

Montreal, September 2, 2014

ENGLISH TRANSLATION

Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission (New Brunswick)
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Newfoundland and Labrador
Office of the Superintendent of Securities, Northwest Territories
Legal Registries Division, Department of Justice, Government of Nunavut

C/O: Me Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal, Québec H4Z 1G3
Fax: 514-864-6381
Email: consultation-en-cours@lautorite.gc.ca

Dear Sir/Madam:

Subject: Multilateral Canadian Securities Administrators (“CSA”) Notice of Publication and Request for Comment Proposed Amendments to National Instrument 58-101 *Disclosure of Corporate Governance Practices* regarding Gender Diversity (the “Proposed Amendments”)

La Caisse de dépôt et placement du Québec thanks you for the opportunity to provide our comments on the Proposed Amendments.

Under its constituent act, La Caisse manages funds for its depositors, primarily public and private pension and insurance plans. As one of Canada's largest institutional fund managers, it takes a long-term investment approach.

La Caisse is a shareholder of more than 180 public companies in Canada (as at December 31, 2013) and is therefore attentive to any initiative that improves such companies' governance or performance.

Furthermore, in Québec, an act provides for the participation of women on the boards of directors of crown corporations.

On January 16, 2014, the OSC published the Proposed Amendments for comments. La Caisse did provide comments on April 16, 2014. Copy of those comments is enclosed.

La Caisse believes that a diversity of perspectives helps create a competent, open-minded and independent board of directors. And such diversity includes the representation of women on boards of directors. La Caisse is firmly in favour of increasing the number of women on boards of directors and in senior-management positions. Women are increasingly present in companies and should be better represented in decision-making positions.

Essentially, in response to this consultation, La Caisse refers the CSA to the comments made in response to the CVMO consultation in January 2014. La Caisse is of the opinion that a certain level of flexibility is required in applying diversity criteria. This is why it generally supports the proposed amendments by following a "comply or explain" approach. Subject to the comments made in the response to the CVMO consultation, La Caisse supports the model of disclosure requirements proposed by the CSA intended to amend *National Instrument 58-101, Disclosure of Corporate Governance Practices*.

Yours truly,

Marie Giguère
Executive Vice-President
Legal Affairs and Secretariat

Montreal, April 16, 2014

ENGLISH TRANSLATION

Mr. John Stevenson
Secretary
Ontario Securities Commission
20 Queen Street West
22nd floor
Toronto, Ontario M5H 3S8

Subject: Proposed OSC Amendments to form 58-101f1 Corporate
Governance Disclosure of National Instrument 58-101
Disclosure of Corporate Governance Practices

Dear Sir,

La Caisse de dépôt et placement du Québec (hereafter "La Caisse") has familiarized itself with the Proposed amendments to Form 58-101F1 *Corporate Governance Disclosure* under *National Instrument 58-101 Disclosure of Corporate Governance Practices* of the Ontario Securities Commission (hereafter the "OSC") regarding the disclosure requirements regarding women on boards and in senior management.

Under its constituent act, La Caisse manages funds for its depositors, primarily public and private pension and insurance plans. As one of Canada's largest institutional fund managers, it takes a long-term investment approach.

La Caisse is a shareholder of more than 180 public companies in Canada (as at December 31, 2013) and is therefore attentive to any initiative that improves such companies' governance or performance.

Furthermore, in Québec, an act provides for the participation of women on the boards of directors of crown corporations.

In October 2013, La Caisse provided comments in response to the *OSC Staff Consultation Paper 58-401 Disclosure Requirements Regarding Women on Boards and in Senior Management*. Generally speaking, it supported the disclosure requirement model proposed therein.

La Caisse believes that a diversity of perspectives helps create a competent, open-minded and independent board of directors. And such diversity includes the representation of women on boards of directors. La Caisse is firmly in favour of increasing the number of women on boards of directors and in senior-management positions. Women are increasingly present in companies and should be better represented in decision-making positions.

La Caisse will answer the OSC's five specific questions by integrating in the answer to question 1) its comments regarding the OSC's seven recommendations set out in the document *Proposed amendments to Form 58-101F1*. The comments on the recommendations include suggestions of additions to the proposed requirements, thereby answering question 1) at the same time.

Specific questions

- 1) Are the scope and content of the Proposed Amendments appropriate? Are there additional or different disclosure requirements that should be considered? Please explain.

La Caisse is of the opinion that a certain level of flexibility is required in applying diversity criteria. This is why it generally supports the proposed amendments by following a "comply or explain" approach. Subject to the comments in this Consultation Paper, La Caisse supports the model of disclosure requirements proposed by the OSC intended to amend *National Instrument 58-101, Disclosure of Corporate Governance Practices*.

Comments on the recommendations

1. Require disclosure regarding director term limits or an explanation for the absence of such limits

Disclosing the maximum number of years for director mandates seems appropriate. It both allows companies to review this aspect of their appointments and investors to have a better understanding of companies' approach in this regard. Such disclosure can constitute an additional tool for investors to evaluate the company's approach to directors' independence and to mandate renewal.

Furthermore, companies that consider adoption of such limits would not be in their favour, could provide an explanation in this regard.

That being said, La Caisse is not in favour of imposing such limits, but rather advocates case-by-case analysis.

2. Require disclosure of policies regarding the representation of women on the board or an explanation for the absence of such policies

La Caisse is in favour of such disclosure. It will allow investors to better understand a company's approach to the representation of women and integration of this concept into its processes. Greater transparency regarding policies and processes will also promote communication with companies, will ensure this issue is addressed more directly and, as a result, contribute to greater representation of women in these positions.

3. Require disclosure of the board's or nominating committee's consideration of the representation of women in the director identification and selection process or an explanation for the absence of such consideration

La Caisse is particularly in favour of disclosure of consideration of gender diversity during the nomination committee's recruitment process. La Caisse believes that such a process, conducted by recruiting professionals, would deepen the pool of potential candidates beyond traditional business and social circles. The disclosure requirement could even extend to the number of women considered for such positions during the recruitment process. Similarly, it would be appropriate for the nomination committee to disclose how it integrates this criterion to represent women in the succession planning process.

4. Require disclosure of the consideration given to the representation of women in executive officer positions when making executive officer appointments or an explanation for the absence of such consideration

While the election of directors is a fundamental right of shareholders, the appointment of directors is the responsibility of the Board of Directors. Also, in this context, as a shareholder, La Caisse will limit its comments to recommendations pertaining to directors.

5. Require disclosure of targets adopted regarding the representation of women on the board and in executive officer positions or an explanation for the absence of such targets

La Caisse is of the opinion that disclosure of targets regarding the representation of women on the board and the obligation to report on whether or not such targets have been achieved constitute the efforts required to achieve a real increase in the presence of women in director positions. The schedule set to reach such targets should also be disclosed.

Concerning senior management positions, we repeat our statements in recommendation 4).

6. Require disclosure of the number of women on the board and in executive officer positions

La Caisse is in favour of such disclosure for the board.

Concerning senior management positions, we repeat our statements in recommendation 4).

7. Conduct a review of compliance with any new disclosure requirements after issuers have provided this disclosure for three annual reporting periods

La Caisse is in favour of such a review by the OSC. In the event that no progress is made, more stringent measures, including sanctions, could be introduced (mandatory adoption of policies, objectives or imposed quotas). Although it is preferable for companies to voluntarily adopt changes related to the representation of women on the board, it is clear that sanctions may be necessary to ensure such changes. A majority vote is an example of this.

- 2) Should the Proposed Amendments be phased in, with only larger non-venture issuers being required to comply with them initially? If so, which issuers should be required to comply with the Proposed Amendments initially? Should the test be based on an issuer's market capitalization or index membership? When should smaller non-venture issuers be required to comply with the Proposed Amendments?

La Caisse considers such proposed amendments should apply to all venture and non-venture issuers, from the outset. Principles related to diversity are intrinsically related to corporate culture and promote open-mindedness, regardless of the size of the company.

- 3) Do you agree that the Proposed Amendments requiring non-venture issuers to provide disclosure regarding term limits will encourage an appropriate level of board renewal?

Yes. We repeat the remarks made in response to recommendation 1).

- 4) In support of disclosure regarding director term limits, should there be greater transparency regarding the number of new directors appointed to an issuer's board and whether those new appointees are women? Specifically, should there be an additional disclosure requirement that non-venture issuers disclose: (i) the number of new directors appointed to the issuer's board at its last annual general meeting and (ii) of these new appointments, how many were women?

La Caisse is in favour of such disclosure. Greater transparency in this regard allows investors to better measure the efforts and progress made in terms of representation of women on the board.

- 5) Item 11 of the Proposed Amendments requires disclosure of policies regarding the representation of women on the board or an explanation for the absence of such policies. The term "policy" can be interpreted broadly. Should the proposed disclosure item explicitly indicate that the term "policy" can include both formal written policies and informal unwritten policies? What are the challenges for non-venture issuers reporting publicly on informal unwritten policies adopted by their boards?

The term “policy” should be clarified, and we are of the opinion that this term must include formal written policies and non-formal and unwritten practices. Although it is preferable for companies to adopt formal written policies, we believe that the fact any policy or practice is disclosed, regardless of the form it takes, is equivalent to the company making a commitment to comply with this policy or informal practice and publicly establishes the level of effort expended.

Yours truly,

Marie Giguère
Executive Vice-President
Legal Affairs and Secretariat