each member of the Participating Jurisdictions.

In some jurisdictions, Ministerial approvals are required for the Rule Amendments. Provided all necessary Ministerial approvals are obtained, the Rule Amendments will come into force on December 31, 2014. Where applicable, Schedule E provides information about each Participating Jurisdiction's approval process. Subject to obtaining all necessary Ministerial approvals, the Participating Jurisdictions are now implementing the Rule Amendments together.

### *Substance and purpose of the Rule Amendments*

The Rule Amendments will require non-venture issuers to provide disclosure regarding the following matters on an annual basis:

- director term limits and other mechanisms of renewal of the board of directors (the **board**),
- policies regarding the representation of women on the board,
- the board's or nominating committee's consideration of the representation of women in the director identification and selection process,
- the issuer's consideration of the representation of women in executive officer positions when making executive officer appointments,
- targets regarding the representation of women on the board and in executive officer positions, and
- the number of women on the board and in executive officer positions.

The Rule Amendments will apply to all non-venture issuers reporting in the Participating Jurisdictions.

The Rule Amendments are intended to increase transparency for investors and other stakeholders regarding the representation of women on boards and in senior management of non-venture issuers. This transparency is intended to assist investors when making investment and voting decisions.

Schedule A sets out the text of the Rule Amendments.

## **Background**

The proposals reflected in the Rule Amendments have been exposed for public comment twice.

### **January 2014 Materials**

On January 16, 2014, the Ontario Securities Commission (the **OSC**), published for a 90-day comment period proposed amendments to Form 58-101F1 (the **January 2014 Materials**).

In developing the January 2014 Materials, the OSC:

- conducted research on the approaches to diversity in other jurisdictions, such as Australia, the European Union, the United Kingdom and the United States,
- considered the feedback in response to proposals set out in OSC Staff Consultation Paper 58-401 *Disclosure Requirements Regarding Women on Boards and in Senior Management* (the **Consultation Paper**), published for a 60-day comment period on July 30, 2013,
- convened a public roundtable on October 16, 2013 to discuss the model of disclosure requirements set out in the Consultation Paper, and
- considered the results of an OSC staff survey of approximately 1,000 TSX-listed issuers regarding gender diversity.

This work was undertaken following a request received on June 14, 2013 from the Ontario Minister of Finance, Charles Sousa, and the then Ontario Minister Responsible for Women's Issues that the OSC undertake a public consultation process regarding disclosure requirements for gender diversity. On December 18, 2013, the OSC delivered OSC Report 58-402 *Report to Minister of Finance and Minister Responsible for Women's Issues - Disclosure Requirements Regarding Women on Boards and in Senior Management* (**OSC Report 58-402**). The Rule Amendments reflect the recommendations contained in OSC Report 58-402.

### **July 2014 Materials**

On July 3, 2014, the securities regulatory authorities in Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Québec and Saskatchewan published for a 60-day comment period proposed amendments to Form 58-101F1 (the **July 2014 Materials**).

The securities regulatory authorities in those jurisdictions published the July 2014 Materials in the context where gender diversity in decision-making functions is the subject of increased interest and debate in Canada and elsewhere. In recent years, numerous governments and regulators around the world have in particular been concerned by the under-representation of women on the boards of publicly-traded companies. Certain jurisdictions have adopted or are considering adopting guidelines and/or disclosure requirements regarding gender diversity, notably the United States, the United Kingdom, Australia and several European countries.

## **Summary of written comments received by the Participating Jurisdictions**

The comment period for the January 2014 Materials ended on April 16, 2014 and the OSC received written submissions from 52 commenters. The comment letters on the January 2014 Materials can be viewed on the OSC website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

The comment period on the July 2014 Materials ended on September 2, 2014 and the Participating Jurisdictions, other than the OSC, received submissions from 18 commenters. The comment letters on the July 2014 Materials can be viewed on the website of the Autorité des marchés financiers at [www.lautorite.qc.ca](http://www.lautorite.qc.ca).

We have considered the comments received and thank all of the commenters for their input. The names of the commenters are contained in Schedule C and a summary of their comments, together with our responses, is contained in Schedule D.

## **Summary of changes to the Rule Amendments**

After considering the comments received on the January 2014 Materials and the July 2014 Materials, we have made some changes to those materials. Those changes are reflected in the Rule Amendments we are publishing concurrently with this notice. As those changes are not material, we are not republishing the Rule Amendments for a further comment period.

Schedule B contains a summary of notable changes between the Rule Amendments and the January 2014 Materials and July 2014 Materials.

## **Local matters**

Schedule E is being published in any local jurisdiction and sets out any additional information that is relevant to that jurisdiction only.

## **Questions**

Please refer your questions to any of:

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## **Schedules to Notice**

Schedule A – Rule Amendments

Schedule B – Summary of Changes to the January 2014 Materials and July 2014 Materials

Schedule C – List of Commenters

Schedule D – Summary of Comments and Responses of Participating Jurisdictions

Schedule E – Local Matters

**Schedule A**  
**Rule Amendments**

**THE MANITOBA SECURITIES COMMISSION**  
**MSC Rule No. 2014-13**  
(Section 149.1, *The Securities Act*)

**AMENDMENT INSTRUMENT FOR**  
**NATIONAL INSTRUMENT 58-101**  
***DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES***

1. *National Instrument 58-101 Disclosure of Corporate Governance Practices* is amended by this Instrument.
2. Section 1.1 is amended by adding the following definition:

"**major subsidiary**" has the same meaning as in National Instrument 55-104 *Insider Reporting Requirements and Exemptions*; .

3. Form 58-101F1 *Corporate Governance Disclosure* is amended by adding the following after Item 9:

10. *Director Term Limits and Other Mechanisms of Board Renewal* (Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Québec and Saskatchewan only) – Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.

11. *Policies Regarding the Representation of Women on the Board* (Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Québec and Saskatchewan only) –

- (a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.
- (b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:
  - (i) a short summary of its objectives and key provisions,
  - (ii) the measures taken to ensure that the policy has been effectively implemented,
  - (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and
  - (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.

12. *Consideration of the Representation of Women in the Director Identification and Selection Process* (Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Québec and Saskatchewan only) – Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.

*13. Consideration Given to the Representation of Women in Executive Officer Appointments* (Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Québec and Saskatchewan only) – Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.

*14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions* (Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Québec and Saskatchewan only) –

(a) For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.

(b) Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.

(c) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.

(d) If the issuer has adopted a target referred to in either (b) or (c), disclose:

(i) the target, and

(ii) the annual and cumulative progress of the issuer in achieving the target.

*15. Number of Women on the Board and in Executive Officer Positions* (Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Québec and Saskatchewan only)

(a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.

(b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women. .

**4. The Instructions of Form 58-101F1 are amended by adding the following sections:**

*(4) An issuer may disclose any additional information that is relevant in order to understand the context of the information disclosed by the issuer under Item 15(a) or (b) of this Form.*

*(5) An issuer may incorporate information required to be disclosed under Items 10 to 15 by reference to another document. The issuer must clearly identify the reference document or any excerpt of it that the issuer incorporates into the disclosure provided under Items 10 to 15. Unless the issuer has already filed the reference document or excerpt under its SEDAR profile, the issuer must file it at the same time as it files the document containing the disclosure required under this Form. .*

5. This Instrument only applies to management information circulars and AIFs, as the case may be, which are filed following an issuer's financial year ending on or after December 31, 2014.

6. This Instrument comes into force on December 31, 2014.

7. This Instrument may be cited as MSC Rule 2014-13.

## Schedule B

### Summary of Changes to the January 2014 Materials and July 2014 Materials

The following is a summary of notable changes between the Rule Amendments and the January 2014 Materials and July 2014 Materials.

#### **Director term limits and other mechanisms of board renewal**

The January 2014 Materials and the July 2014 Materials contemplated requiring non-venture issuers to disclose whether or not the issuer has adopted term limits for the directors on its board and if the issuer has not adopted director term limits, it should explain why it has not. In proposing this disclosure requirement, the Participating Jurisdictions noted that regular renewal of board membership contributes to the effectiveness of a board. Director term limits can promote an appropriate level of board renewal and in doing so provide opportunities for qualified board candidates, including those who are women.

Many commenters expressed support for this disclosure requirement. However, some commenters noted that there are other mechanisms of board renewal. After considering the comments, we have revised this disclosure requirement to recognize that there are many mechanisms of board renewal, including director term limits and the regular assessment of the effectiveness and contribution of directors. This disclosure requirement now reads:

Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.

#### **Policies regarding the representation of women on the board**

The January 2014 Materials and the July 2014 Materials contemplated requiring non-venture issuers to disclose whether the issuer has adopted a policy for the identification and nomination of women directors.

Many commenters supported a narrow interpretation of the term "policy" in this context, which would only include written policies and not informal, unwritten policies. After considering the comments, we have clarified that the reference to "policy" is to a written policy. This disclosure requirement now reads:

- (a) Disclose whether the issuer has adopted a written policy ~~for~~ relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.
- (b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:



- (i) a short summary of its objectives and key provisions,
- (ii) the measures taken to ensure that the policy has been ~~implemented~~ effectively implemented,
- (iii) annual and cumulative progress by the issuer ~~on~~ in achieving the objectives of the policy, and
- (iv) whether and, if so, how, the board or its nominating committee measures the effectiveness of the policy.

### **Issuer's targets regarding the representation of women on the board and in executive officer positions**

The January 2014 Materials and the July 2014 Materials contemplated requiring non-venture issuers to disclose whether the issuer has adopted target(s) regarding women on the issuer's board and, if so, the annual and cumulative progress of the issuer in achieving the target(s).

One commenter suggested that issuers should also be required to disclose the actual targets themselves. After considering the comment, we have clarified that if an issuer has adopted such a target, it should disclose the target as well as the annual and cumulative progress of the issuer in achieving the target. This disclosure requirement now reads:

- (a) For purposes of this Item, a "target" means a number or percentage, or a range of numbers ~~and~~ or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.
- (b) Disclose whether the issuer has adopted a target(s) regarding women on the issuer's board. If the issuer has not adopted ~~such a~~ a target(s), disclose why it has not done so.
- (c) Disclose whether the issuer has adopted a target(s) regarding women in executive officer positions of the issuer. If the issuer has not adopted ~~such a~~ a target(s), disclose why it has not done so.
- (d) If the issuer has adopted a target(s) referred to in either ~~Item 14~~(b) or (c), disclose:
  - (i) the target(s), and
  - (ii) the annual and cumulative progress of the issuer in achieving ~~it~~the target(s).

### **Number of women on the board and in executive officer positions**

The January 2014 Materials and the July 2014 Materials contemplated requiring non-venture issuers to disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all subsidiary entities of the issuer, who are women.

Several commenters supported this disclosure requirement. However, a few commenters expressed concern regarding the disclosure obligations relating to subsidiary entities where an

issuer has several subsidiary entities. After considering the comments, we have clarified that this disclosure is only required in respect of "major subsidiaries". The term "major subsidiary" has the same meaning as in National Instrument 55-104 *Insider Reporting Requirements and Exemptions*, which is:

"major subsidiary" means a subsidiary of an issuer if

- (a) the assets of the subsidiary, as included in the issuer's most recent annual audited or interim balance sheet, or, for a period relating to a financial year beginning on or after January 1, 2011, a statement of financial position, are 30 per cent or more of the consolidated assets of the issuer reported on that balance sheet or statement of financial position, as the case may be, or
- (b) the revenue of the subsidiary, as included in the issuer's most recent annual audited or interim income statement, or, for a period relating to a financial year beginning on or after January 1, 2011, a statement of comprehensive income, is 30 per cent or more of the consolidated revenue of the issuer reported on that statement;

This disclosure requirement now reads:

- (a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.
- (b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all ~~subsidiary entities~~ major subsidiaries of the issuer, who are women.

### **Application of Rule Amendments**

We have clarified when the Rule Amendments will apply. The Rule Amendments apply to management information circulars and annual information forms (AIFs), as the case may be, which are filed following an issuer's financial year ending on or after December 31, 2014.

**Schedule C**  
**List of Commenters**

**Commenters on January 2014 Materials**

1. Addenda Capital Inc.
2. Alberta Investment Management Corporation
3. Nancy Hughes Anthony, Mary-Ann Bell, Micheline Bouchard, Helen Burstyn, Denise Carpenter, Sherry Cooper, Jocelyne Côté-O'Hara, Sylvia Chrominska, Pauline Couture, Peggy Cunningham, Peter W. Currie, Shirley Dawe, Graham Day, Bonnie DuPont, Wendy Evans, Myra A. Freeman, Shari Graydon, Cheryl Hodder, Linda Hohol, Beth S. Horowitz, Claude Lajeunesse, Mary Susanne Lamont, Spencer Lanthier, Ramona Lumpkin, Fiona Macfarlane, Veronica S. Maidman, Nancy McKinstry, Anne McLellan, Patrice E. Merrin, Ellen J. Moore, Robert Murdock, Patrick O'Callaghan, Karen Oldfield, Valerie Payn, Sherry Porter, Ruth Ramsden-Wood, Maureen Reid, Janis A. Riven, Andrea Rosen, Deanna Rosenswig, Connie Roveto, Dawn Russell, Michelle Savoy, Kathleen Sendall, Gerri Sinclair, Judy A. Steele, Carol Stephenson, Constance L. Sugiyama, Stella Thompson, Annette Verschuren and Kim West
4. Chris Barrner
5. Beverly Behan
6. Bell Kearns & Associates Ltd.
7. Bennett Jones LLP
8. BMO Financial Group
9. Bombardier Inc.
10. British Columbia Investment Management Corporation
11. Business and Professional Women's Clubs of Ontario
12. Caisse de dépôt et placement du Québec
13. Canadian Association of Petroleum Producers
14. Canadian Bankers Association
15. Canadian Board Diversity Council
16. Canadian Coalition for Good Governance
17. Canadian Council of Chief Executives
18. Canadian Federation of University Women
19. Canadian Investor Relations Institute
20. Canadian Oil Sands Limited
21. Catalyst Canada
22. Chartered Professional Accountants Canada
23. Jennifer Clarke, Brenda Eaton, Pat Jacobsen, Mary Jordan, Alice Laberge, Fiona Macdonald, Nancy McKinstry, Joanne McLeod, Sarah Morgan-Silvester, Loreen Paananen, Bev Park, Jane Peverett, Elise Rees, Marcella Szel, Victoria Withers, and Janet Woodruff
24. The Coalition for Real Equity
25. Deloitte LLP
26. Dentons Canada LLP
27. Ernst & Young LLP
28. F&C Management Limited

29. Fédération des caisses Desjardins du Québec
30. J. William Galbraith
31. Gaz Métro
32. Hansell LLP
33. Institute of Corporate Directors
34. Investor Advisory Panel
35. KPMG LLP
36. Thomas Matthews
37. McCarthy Tétrault LLP
38. Eileen Mercier
39. Mercer (Canada) Limited
40. NEI Investments
41. Norton Rose Fulbright Canada LLP
42. OceanRock Investments Inc.
43. Ontario Bar Association
44. Pension Investment Association of Canada
45. Public Sector Pension Investment Board
46. Shareholder Association for Research and Education
47. Shaw Communications Inc.
48. TELUS Corporation
49. TMX Group Limited
50. Trusted Advisory Board
51. The Vancouver Board of Trade
52. Women's Executive Network

### **Commenters on July 2014 Materials**

1. BMO Financial Group
2. Caisse de dépôt et placement du Québec
3. Canadian Coalition for Good Governance
4. Canadian Investor Relations Institute
5. Catalyst Canada
6. Pauline Couture, Shirley Dawe, Linda Hohol, Beth Horowitz, Maureen Reid, C.L. Sugiyama and Stella Thompson
7. Digital Nova Scotia
8. Ernst & Young LLP
9. Hansell LLP
10. Institute of Corporate Directors
11. Kenmar Associates
12. Mercer (Canada) Limited
13. Mouvement des caisses Desjardins
14. Norton Rose Fulbright Canada LLP
15. Public Sector Pension Investment Board
16. Shareholder Association for Research and Education
17. Small Investors Protection Association
18. The Women's Legal Education and Action Fund

**Schedule D**  
**Summary of Comments and Responses of Participating Jurisdictions**

The Participating Jurisdictions received 70 letters from 56 commenters in response to the proposed amendments (the **Proposed Amendments**) to Form 58-101F1 that were published for comment on January 16, 2014 in Ontario and on July 3, 2014 in the remaining Participating Jurisdictions. Having considered these comments and consistent with the responses set out below, we are implementing the Rule Amendments. Unless otherwise stated, when we refer to issuers in our responses, we are referring to the non-venture issuers to which the Rule Amendments will apply.

This summary of comments and responses of the Participating Jurisdictions is divided into the following sections:

- A. General comments (No. 1-9)
- B. Director term limits and other mechanisms of board renewal (No. 10-29)
- C. Policies regarding the representation of women on the board (No. 30-39)
- D. Consideration of the representation of women in the director identification and selection process (No. 40-42)
- E. Consideration given to the representation of women in executive officer appointments (No. 43-44)
- F. Issuer's targets regarding the representation of women on the board and in executive officer positions (No. 45-51)
- G. Number of women on the board and in executive officer positions (No. 52-58)
- H. Review of compliance with any new disclosure requirements after issuers have provided disclosure for three annual reporting periods (No. 59-61)
- I. Other comments (No. 62-73)

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
<b>A. General comments</b>			
1.	Support for the scope and content of the overall proposal	<p>Thirty-three commenters indicated general agreement with the scope and content of the Proposed Amendments.</p> <p>In particular, twenty-four commenters expressed support for the "comply or explain" approach.</p>	We acknowledge these comments of general agreement.

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
2.	Support for flexible approach	<p>One commenter who supported the overall content and scope of the Proposed Amendments, was of the view that the considerations and policies of issuers with respect to board appointments or the appointment of senior management will not, and should not, be the same for all issuers.</p>	<p>We agree that the considerations and policies of issuers with respect to board appointments and the appointment of senior management will not, and should not, be the same for all issuers. The "comply or explain" approach embodied by the Rule Amendments provides flexibility for issuers. The Rule Amendments do not require that issuers adopt policies but rather allow issuers to determine the considerations and policies with respect to board appointments and the appointment of senior management that are appropriate to their individual circumstances.</p>
3.	Opposition to overall proposal	<p>Four commenters were opposed to the Proposed Amendments.</p> <p>One such commenter was of the view that corporate governance and disclosure rules should provide issuers with the flexibility to adopt corporate governance, disclosure as well as board and management recruitment policies and practices that both comply with applicable legal requirements and suit their own particular needs and circumstances. The commenter further believed that the "one size fits all" approach taken by the Proposed Amendments would eliminate flexibility, ignore the unique circumstances and needs of issuers and could lead to unintended consequences. The commenter was of the view that an issuer should be free to seek the most qualified persons, regardless of gender, because this approach would allow the</p>	<p>We acknowledge these comments of opposition.</p> <p>However, we believe that the Rule Amendments will provide issuers with the flexibility to adopt corporate governance, disclosure as well as board and management recruitment policies and practices that both comply with legal requirements and suit their own particular needs and circumstances.</p> <p>We disagree that the approach taken by the Rule Amendments is a "one size fits all" approach. We also disagree that the approach would eliminate flexibility, ignore the unique circumstances and needs of issuers or limit the ability of issuers to act in their best interests and those of their shareholders. Rather, we believe the Rule Amendments take a nuanced approach, provide flexibility and acknowledge the unique</p>

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
		<p>issuer to make decisions that are in the best interests of the company and its shareholders.</p>	<p>circumstances and needs of issuers.</p> <p>We agree with the commenter’s view that issuers should be free to seek the most qualified persons. We believe that it is important for boards to select the most qualified candidates and to attract the broadest pool of qualified candidates. Attracting a broad pool will help to provide opportunities for qualified board candidates, including those who are women.</p>
4.	Opposition in relation to controlled companies	<p>One commenter was of the view that the Proposed Amendments serve little purpose for controlled companies while imposing additional costs and complexity on the process for electing directors, and ultimately not serving the best interests of shareholders.</p>	<p>We acknowledge this comment. However, we believe the Rule Amendments will provide issuers with the flexibility to adopt, if appropriate, policies that take into account their unique circumstances.</p>

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
5.	Concerns regarding limited scope of the proposal	One commenter did not support the limited scope of the Proposed Amendments because they do not address the need for programs aimed at increasing the number of qualified women who are open to pursuing and actively pursue appointments to boards and executive officer positions.	The Rule Amendments are intended to increase transparency so that investors can make informed investment and voting decisions. We believe that the Rule Amendments provide issuers with the flexibility to implement such programs, if appropriate in their circumstances.
6.	Inappropriateness of securities regulatory oversight	Two commenters were of the view that representation of women on boards and in senior management positions should not be the subject of securities regulatory oversight.	The Participating Jurisdictions currently have regulatory oversight of corporate governance matters and the Rule Amendments fall within the ambit of that regulatory oversight. The Rule Amendments encourage effective governance, educate investors and provide transparency.



No.	Topic	Summary of comments	Responses of Participating Jurisdictions
7.	Concern about relationship between gender diversity and board effectiveness	<p>One commenter was of the view that:</p> <ul style="list-style-type: none"> <li>• The Proposed Amendments reflect a spurious positive linkage between better decision-making, greater transparency, gender representation, and board effectiveness.</li> <li>• The case has not been made to connect better decision-making, through transparency and altered gender representation, leading to more effective boards.</li> <li>• Since women make up half of the university populations today, as women move into their careers and into the business world, the number of women represented in senior management and on boards will naturally increase.</li> <li>• The Proposed Amendments may be problematic for companies, especially smaller capitalization companies. For example, the commenter pointed to the resource and construction sectors, where representation of women has historically been low because women did not traditionally go into these fields or were not encouraged to do so.</li> </ul>	<p>We acknowledge these comments. We refer to the research outlined in the Consultation Paper and the transcript from the October 2013 OSC Roundtable, both of which outline the "business case" for having women on boards and in senior management. Further, we believe that the Rule Amendments will provide issuers with the flexibility to tailor their policies and practices to reflect their particular circumstances.</p>
8.	Concern about interference with business judgement	<p>One commenter was of the view that the Proposed Amendments unjustifiably questioned business judgement, and would, therefore, unnecessarily interfere with private enterprise. The commenter suggested the implementation of a rule similar to the "Rooney Rule", which was implemented in the National Football League in order to increase the representation of visible minorities in team administration. By following a similar rule, this</p>	<p>We acknowledge this comment. The Rule Amendments are intended to address disclosure relating to corporate governance, with a view to providing investors with information, thereby allowing them to make informed investment and voting decisions. We believe that implementing a rule similar to the "Rooney Rule" adopted by the National Football League is not consistent with the more flexible comply or explain approach embodied</p>

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
		commenter suggested that non-venture issuers would be required to interview at least one female candidate for any available board or senior management position.	in the Rule Amendments, which allow issuers to adopt policies and procedures appropriate to their circumstances.
9.	Diversity as strategic priority	One commenter suggested that a non-venture issuer should be required to adopt a performance model whereby diversity is a strategic priority. The commenter was of the view that the chair of the board should be accountable for communicating the business case for diversity to the rest of the board and the CEO. The chair of the board should be responsible to create a model for board diversity which includes goals and timelines for achievement. Goals for executive officer representation should be embedded into CEO business accountabilities.	Requiring issuers to adopt a performance model whereby diversity is a strategic priority would go beyond a "comply or explain" disclosure model. However, any issuer that chose to adopt such a performance model may choose to voluntarily disclose the details associated with it.
<b>B. Director term limits and other mechanisms of board renewal</b>			
10.	Support for disclosure regarding director term limits	Twenty-six commenters supported requiring disclosure regarding director term limits.	We acknowledge these comments of support.
11.	Benefits of director term limits	<p>Twelve commenters were of the view that director term limits are associated with certain benefits.</p> <p>Six of these commenters were of the view that requiring disclosure regarding director term limits will encourage an appropriate level of board renewal.</p>	We agree that director term limits are one way to achieve board renewal and note that there are also other ways.

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		Other examples of benefits of the Proposed Amendments that commenters mentioned included encouraging board diversity, allowing investors to assess key aspects of board governance such as independence, improving the director evaluation process, and giving companies the opportunity to review their directors' appointment process.	
12.	Support for required disclosure of director term limits by issuers	Four commenters suggested that issuers that have director term limits should be required to disclose those term limits.	We agree with this comment. The Rule Amendments require that issuers that have director term limits provide a description of those term limits.
13.	Support for disclosure regarding use of discretion to override director term limits	One commenter was of the view that, where issuers have adopted director term limits, they should also indicate where and why discretion has been exercised to override the limits in the case of individual directors. The commenter further suggested that this may already be implied in item 10 [Director Term limits and Other Mechanisms of Board Renewal] of Form 58-101F1, but that the requirement could be clarified.	We do not think that it is necessary to require disclosure relating to particular directors as part of the Rule Amendments. We also note that information relating to individual directors is required to be disclosed under item 7 [Election of Directors] of Form 51-102F5 <i>Information Circular (Form 51-102F5)</i> .
14.	Support for disclosure regarding independence of long-tenured directors	Two commenters suggested strengthening the disclosure requirements regarding director term limits by requiring disclosure of how directors of longer tenure (more than 10 years) maintain their independence.	The meaning of director independence for the purpose of NI 58-101 is set out in section 1.4 [Meaning of Independence] of National Instrument 52-110 <i>Audit Committees</i> and Form 58-101F1 requires disclosure regarding the independence of directors. While we acknowledge that the tenure of

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			<p>a director may be a relevant factor when considering the independence of a director, we are not proposing changes to the meaning of independence or the related disclosure at this time.</p>
15.	Support for mandatory or suggested director term limits or guidance	<p>Four commenters were in favour of some form of mandatory or suggested director terms limits.</p> <p>One such commenter was of the view that a disclosure requirement is important but is not sufficient to generate board renewal. The commenter suggested a requirement that issuers set director term limits. As an alternative, the commenter proposed enhanced disclosure until such a requirement could be implemented.</p> <p>One commenter suggested providing guidance to issuers related to a proportion of directors who could be excluded from such a policy to take account of the significant value that can be offered by long-serving directors.</p> <p>One commenter was of the view that a "comply or explain" regime with flexible targets is likely to have far more impact than the disclosure of director term limits requirement.</p>	<p>We acknowledge these comments. We do not propose to mandate or suggest appropriate director term limits at this time. We recognize that there are other mechanisms that will facilitate board renewal and the Rule Amendments take a flexible approach that permits issuers to tailor their policies to their circumstances.</p>
16.	Challenge in defining appropriate director term	<p>One commenter was of the view that defining appropriate director term limits can be challenging. The commenter suggested monitoring the area with successive disclosures.</p>	<p>We also believe that the disclosure requirement may contribute to a better understanding of best practices.</p>

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	limits		
17.	Opposition to link between additional disclosure requirement and gender diversity	<p>One commenter was supportive of additional disclosure of this nature. However, the commenter was of the view that director term limits impact a broader range of matters than just board diversity and believed that it would be incorrect to draw correlations between an issuer's appointment of a woman to their board and that issuer's adoption of director term limits. For this reason, the commenter recommends that this type of disclosure not be included in the context of director term limits.</p>	<p>We acknowledge this comment. We note that the disclosure requirement related to director term limits and other mechanisms of board renewal is a stand-alone item in the Rule Amendments. We expect that the information disclosed under this requirement will be helpful to investors when assessing an issuer's approach to board renewal as it relates to gender diversity and more generally.</p>
18.	Opposition to mandatory or suggested director term limits	<p>Four commenters were of the view that the Proposed Amendments should not specify terms limits to be adopted by issuers.</p> <p>One of these commenters did not believe that imposing mandatory director term limits would be appropriate as it would fail to take into account the diverse business needs of different issuers.</p>	<p>We acknowledge these comments. The Rule Amendments do not specify mandatory or suggested director term limits. The Rule Amendments reflect that there are other mechanisms for achieving board renewal.</p>
19.	Opposition to director term limits	<p>Five commenters were opposed to the requirement to disclose director term limits.</p> <p>Two such commenters were of the view that the implementation of director term limits is an inappropriate and unproven way of increasing board effectiveness because it discounts the value of experience and continuity amongst board members and may lead to the exclusion of valuable board</p>	<p>We have revised the Rule Amendments so that the disclosure requirement is not focused solely on director term limits but instead also requires transparency regarding board renewal more generally.</p> <p>As the Rule Amendments impose disclosure requirements but do not mandate the adoption of polices related to board renewal, we believe that</p>

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		members. These commenters were also of the view that the imposition of director term limits creates particular difficulties for controlled companies, including by usurping the right of controlling shareholders to elect their choice of board members.	issuers will have the flexibility to choose which, if any, mechanism of board renewal is appropriate for their circumstances.
20.	Impact of director term limits in increasing board effectiveness	One commenter was not convinced that disclosure of director term limits is an effective mechanism to increase the flow of female talent onto Canadian boards. The commenter suggested that the focus should be placed on board performance evaluations. This commenter was also of the view that board evaluations may be a more effective means of addressing director independence than director term limits.	The Rule Amendments encourage issuers to adopt and disclose the approach to board renewal that they believe to be the most effective and best suited to their circumstances.
21.	Concerns regarding disclosure requirement	<p>Four commenters were of the view that requiring disclosure of director term limits would lead issuers to put terms limits in place and could thereby encourage an inappropriate degree of director turnover.</p> <p>One of these commenters was of the view that proxy advisors might view the disclosure of no director term limits as a governance failure and pressure the issuer to adopt director term limits.</p>	The Rule Amendments recognize that there was broad support for the disclosure of director term limits but requires issuers to explain their particular approach to board renewal. Issuers are given an opportunity to be transparent with investors about their approach to board renewal so that investors can make an informed assessment of the issuer's corporate governance practices.
22.	Need or demand for director term limits	One commenter was of the view that there should be a demonstrated need or demand for director term limits prior to recommending them. This commenter noted that director term limits may lead to	We are not recommending or mandating director term limits, but rather requiring transparency in relation to director term limits as well as other mechanisms of board renewal.

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		reluctance to point out underperformance on the part of a director as it may be easier to wait until the end of the underperforming director's term.	Furthermore, the Rule Amendments are not intended to suggest that issuers that implement director term limits should rely on those limits as their only mechanism of board renewal. We encourage issuers to adopt policies that are appropriate to their circumstances and that will maximize the effectiveness of their boards.
23.	Further consultation	<p>Four commenters were of the view that further consultation would be appropriate prior to the imposition of a disclosure requirement related to director term limits.</p> <p>One of these commenters expressed that the issue of director term limits is broader than its relationship to diversity.</p>	<p>We acknowledge these comments. The development of a disclosure record relating to director term limits as well as other mechanisms of board renewal may facilitate better understanding for issuers and other stakeholders of best practices in relation to board renewal.</p> <p>We agree that director term limits are relevant to aspects of corporate governance other than diversity and note that the disclosure requirement regarding director term limits and other mechanisms of board renewal is a stand-alone item in Form 58-101F1.</p>
24.	Benefits of board renewal	<p>Two commenters were of the view that board renewal is generally associated with certain benefits.</p> <p>Examples of benefits mentioned by commenters include increasing diversity and adding new perspectives to the board.</p>	We acknowledge these comments. We believe that board renewal is an important aspect of corporate governance.
25.	Other mechanisms of	Nine commenters were of the view that director term limits are not the only means of achieving	We acknowledge these comments. We agree that there are other means of achieving board renewal.

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
	board renewal	<p>board renewal.</p> <p>Many of these commenters were of the view that director term limits have not been established as a best practice.</p> <p>Rather, many of these commenters mentioned other mechanisms of board renewal could be preferable such as the director and committee evaluation process, mandatory retirement age policies, identification of skills and needs and succession planning.</p>	<p>The Rule Amendments leave to the issuer the decision of which, if any, mechanism of board renewal is appropriate in its circumstances.</p>
26.	Disclosure of other mechanisms of board renewal	<p>Two commenters suggested that issuers be required to disclose any mechanisms they utilize that support board renewal and not necessarily restrict the disclosure to director term limits.</p> <p>One of these commenters was of the view that the disclosure should include the details of the policy and the rationale for it. Furthermore, this commenter suggested that boards that have adopted a director term limit or retirement age policy should be allowed to set and disclose a discretionary target for a proportion of board members to be excluded from this policy.</p>	<p>We agree that issuers should be required to disclose any mechanisms of board renewal they utilize and have revised the Rule Amendments accordingly.</p> <p>The Rule Amendments now require a description of the director term limits or other mechanisms of board renewal employed by the issuer. Issuers are free to adopt the policies that suit their circumstances including targets for exceptions from such policies.</p>
27.	Support for additional disclosure regarding new	<p>Twenty-three commenters believed that requiring non-venture issuers to disclose:</p> <ul style="list-style-type: none"> <li>• the number of new directors appointed at the last annual general meeting, and</li> </ul>	<p>We acknowledge these comments of support. However, on reflection, we agree with commenters who believed that this information would be sufficiently discernible from other disclosure</p>



No.	Topic	Summary of comments	Responses of Participating Jurisdictions
	board appointments	<ul style="list-style-type: none"> <li>• the number of new directors appointed that were women, would be helpful for monitoring the renewal of board membership as well as resulting in progress towards greater gender diversity.</li> </ul> <p>One such commenter was of the view that such disclosure requirements would provide enhanced information about the dynamics of the board's composition and provide information to boards, and shareholders alike, to determine if the policies adopted by the board are effective.</p> <p>One such commenter was of the view that this information should be disclosed as it aligns with the other disclosure requirements in the Proposed Amendments, and would not require greater effort or a higher degree of information disclosure.</p> <p>Two commenters were of the view that disclosure of new appointments and the number of women among them should be discernible to investors from the issuer's proxy circular, but did not oppose the disclosure requirements on that basis.</p> <p>One commenter was of the view that the number of vacancies to be filled at the next annual general meeting should also be disclosed.</p>	<p>requirements such as item 7 [Election of Directors] of Form 51-102F5, which requires issuers to identify proposed directors. Furthermore, we believe that year-over-year comparison of the disclosure required by item 15 [Number of Women on the Board and in Executive Officer Positions] of Form 58-101F1 will provide meaningful information to investors who would like to monitor the renewal of board membership and progress towards greater gender diversity.</p>
28.	Opposition to additional	Four commenters opposed these additional disclosure requirements.	We acknowledge these comments and note that the Rule Amendments do not require such additional

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	disclosure regarding board appointments	<p>Three such commenters expressed that additional disclosure requirements were not necessary because the information could be gleaned from disclosure that is already required in other documents such as the management proxy circular.</p> <p>One of these commenters was of the view that this additional requirement could unfairly penalize entities who already have a significant portion of women on their board and by virtue of this do not need to have as high of a proportion of female appointees.</p> <p>One commenter was of the view that additional disclosure is not necessary because most issuers will provide this disclosure out of necessity when explaining their targets and achievements.</p>	disclosure.
29.	Suggested additional disclosure	<p>Two commenters suggested further disclosure requirements.</p> <p>One commenter suggested that non-venture issuers should disclose:</p> <ul style="list-style-type: none"> <li>• the skills, experience, qualities and diversity of current directors,</li> <li>• inclusion of diversity as a consideration of the skills and competencies required by the board, and</li> <li>• the number of new directors appointed and how many of these new appointments were women in</li> </ul>	We believe that item 6 [Nomination of Directors] of Form 58-101F1 provides sufficient information regarding the board renewal process.

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		<p>each of the last three years. The commenter was of the view that information for one year will not provide investors with the information needed to assess whether a non-venture issuer is making progress.</p> <p>One commenter was of the view that the number of women on the nominating committee should also be disclosed. The commenter also suggested that documents and data supporting disclosure could include copies of "search criteria" finalized by executive search firms.</p>	
<b>C. Policies regarding the representation of women on the board</b>			
30.	Support for disclosure of policies regarding the representation of women on the board	<p>Ten commenters supported requiring disclosure of policies regarding the representation of women on the board.</p> <p>In noting their support, one commenter was of the view that boards that adopt policies advancing gender diversity should be more successful in achieving this objective.</p> <p>In addition, another commenter was of the view that such disclosure will allow investors to get a better understanding of a company's approach regarding the representation of women on the board and how this fits within a company's process. This type of disclosure, the commenter believes, will:</p> <ul style="list-style-type: none"> <li>• provide greater transparency of policies and</li> </ul>	We acknowledge these comments of support.

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		<p>processes,</p> <ul style="list-style-type: none"> <li>• promote dialogue with issuers, and</li> <li>• help to address this issue in a more concrete way,</li> </ul> <p>all of which will result in greater representation of women on boards.</p> <p>One commenter was also of the view that a diversity policy should result in real change within an organization and not merely be adopted to address a disclosure requirement. The commenter was also of the view that adopting a diversity and inclusion approach that is data driven as well as closely linked to the organization’s business strategy and culture will make it more effective in creating real change.</p>	
31.	Disclosure of policies and programs aimed at increasing the representation of women	One commenter was of the view that the Proposed Amendments should also require disclosure regarding policies and programs implemented to increase the participation of qualified women in order to provide transparency regarding steps taken to increase the number of women.	The Rule Amendments are intended to increase transparency so that investors may make informed investment and voting decisions. If an issuer has adopted such a written policy, we expect an issuer to disclose it. In addition, we believe that the Rule Amendments provide issuers with the flexibility to implement such programs, if appropriate in their circumstances.
32.	Definition of policy – support for limiting definition to written policies	<p>Eighteen commenters supported a narrow interpretation of the term "policy", which only includes written policies.</p> <p>Reasons cited included that written policies are considered to be more effective. They have the</p>	We agree that the term "policy" for the purposes of this disclosure requirement should only include written policies. We have clarified the Rule Amendments to refer to "written" policies, as they provide greater transparency, consistency and measurability with respect to application and

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		<p>advantage of greater transparency, consistency and measurability with respect to application and outcomes over unwritten policies.</p>	<p>outcomes.</p>
33.	<p>Definition of policy – support for broad definition including unwritten, informal policies</p>	<p>Ten commenters supported a broad interpretation of the term "policy" as long as it has the required impact within the organization. The commenters were of the view that a broad interpretation gives issuers the flexibility in the form of policy they adopt.</p> <p>In addition to both formal written and informal unwritten policies, one commenter suggested that the term "policy" should include guidelines, policies, programs, practices, initiatives or any combination of these.</p> <p>Reasons cited for a broad interpretation of the term "policy" included:</p> <ul style="list-style-type: none"> <li>• a formal written policy is not necessary to achieve good outcomes in board and senior management gender diversity.</li> <li>• it is appropriate for the market (and not legislation) to dictate what type of policy would be appropriate in differing situations and to provide sufficient flexibility to reflect the different approaches issuers may take.</li> <li>• issuers are best positioned to determine their approaches to board diversity policies.</li> </ul> <p>In noting its support for a broader interpretation of</p>	<p>As noted above, we believe that the term "policy" for the purposes of this disclosure requirement should only include written policies, and we have amended the Rule Amendments accordingly.</p> <p>The Rule Amendments do not require that an issuer have a written policy regarding the representation of women on boards. If an issuer does not have a written policy, but rather has an informal, unwritten policy, then the issuer may explain why it has not adopted a written policy by referring to its informal, unwritten policy and explaining why it believes that approach is appropriate for its particular circumstances.</p>

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		<p>"policy", however, one commenter believed that, in general, formal, written and board approved policies will encourage positive change and so are preferable to board and company reliance upon normative practices which may perpetuate the status quo.</p> <p>One commenter suggested the imposition of a test for the existence of an informal policy. If an issuer is not able to articulate a summary of its diversity policy objectives and provisions, then it should disclose that it does not have a formal or informal policy for the purposes of this disclosure requirement and explain why not.</p>	
34.	Disclosure requirement regarding normative practices	Two commenters suggested that issuers should disclose their reliance on either written policy or normative practices.	As noted above, an issuer is required to disclose whether it has adopted a written policy and, if not, explain why it has not done so. The explanation may include references to the issuer's reliance on normative practices.

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35.	Availability of policy	One commenter suggested that if an issuer publicly discloses a formal policy, the issuer should indicate where the policy can be found.	<p>If an issuer has adopted a written policy regarding the representation of women on its board, the issuer is required to disclose:</p> <ul style="list-style-type: none"> <li>• a short summary of its objectives and key provisions,</li> <li>• the measures taken to ensure that the policy has been effectively implemented,</li> <li>• annual and cumulative progress by the issuer in achieving the objectives of the policy, and</li> <li>• whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.</li> </ul> <p>We believe that this summary information provides investors with sufficient information regarding the policy. An issuer is welcome to provide further information about the policy, or a link to the policy, if the issuer believes that information will be helpful to investors.</p>
36.	Additional disclosure related to lack of policy	Two commenters suggested that an issuer be required to disclose, if the issuer has not adopted a policy regarding the representation of women on the board, why it has not done so and explain any risks or opportunity costs associated with the decision not to have such a policy.	If an issuer has not adopted a policy, the issuer must disclose its reasons for not doing so. In addition, we note that disclosure of risks or opportunity costs associated with decisions is not typically required under our corporate governance disclosure requirements set out in NI 58-101.

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37.	Additional disclosure related to measurable objectives of policies	Two commenters expressed concern regarding the potentially broad interpretation of the phrase "measurable objective" set out in the summary information to be provided regarding a policy. They suggested that an issuer be required to disclose a short summary of the measurable objectives of a policy, including numerical targets (actual and percentage based on board size over the last five years) and key provisions.	<p>We agree that measurement of a policy's effectiveness is important. As a result, if an issuer has adopted a policy regarding the representation of women on its board, the issuer is required to disclose, among other things:</p> <ul style="list-style-type: none"> <li>• a short summary of its objectives and key provisions,</li> <li>• annual and cumulative progress by the issuer in achieving the objectives of the policy, and</li> <li>• whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.</li> </ul> <p>The Rule Amendments do not require issuers to adopt a policy. If adopted, however, it is left to issuers to decide how to frame their objectives.</p> <p>In addition, we note that an issuer is required to disclose any targets that it has adopted regarding women on its board. See the discussion below under "Disclosure of targets adopted regarding the representation of women on the board and in executive officer positions".</p>
38.	Mandating policies	One commenter believed that the adoption of formal written policies should be explicitly mandated. The commenter noted that the lack of a policy can easily be explained leaving shareholders no better off than prior to a new rule being implemented.	We have not mandated any policies or practices. We think that corporate governance matters can be effectively and flexibly addressed through a "comply or explain" approach. We believe that issuers should be able to decide whether a formal, written policy regarding the representation of women on the board is the appropriate approach for



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			the issuer after considering its particular circumstances. Once disclosure has been made, investors can then evaluate the issuer's approach.
39.	Providing guidelines or setting out best practices regarding diversity	<p>One commenter suggested that National Policy 58-201 <i>Corporate Governance Guidelines (NP 58-201)</i> be updated to include recommended policies on gender diversity. This guidance would provide a framework for companies to develop their policies and benchmark their progress.</p> <p>Similarly, three other commenters observed that no corresponding changes have been made to NP 58-201 in connection with the Proposed Amendments.</p> <p>One of these commenters suggested that the outcomes that disclosure requirements are intended to support should be defined so that results can be assessed. The commenter suggested drawing on the language from OSC Report 58-402 outlining stakeholder perspectives on the value of diversity on boards and in senior management.</p> <p>Two of these commenters noted that the Proposed Amendments are not really a "comply or explain" model because there is no outlined policy or best practices to be complied with. They believed that NP 58-201 should be updated to include adoption of a gender diversity policy as well as consideration of gender diversity in relation to board appointments and management succession planning amongst "best</p>	The Rule Amendments leave it to issuers to decide which corporate governance policies and practices relating to gender diversity are appropriate for their particular circumstances. Issuers must disclose their policies and practices so that investors may use that information to inform investment and voting decisions. We may consider amendments to NP 58-201 in the future in order to provide guidance on corporate governance policies and practices relating to gender diversity.

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		<p>practices".</p> <p>Two commenters suggested "best practices" for issuers.</p> <p>Examples of suggested "best practices" included:</p> <ul style="list-style-type: none"> <li>• public companies should adopt a gender diversity policy,</li> <li>• nominating committees should consider gender diversity when identifying candidates for nomination to the board and in making recommendations should consider gender diversity of the board as a whole,</li> <li>• boards should consider gender diversity when carrying out management and succession planning,</li> <li>• director term limits,</li> <li>• reviewing workplace policies, practices and decision-making processes to identify factors resulting in systemic discrimination, and</li> <li>• activities to cultivate skills and technical knowledge in women in industries from which they have historically been excluded such as mentorship programs.</li> </ul>	

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
<b>D. Consideration of the representation of women in the director identification and selection process</b>			
40.	Support for disclosure of consideration of the representation of women in the director identification and selection process	<p>Eleven commenters supported requiring disclosure regarding the consideration of the representation of women in the director identification and selection process.</p> <p>Cited reasons for support included:</p> <ul style="list-style-type: none"> <li>• This requirement will increase the probability that disclosed processes will be based on objective criteria.</li> <li>• This requirement will allow stakeholders to assess an issuer’s level of engagement on these issues.</li> <li>• This disclosure will allow shareholders to assess an issuer’s intentions regarding greater diversity.</li> </ul> <p>In expressing its support for the Proposed Amendments, one commenter noted this requirement would not pro-actively address the question of the board’s underlying commitment to gender diversity.</p>	We acknowledge these comments of support.
41.	Additional disclosure regarding director identification and selection	<p>Five commenters supported explicit requirements for disclosure of other factors considered in the director identification or selection process.</p> <p>For example, additional suggested disclosure items included:</p> <ul style="list-style-type: none"> <li>• the use of search firms,</li> <li>• the female candidates included in the search,</li> </ul>	The Rule Amendments require an issuer to disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. Issuers may adopt a variety of approaches to director identification and selection, including those suggested by the commenters. The Rule

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		<ul style="list-style-type: none"> <li>• the number of female candidates included in the search, including those without any prior public company board experience,</li> <li>• the search criteria, such as the board skills matrix, and</li> <li>• how the representation of women is integrated into the succession planning process.</li> </ul>	Amendments provide issuers with the flexibility to determine the approaches that are best-suited for their particular circumstances.
42.	Additional disclosure requirement if no consideration of the representation of women	Two commenters were of the view that issuers for which the board does not consider the level of representation of women on boards in identifying and nominating candidates should be required to explain any risks or opportunity costs associated with the decision not to have such a policy (in addition to disclosing their reasons for not doing so).	If an issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, the issuer must disclose its reasons for not doing so. The disclosure of risks or opportunity costs associated with particular decisions is not typically required under the corporate governance disclosure requirements set out in NI 58-101.
<b>E. Consideration given to the representation of women in executive officer appointments</b>			
43.	Support for disclosure of the consideration given to the representation of women in executive officer appointments	<p>Eight commenters supported requiring disclosure of the consideration given to the representation of women in executive officer appointments.</p> <p>Reasons for support of this requirement included:</p> <ul style="list-style-type: none"> <li>• This disclosure will contribute to the progression of women into executive officer positions and thus widen the pool of potential board candidates.</li> <li>• This disclosure may encourage additional action on the part of issuers to identify barriers to</li> </ul>	We acknowledge these comments of support.

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		<p>advancement and solutions to such barriers.</p> <ul style="list-style-type: none"> <li>• This disclosure will lead to an increase in the number of women who have the requisite skills, management experience and credentials at an executive officer level to be considered for corporate board appointments.</li> </ul>	
44.	Concerns regarding authority over executive officer appointments	<p>Five commenters expressed concerns about the authority of securities regulators to regulate the appointment of executive officers.</p> <p>Four commenters believed that the appointment of executive officers is within the authority of the board. One such commenter noted that it should be left up to boards to measure the consideration given to the representation of women in executive officer positions within issuers' organizations.</p> <p>One commenter suggested that the disclosure requirements about female executive officers at the issuer and subsidiary levels may exceed the scope of the current corporate governance disclosure regime.</p> <p>One commenter also expressed that, in addition to the board, human rights legislation and provincial labour codes should be left to deal with these operational and human rights issues.</p>	<p>We acknowledge these comments. The Rule Amendments are consistent with the securities regulatory approach to corporate governance, which often requires disclosure of certain information pertaining to executive officers (for example, executive compensation disclosure) in order to provide greater transparency to investors. This increased transparency allows investors to make more informed investment and voting decisions. We believe that an issuer's overall approach to corporate governance includes the role of the board in appointing executive officers.</p>

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
<b>F. Issuer's targets regarding the representation of women on the board and in executive officer positions</b>			
45.	Support for disclosure of targets	<p>Ten commenters supported the requirement for non-venture issuers to disclose whether or not they have adopted targets for women on the board and, if not, why not. Nine commenters supported a similar requirement regarding targets for women in executive officer positions.</p> <p>One commenter noted the "comply or explain" approach with respect to targets will encourage issuers to adopt targets in each of the suggested areas.</p> <p>One commenter recognized that some issuers may find target-setting to be a useful tool within the context of their board renewal policies. However, the commenter noted that some issuers may find that targets do not fit within their cultures and may have other approaches to enhancing diversity that they believe to be more appropriate. This commenter supported a disclosure model whereby such issuers would be required to disclose how they otherwise plan to encourage diversity.</p>	We acknowledge these comments of support.
46.	Concerns regarding disclosure of targets	Two commenters expressed concern about requiring disclosure of targets. These commenters believed that the Proposed Amendments could impede flexibility to implement policies that are most appropriate for a particular organization.	The Rule Amendments are intended to allow issuers to adopt policies and practices that are tailored to their particular circumstances. We agree that there should be an appropriate, deliberate process for the nomination of directors and the appointment of executive officers. The Rule Amendments are

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
		<p>One commenter was of the view that disclosure of diversity targets may lead to <i>de facto</i> mandates by proxy advisors and governance organizations. This pressure may lead issuers to nominate directors or to appoint executives without due deliberation or the benefit of proper succession planning.</p>	<p>intended to provide further transparency into the process and to provide investors with information to make investment and voting decisions.</p>
47.	<p>Concerns regarding disclosure of targets – other selection criteria</p>	<p>Two commenters noted that there are a number of factors that a board or nominating committee will consider as it recruits new board members. Best practice requires a competency assessment, or skills matrix, for the new board as a whole to be considered. A potential board member’s gender, cultural and ethnic background are often important to selection, but are not the only considerations. These commenters were of the view that it would be unfortunate if the disclosure requirements for gender diversity "targets", framed as they are, were to mischaracterize an issuer’s strategic governance intentions as to board and senior management composition.</p>	<p>We agree that a number of factors are involved in selecting and nominating board candidates and that diversity may be one of many factors considered. This disclosure requirement is not intended to detract from the importance of other director selection criteria, but rather provide greater transparency into whether gender diversity is one of the factors taken into consideration in the director selection and nomination process.</p>
48.	<p>Disclosure of targets themselves</p>	<p>One commenter suggested that issuers should also be required to disclose the actual targets themselves.</p>	<p>We agree with this comment. We have amended the disclosure requirement in item 14 [Issuer’s Targets Regarding the Representation of Women on the Board and in Executive Officer Positions] of Form 58-101F1 to clarify that an issuer should disclose the actual targets, if any, have been adopted.</p>
49.	<p>Target ranges</p>	<p>One commenter suggested that targets should be set within a range rather than based on absolute</p>	<p>The definition of "target", as set out in the Rule Amendments, is a number or percentage, or a range</p>

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
		percentages.	of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date. Issuers may choose the appropriate formulation of their targets for their particular circumstances.
50.	Disclosure of timeframe for achieving targets	Two commenters thought that the time frame for achieving targets should also be disclosed.	We agree with these comments. The definition of "target" refers to a specific date by which an issuer aims to achieve a specified level of representation of women in leadership roles. As a result, when disclosing a target, the issuer will be required to disclose that date. The Rule Amendments allow issuers the flexibility to determine the target date, if they are implementing a target.
51.	Mandated targets or quotas	<p>Six commenters were in favour of mandated targets or quotas while seven commenters were opposed to or noted risks associated with the imposition of prescriptive quotas and targets.</p> <p>Of the commenters that favoured mandated targets or quotas, some suggested that such targets or quotas should be established by the securities regulator while others suggested that issuers should be required to set their own targets.</p> <p>One of these commenters also expressed support for mandating targets related to the appointment of women to executive officer positions.</p> <p>One commenter suggested that the goal should be</p>	The Rule Amendments do not mandate the adoption of targets or quotas, but rather require disclosure of whether targets are in place and, if so, the details of those targets. The Rule Amendments are intended to allow issuers to adopt policies and practices that are tailored to their particular circumstances.



No.	Topic	Summary of comments	Responses of Participating Jurisdictions
		<p>for the issuer to demonstrate evidence of a rate of increase of women on the board across a reasonable length of time, such as a five-year period.</p> <p>One commenter suggested targets should apply to the representation of both women and men on the board, with the minimum target percentage for each in the range of 30 to 40 percent to allow for flexibility.</p>	
<b>G. Number of women on the board and in executive officer positions</b>			
52.	Support for disclosure of number of women on the board and in executive officer positions	<p>Twelve commenters supported requiring disclosure of the number of women on the board and eleven commenters supported requiring disclosure of the number of women in executive officer positions.</p> <p>One such commenter was of the view that disclosure of the number of women on the board and in executive officer positions may more easily facilitate industry comparisons to positively effect change.</p> <p>One commenter noted that information relating to the number of women on the board and in executive officer positions is often already being reported and captured within the framework of the Global Reporting Initiative or is required to be reported under employment equity legislation. However, the commenter was supportive of making this information easy to find and analyze for investors.</p>	<p>We acknowledge these comments of support.</p> <p>We agree that disclosure of the number of women on the board and in executive officer positions may provide useful information to investors and may more easily facilitate comparisons among issuers.</p>

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
53.	Additional disclosure – disclosure of number of women employees	<p>Four commenters expressed interest in diversity at other levels of an organization, beyond the board and executive officer positions.</p> <p>In particular, three commenters suggested that it would be useful to also require the proportion of female employees in the whole organization.</p>	<p>We have not required disclosure of the number of female employees in the entire organization. This disclosure requirement relates to corporate governance and the representation of women in leadership roles. Issuers are welcome to provide information about the proportion of female employees in their organizations if they think that information will be helpful to investors.</p>
54.	Additional disclosure – disclosure of women on nominating committee	<p>One commenter supported the disclosure by issuers of the number of women on their nominating committees as they are one of the "gate keepers" for the board.</p>	<p>The focus of this disclosure requirement is on the representation of women on boards and in senior management and the consideration of women on the board as part of the director selection and nomination process.</p>
55.	Additional disclosure – disclosure of number of men	<p>One commenter was of the view that the Proposed Amendments should require disclosure of the number of men on the board.</p>	<p>The Rule Amendments do not require the disclosure of the number of men on the board. Issuers are welcome to provide information about the proportion of all genders if they think that information will be helpful to investors.</p>
56.	Disclosure of number of women in executive officer positions at subsidiaries of the issuer	<p>Seven commenters expressed concern about the requirement to disclose the number of women in executive officer positions at an issuer's subsidiaries.</p> <p>Reasons for the concerns included:</p> <ul style="list-style-type: none"> <li>• Reporting at the subsidiary level may create a significant tracking and reporting burden for</li> </ul>	<p>We acknowledge the challenges that may, in some cases, be associated with reporting the number and proportion of women in executive officer positions for all subsidiaries. However, we think that disclosure regarding subsidiaries will be meaningful in some instances such as in the context of a holding company with operating company subsidiaries. The Rule Amendments, therefore, limit the</p>

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		<p>large corporate groups and it was questioned whether the cost and time to generate annual, reliable data on the number and proportion of executive officers who are women for each of the issuer's subsidiaries may outweigh its benefit, especially for larger issuers.</p> <ul style="list-style-type: none"> <li>• Due to their sizes, many "executive officers" of these subsidiaries, despite their titles, may not be senior leaders of the issuer. Thus, including these statistics as part of the disclosure requirements may result in an inaccurate understanding of the level of diversity at the issuer level.</li> <li>• Senior leaders of the issuer may also be "executive officers" of a subsidiary, which could result in double-counting.</li> </ul> <p>As alternatives to the proposed disclosure requirement:</p> <ul style="list-style-type: none"> <li>• Two commenters preferred that the disclosure requirements be limited to a "major subsidiary" as the term is defined in National Instrument 55-104 <i>Insider Reporting Requirements and Exemptions</i>.</li> <li>• One commenter suggested providing issuers with the flexibility to decide whether or not to include subsidiary entities in their disclosure as, in some circumstances, disclosure on gender diversity in a particular operating subsidiary may be more meaningful than disclosure on the issuer/parent.</li> </ul>	<p>disclosure requirement to "major subsidiaries" as that term is defined in National Instrument 55-104 <i>Insider Reporting Requirements and Exemptions</i>.</p> <p>For the purpose of the Rule Amendments, the term "major subsidiary" means a subsidiary of an issuer if:</p> <ul style="list-style-type: none"> <li>(a) the assets of the subsidiary, as included in the issuer's most recent annual audited or interim statement of financial position, are 30 per cent or more of the consolidated assets of the issuer reported on that statement of financial position, or</li> <li>(b) the revenue of the subsidiary, as included in the issuer's most recent annual audited or interim statement of comprehensive income, is 30 per cent or more of the consolidated revenue of the issuer reported on that statement.</li> </ul>

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
		<ul style="list-style-type: none"> <li>One commenter proposed eliminating the requirement to disclose the number and proportion of executive officers at subsidiary entities of the issuer, who are women.</li> </ul>	
57.	Definition of executive officer	<p>Six commenters were of the view that there should be a broader definition of the term "executive officer". Reasons cited for broadening the definition included that the disclosure would not be broad enough or meaningful enough to reflect the existence and effectiveness of diversity programs in an organization or align with the policy intent of this disclosure requirement.</p> <p>Four such commenters were of the view that the definition of "executive officer" should be broadened to include members of senior management.</p> <p>Two commenters suggested allowing issuers the discretion to define "senior management" or the group in respect of whom disclosure is made.</p>	<p>We believe that it is important for there to be a consistent objective definition of "executive officer" for comparative purposes (both within an issuer year-over-year and across issuers). We do not believe that it is necessary to introduce an additional definition to represent senior management in Form 58-101F1. Issuers are welcome to provide additional information about women in other leadership roles.</p>
58.	Need for flexibility in reporting	<p>Four commenters were of the view that disclosure requirements should be flexible enough to allow issuers to provide information that makes sense within their organization, such as on a consolidated basis.</p>	<p>We believe that the Rule Amendments provide issuers with the flexibility to provide information on a consolidated basis should they wish to do so.</p>

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
<b>H. Review of compliance with any new disclosure requirements after issuers have provided disclosure for three annual reporting periods</b>			
59.	Support for review of compliance after issuers have provided this disclosure for three annual reporting periods	<p>Thirteen commenters supported a review of compliance with the new disclosure requirements after issuers have provided this disclosure for three annual reporting periods.</p> <p>One such commenter was of the view that a review in three years be considered if there has been limited progress following the implementation of the disclosure requirements.</p> <p>One such commenter expressed that it is important to monitor and report the progress towards gender diversity on boards and in senior executive positions in order to evaluate companies' responses to changing policy direction and overall policy effectiveness.</p> <p>One such commenter requested assurance that a review of the progress in increasing gender diversity on corporate boards and in senior management in three years be officially incorporated in the OSC work plan.</p>	We acknowledge these comments of support. The Participating Jurisdictions have committed to conduct a review of compliance with the Rule Amendments after issuers have provided disclosure for three annual reporting periods. One of the key objectives of this review will be to assess the effectiveness of the disclosure requirements in achieving their intended purpose.
60.	Support for a review of the effectiveness of the disclosure requirements on	<p>Five commenters suggested a review timeline that was distinct from the three year review recommended in OSC Report 58-402.</p> <p>Three commenters believed that an annual review</p>	We believe that a three year period is the appropriate interval after which to conduct a compliance review. A three year period will give issuers enough time to demonstrate year-over-year progress to their shareholders.

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
	an annual basis	<p>would better facilitate further action in three years if adequate progress does not occur following the implementation of the disclosure requirements; whereas, one commenter favoured a review after five years. Still another commenter believed that, given the slow progress in improving board diversity, following an initial three year review, reviews should take place on an annual basis thereafter.</p> <p>Two of the commenters that supported annual reviews believed that it is important to conduct a review each year, similar to the annual review conducted in the UK following the Davies Report and similar to the two year review published in March 2013 in Australia.</p> <p>One commenter in favour of an annual review supported the idea of a compliance review along with the publishing of the results so that progress can be monitored.</p>	<p>In the ordinary course, we would publish a notice regarding the outcome of an issue-oriented review along with staff guidance in cases where we believe that information would be helpful to issuers and investors.</p>
61.	Support for additional measures if progress insufficient following review	<p>Ten commenters recommended consideration or implementation of additional measures if there has been insufficient progress following implementation of the disclosure requirements.</p> <p>One commenter believed that consideration of further measures, if a lack of progress is noted in the compliance reviews, could strengthen the overall proposal.</p>	<p>We acknowledge these comments. Possible outcomes of the review may include:</p> <ul style="list-style-type: none"> <li>• changes in the disclosure made by the issuers in the review sample, either on a historical or prospective basis,</li> <li>• the publication of staff guidance on compliance with the disclosure requirements, and/or</li> <li>• recommendations for further amendments to NI 58-101 or other regulatory action.</li> </ul>

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
		<p>One commenter was of the view that the final review must be fully defensible with a thorough evaluation process of what the company has done, and what it is going to do, before a decision is made to impose any sanctions.</p> <p>Examples of further measures mentioned by commenters include:</p> <ul style="list-style-type: none"> <li>• revisiting the "comply or explain" approach,</li> <li>• requiring that director term limits be implemented in order to stimulate board refreshment,</li> <li>• imposing quotas,</li> <li>• imposing sanctions,</li> <li>• imposing or requiring the compulsory adoption of certain policies,</li> <li>• requiring compulsory adoption of certain objectives,</li> <li>• encouraging companies to conduct rigorous individual director evaluations and avoid automatic re-nomination of directors, and</li> <li>• mandating a best practice.</li> </ul> <p>One commenter expressed that "comply or explain" is at times insufficient and mandating a best practice may be required to reach the goal of widespread adoption. Two commenters were of the view that sanctions may be necessary to effect the required changes.</p>	

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
<b>I. Other comments</b>			
62.	CSA harmonization	Two commenters suggested that it would be beneficial for regulators to work towards a harmonized framework that applied across Canada.	At this time, there are several CSA jurisdictions participating in this initiative. Under the proposed approach, all TSX-listed issuers would be subject to the same requirements across Canada.
63.	Appropriate method of disclosure	One commenter suggested consideration of the appropriate method of disclosure for each target audience, such as within the issuers' annual proxy circular, or in the annual report.	These disclosure requirements are governed by NI 58-101. Disclosure should be made in accordance with that rule in an issuer's management information circular or AIF, as the case may be.
64.	Creating opportunities for women	One commenter suggested that governments and businesses should encourage mentorship and sponsorship opportunities for women.	We note the federal government's consideration of ways to increase the representation of women on private and public boards as detailed in its report <i>Good for Business: A Plan to Promote More Women on Canadian Boards</i> , which was released in June 2014.
65.	Comparison to the SEC's diversity disclosure requirements	One commenter drew parallels between the Proposed Amendments and the United States Securities and Exchange Commission's (SEC's) board diversity disclosure amendments. However, the commenter pointed out that the SEC's initiative has had limited impact to date and compliance with the three year old disclosure enhancement has been relatively poor. The poor compliance, according to sources cited by the commenter, can be attributed to too much discretion and high ambiguity in the rules.	We believe that the Rule Amendments are notably distinct from those of the SEC. The Participating Jurisdictions have proposed to conduct an issue-oriented review following three reporting cycles. In addition, the CSA regularly undertakes reviews to ensure that rules and policies have their intended impact and effect.



No.	Topic	Summary of comments	Responses of Participating Jurisdictions
66.	Additional measures	<p>One commenter suggested that consideration be given to practices such as:</p> <ul style="list-style-type: none"> <li>• expanding indicators around statistical and or accompanying qualitative data regarding the representation of women in organizations,</li> <li>• leadership training and education, recognition and mentorship, and</li> <li>• corporate-wide efforts and organizational culture shifts to transcend a narrow focus of women’s leadership promotion simply at board and executive levels.</li> </ul>	<p>Although the Rule Amendments do not specifically require such disclosure, issuers are welcome to disclose additional measures that they have undertaken if they think that the information will be helpful to investors.</p>
67.	Regulatory burden and associated compliance costs	<p>Three commenters were of the view that the imposition of new requirements on issuers raises concern about costs and regulatory burden.</p> <p>One commenter made reference to OSC research which suggests that few issuers currently have gender diversity policies. The commenter suggested that in order to help mitigate the costs that issuers may incur to draft and to adopt such policies, it may be advisable to provide flexible and scaled guidance about the content of typical policies and how issuers can cost effectively implement and monitor compliance with them. The commenter also suggested offering guidance to issuers about how they can provide concise and meaningful disclosure for the Proposed Amendments.</p> <p>Two commenters recommended an exemption for small TSX-listed companies with sales that are less</p>	<p>We note that a requirement to adopt policies and procedures has not been mandated. In accordance with CSA Staff Notice 58-306 – <i>2010 Corporate Governance Disclosure Review</i>, the disclosure provided should be clear and meaningful and not standardized.</p>

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
		than a certain amount.	
68.	Impact on shareholder rights and corporate democracy	<p>Two commenters were concerned that the "comply or explain" approach could lead to intensified measures such as quotas or sanctions which would have a negative impact on corporate democracy. These commenters also expressed concern about balancing shareholder rights and corporate democracy with diversity objectives.</p> <p>One commenter noted that the board appointment process is impacted by stakeholders other than the nomination committee.</p> <p>One commenter suggested addressing the issue of increased proxy access by shareholders so that shareholders could bring forward diverse candidates if nominating committees failed to do so.</p>	<p>The Rule Amendments provide reporting issuers with the flexibility to determine which, if any, policies and procedures are most appropriate to their circumstances. The Rule Amendments are also intended to provide investors with the information needed to make informed investment and voting decisions. Issuers are at liberty to disclose further information relating to their nominating committees, if they think it will be relevant to investors.</p>

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
69.	Measure of success of the disclosure requirements	<p>Two commenters offered comments regarding the measurement of success of the disclosure requirements.</p> <p>One commenter was of the view that the initiative would only be successful if the proportion of women on Canadian boards increases and it becomes commonly felt in the Canadian business community that the changes have made boards better. This commenter was also of the view that if issuers produced proxy boilerplate to comply with the requirement, the initiative would have failed.</p>	<p>The objectives of the Rule Amendments are to enhance transparency for investors and to promote more effective boards and better corporate decision-making.</p> <p>We agree that proxy boilerplate would not constitute compliance with the Rule Amendments and expect issuers to provide investors with meaningful information for making investment and voting decisions.</p>
70.	Phased-in implementation	<p>Seven commenters favoured and twenty commenters opposed a phased-in implementation of the disclosure requirements.</p> <p>Of the twenty commenters that preferred a single compliance date for all non-venture issuers, two commenters expressed that they did not think that the disclosure requirements were onerous enough in order to justify a delay.</p> <p>Three commenters noted that phased-in implementation was not required because issuers could address implementation delays by explaining them in accordance with the comply or explain model and one of these commenters expressed, in particular, that smaller non-venture issuers should not be discouraged from pursuing diversity objectives, as their efforts will help to build</p>	<p>We acknowledge the views of commenters that support as well as those that oppose a phased-in implementation of these requirements. We agree with commenters who oppose a phased-in implementation as we believe this approach will be more straight-forward. We note that the Rule Amendments do not require issuers to implement any specific policies or procedures. Issuers have the option to indicate why they have not implemented policies or procedures and to indicate their future intentions.</p>

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
		<p>diversity of the overall pool of directors and executives.</p> <p>One commenter was of the view that within a "comply or explain" framework, smaller non-venture issuers who do not currently have a policy for board diversity can demonstrate progress by submitting a plan to become compliant.</p> <p>One commenter was of the view that a phase-in period would serve no purpose, except for issuers who are reluctant to comply.</p> <p>Of the seven commenters that supported phased-in implementation, three commenters were of the view that issuers would benefit from having some time to adjust to these new requirements, and therefore, they suggested that the Proposed Amendments should not be effective until at least one year after they are adopted.</p> <p>One commenter suggested a gradual phase-in of the Proposed Amendments, beginning, in the first year, with larger TSX 60 Index issuers; followed by the application to all TSX Composite Index issuers the following year. The commenter suggested that smaller venture issuers should be encouraged to comply but should not be required to do so just yet.</p> <p>Similarly, one commenter indicated that they would support a maximum of a one year delay in</p>	

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
		<p>application to smaller non-venture issuers. This commenter believed that phasing-in the Proposed Amendments would give issuers time to implement mentorship programs to increase the interest of qualified women in pursuing board and executive positions.</p> <p>One commenter suggested that the "comply or explain" approach be enhanced to include a requirement for issuers to set and disclose targets and a timeline to achieve those targets regarding the representation of women on the board. The commenter was of the view that, since they were proposing an enhanced version of the disclosure requirements, it would be appropriate to phase-in this enhanced version gradually beginning with issuers in TSX 300 index, for the first year and applying to all non-venture reporting issuers the following year.</p> <p>One commenter suggested a two-phased approach. In a "comply or explain" regime, all non-venture issuers should be required to comply with the disclosure requirements immediately upon their effectiveness. The OSC should then facilitate a round-table of these issuers to discuss problems and provide best practices in resolving them. Based on the outcome of those discussions consideration should be given to requiring venture issuers to adopt the Proposed Amendments.</p>	

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
71.	Support for compliance by venture issuers	<p>Three commenters were of the view that the disclosure requirements should apply to venture issuers in addition to non-venture issuers.</p> <p>One such commenter suggested encouraging smaller venture issuers to comply without making compliance mandatory at this point in time.</p> <p>One commenter did not believe that the recommendations would impose undue hardship or that the cost to venture issuers would outweigh the benefit to Canadian market participants.</p>	<p>We believe that it is appropriate to limit the disclosure requirements to non-venture issuers, at this time. Venture issuers are welcome to provide this information voluntarily.</p>
72.	Application based on issuer market capitalization	<p>Five commenters were of the view that the disclosure requirements should apply to all non-venture issuers and that there should not be a distinction based on market capitalization.</p> <p>One such commenter was of the view that the incremental effort for small non-venture issuers will be <i>de minimus</i> relative to current disclosure requirements.</p> <p>One such commenter was of the view that, since one of the reasons offered for under-representation of women on boards is the lack of suitable candidates, membership on boards of smaller issuers may be an effective pathway for women to move to the boards of larger firms.</p>	<p>We agree with these comments and note that we generally do not base the application of disclosure requirements on the basis of market capitalization.</p>

No.	Topic	Summary of comments	Responses of Participating Jurisdictions
73.	Broader concept of diversity	<p>Thirteen commenters suggested that the scope of the Proposed Amendments should be expanded from gender diversity to diversity more broadly; whereas, two commenters expressed that the requirements should be limited to gender diversity, at this time. Still another commenter did not express a position about whether the Proposed Amendments should address a broader concept of diversity but posed several questions.</p> <p>Frequently cited examples of other diversity factors that might be addressed included race, nationality, ethnicity, cultural background, aboriginal status, age and disability. Other factors that commenters mentioned included geographical background, sexual orientation, skills, experience, education, expertise, stakeholder perspectives and management capabilities.</p> <p>Of the commenters that supported a broader concept of diversity, four commenters disclosed that their board diversity policy included a wide range of criteria including gender, age, ethnicity and geographic background.</p> <p>One commenter who favoured disclosure regarding diversity more generally was of the view that if regulatory changes regarding increased board diversity are to achieve improved governance and board performance, then the disclosure requirements should look beyond gender diversity to include a</p>	<p>We acknowledge that there are many forms of diversity and believe that boards and senior management teams benefit from having a variety of views and perspectives. We believe that compliance with the Rule Amendments presents an opportunity for issuers to consider their approach to diversity more generally and may encourage issuers to voluntarily provide information about their policies and procedures to promote diversity more generally. In general, continuous disclosure requirements are implemented to provide investors with information to allow them to make informed investment and voting decisions. Accordingly, issuers are welcome to provide disclosure surrounding diversity in general if they think that information will be helpful to investors.</p>

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		<p>wide range of attributes.</p> <p>One such commenter suggested expanding the concept of diversity to include other aspects which also merit recognition in disclosure documents.</p> <p>One such commenter suggested that the focus should be having diversity as a whole on the board.</p> <p>One such commenter was of the view that the disclosure requirements should be considered a first step towards a broader diversity agenda.</p> <p>Two commenters expressed concern about whether the Proposed Amendments would ensure diversity amongst women recruited to leadership positions. One such commenter suggested an alternative of revising the Proposed Amendments to promote the appointments of a diverse group of women. This commenter also pointed out that other jurisdictions that have adopted a "comply or explain" model such as the United States, the United Kingdom and Australia do not entirely limit their requirements to gender such that Ontario would stand alone amongst these jurisdictions in their singular focus on gender.</p> <p>One commenter believed that there are many segments of Canadian society that can lay claim to under-representation on Canadian boards and that broader perspectives reflect Canadian demographic realities.</p>	



No.	Topic	Summary of comments	Responses of Participating Jurisdictions
		<p>On the other hand, of the two commenters that favoured addressing only gender diversity, one commenter expressed that a broader concept of diversity at this time would only serve to enable certain issuers to evade the rules around gender diversity.</p> <p>One commenter, in addition to asking why the disclosure requirements were limited to women only and asking whether consideration had been given to transgendered people and certain minorities, asked why not let shareholders decide and stated that is all about getting shareholder returns.</p>	