

September 2, 2014

Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
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, Government of the Northwest Territories Legal
Registries Division, Department of Justice, Government of Nunavut

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
e-mail: consultation-en-cours@lautorite.qc.ca

Dear Me Beaudoin,

Re: CSA Proposed Amendments to Form 58-101F
Disclosure Requirements Regarding Women on Boards and in Senior Management

The Canadian Investor Relations Institute (CIRI), a professional, not-for-profit association of executives responsible for communication between public corporations, investors and the financial community, is pleased to comment on the proposed amendments (the Proposed Amendments) to Form 58-101F1 *Corporate Governance Disclosure* (Form 58-101F1) of National Instrument 58-101 *Disclosure of Corporate Governance Practices* (NI 58-101). CIRI is committed to educating its members regarding the value of appropriate corporate disclosure and supporting the adoption of appropriate corporate governance best practices. CIRI has approximately 500 members from across Canada, three quarters of which are investor relations professionals employed by publicly listed reporting issuers. Of those members, the majority represent mid-to-large capitalization issuers. Please see Appendix A for more information about CIRI.

CIRI recognizes that the CSA's Proposed Amendments are substantially the same as those proposed by the Ontario Securities Commission regarding disclosure requirements for women on boards and in senior management. Given the substantial similarity to the OSC proposal, CIRI is pleased to

comment by referencing in its entirety our comment letter of April 16, 2014 to the OSC, which is attached as Appendix B.

CIRI is pleased to note that the CSA and the OSC proposals are consistent and that corporate issuers will, going forward, be able to address the requirements of Form 58-101F under a national, rather than regional regime.

CIRI appreciates the opportunity to comment on the Proposed Amendments and would be pleased to answer any questions on our comments and/or positions expressed herein.

Yours truly,

Yvette Lokker
President & CEO
Canadian Investor Relations Institute

APPENDIX A

The Canadian Investor Relations Institute

The Canadian Investor Relations Institute (CIRI) is a professional, not-for-profit association of executives responsible for communication between public corporations, investors and the financial community. CIRI contributes to the transparency and integrity of the Canadian capital market by advancing the practice of investor relations, the professional competency of its members and the stature of the profession.

Investor Relations Defined

Investor relations is the strategic management responsibility that integrates the disciplines of finance, communications and marketing to achieve an effective two-way flow of information between a public company and the investment community, in order to enable fair and efficient capital markets.

The practice of investor relations involves identifying, as accurately and completely as possible, current shareholders as well as potential investors and key stakeholders and providing them with publicly available information that facilitates knowledgeable investment decisions. The foundation of effective investor relations is built on the highest degree of transparency in order to enable reporting issuers to achieve prices in the marketplace that accurately and fully reflect the fundamental value of their securities.

CIRI is led by an elected Board of Directors of senior IR practitioners, supported by a staff of experienced professionals. The senior staff person, the President and CEO, serves as a continuing member of the Board. Committees reporting directly to the Board include Nominating; Audit; Membership; Issues; Editorial Board; Resource and Education; and Certification.

CIRI Chapters are located across Canada in Ontario, Quebec, Alberta and British Columbia. Membership is approximately 500 professionals serving as corporate investor relations officers in approximately 300 reporting issuer companies, consultants to issuers or service providers to the investor relations profession.

CIRI is a founding member of the Global Investor Relations Network (GIRN), which provides an international perspective on the issues and concerns of investors and shareholders in capital markets outside of North America. The President and CEO of CIRI also sits as a member of the Continuous Disclosure Advisory Committee (CDAC) of the Ontario Securities Commission. In addition, several members, including the President and CEO of CIRI, are members of the National Investor Relations Institute (NIRI), the corresponding professional organization in the United States.

Appendix B

April 16, 2014

The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, Ontario M5H 3S8
Fax: 416-593-2318
Email: comments@osc.gov.on.ca

Dear Sir/Madam,

**Re: OSC Proposed Amendments to Form 58-101F1
Disclosure Requirements Regarding Women on Boards and in Senior Management**

The Canadian Investor Relations Institute (CIRI), a professional, not-for-profit association of executives responsible for communication between public corporations, investors and the financial community, is pleased to comment on the proposed amendments (the Proposed Amendments) to Form 58-101F1 *Corporate Governance Disclosure* (Form 58-101F1) of National Instrument 58-101 *Disclosure of Corporate Governance Practices* (NI 58-101). CIRI is committed to advancing the practice of investor relations by educating its members regarding the value of appropriate corporate disclosure and by supporting the adoption of appropriate corporate governance best practices as they evolve over time. CIRI has approximately 500 members from across Canada, three quarters of which are investor relations professionals employed by publicly listed reporting issuers. Of those members, the majority represent mid-to-large capitalization issuers. Please see Appendix A for more information about CIRI.

Overview and General Comments

The Proposed Amendments outline revised disclosure requirements for 'TSX-listed and other non-venture issuers'. Given that our membership is more highly concentrated in the large to mid-capitalization companies, our comments represent those reporting issuers.

The Proposed Amendments focus on advancing not only the representation of women on boards but also in management. CIRI strongly believes that corporate governance can be further enhanced through initiatives that are more inclusive and that encourage the adoption and disclosure of practices and policies that consider board candidates drawn from a broadly diverse population,

beyond gender diversity alone. CIRI also believes that the representation of women in senior management positions is not an item for securities regulatory oversight. While this disclosure would give regulators a window into the size of the potential candidate pool for board positions from one source, it would inappropriately involve securities regulators in human resource policy.

The Proposed Amendments also generally adopt a comply-or-explain model of disclosure whereby the reporting issuer (a) would be required to disclose specific attributes of gender diversification policies, practices employed and results achieved or (b) has the option of disclosing its reasons for not adopting such policies and/or practices. CIRI is generally in favour of this approach since it provides reporting issuers with the flexibility to provide the type and level of disclosure that is most appropriate to that reporting issuer's situation at any given time. The ability of an issuer to increase the diversity of its board will depend on many factors, particularly the ability to identify and attract suitably qualified and experienced director nominees. Some reporting issuers may have sound reasons for not currently adopting defined policies regarding the representation of women on the board and such issuers should be given the opportunity to discuss, in their annual disclosures, the reasons and rationale for not adopting such policies and/or practices. A comply-or-explain approach does not preclude reporting issuers from adopting and disclosing diversification policies in the future as business conditions change.

Proposed Items 11 (a) and (b) of Form 58-101F1 - Disclosure of policies regarding the representation of women on the board or an explanation for the absence of such policies.

CIRI reiterates its position (as provided previously on October 2, 2013 in response to the OSC Consultation Paper 58-401) that reporting issuers should be required to disclose any policy or its key provisions for advancing diversity in director roles. In this regard CIRI believes that the proposed Item 11 (a) of Form 58-1010F1 is consistent with CIRI's recommendation.

Furthermore, in a survey of CIRI members conducted in the fall of 2013, the desired level of disclosure among respondents was generally consistent with the overall sentiment as expressed in Item 11 (b) of Form 58-101F. Fully 74% of survey respondents felt that a diversity policy or its key provisions should be disclosed, and two-thirds believed such disclosure should also include (i) how the policy is intended to advance the participation of women, (ii) how the policy has been implemented, (iii) any strategic goals that have been established, and (iv) the effectiveness of the policy, including regular updates regarding progress against those goals.

Proposed Item 12 of Form 58-101F1 - 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.

In October 2013, CIRI recommended that any proposed regulation regarding gender diversity refocus the requirement for disclosure on diversity considerations at the candidate identification process rather than at the stage of nomination and selection of a director for the board. Therefore, CIRI supports the approach as proposed for Item 12 of Form 58-101F in director roles.

However, CIRI's perspective is that if regulatory changes regarding increased board diversity are to achieve improved governance and board performance, both acknowledged benefits of increased diversity, then the director identification process should go beyond diversity focused only on gender. Policies regarding diversification should include the identification of board candidates that will represent a wide range of attributes including not only gender but other characteristics, such as age, ethnicity and cultural background, in addition to the conventional skills, experience and education. CIRI believes that the adoption of policies supporting such broad diversity is a fundamental change in process that can drive positive change over the long term.

See also our comments below under **Scope and Content of the Proposed Amendments**.

Proposed Item 14 (b) and (d) of Form 58-101F1 - Disclosure of targets adopted regarding the representation of women on the board.

While individual reporting issuers may choose to incorporate targets as part of a policy or practice, the proposed regulatory requirement to force reporting issuers to adopt and disclose such targets significantly impedes an issuer's flexibility to implement policies that are most appropriate for the organization and/or sector in which that issuer operates. It is further noted that in the stakeholder comments on Consultation Paper 58-401 there was very limited advocacy from stakeholders for introducing quotas for women on boards. CIRI is of the view that setting targets in effect become quotas. This will cause pressure for companies to aim for similar targets within industries, again creating de facto quotas.

Proposed Item 15 of Form 58-101F1 - Disclosure of the number of women on the board.

CIRI agrees with the principle expressed in the Proposed Amendments that reporting issuers should be required to disclose the number of women on the board. This is the most appropriate measure of progress with regard to gender diversity on a board and to facilitating ongoing accountability around this issue. It seems reasonable that that this disclosure regarding board composition should be expressed both as a number and proportion (in percentage terms).

In our survey of CIRI members, 77% of respondents indicated they were generally supportive of a requirement to disclose the proportion of women on the board.

Scope and Content of the Proposed Amendments (the focus on gender diversification)

The Proposed Amendments focus exclusively on advancing the representation of women on boards. Of the CIRI members polled on this subject, 73% supported that corporate governance can be more appropriately improved by the adoption of policies and practices that are more inclusive and that consider board candidates drawn from a broadly diverse population, beyond gender diversity alone. CIRI takes the position that candidates for board positions should represent a wide range of attributes including not only gender but other qualities, such as age, ethnicity and cultural background, in addition to the conventional skills, experience and education.

CIRI understands that increased diversity requires a long-term perspective and that the role of the board in establishing and directing the strategic efforts of the issuer can benefit significantly from a diversity of opinions and viewpoints. It is CIRI's view that diversity is enhanced when leadership roles at the board level go beyond gender diversity to embrace a broader perspective. This can best be achieved if there exists an experienced, qualified population or pool from which to draw potential director candidates and if the process for identifying such candidates incorporates broad diversity as a key criterion.

We note also that the topic of diversity beyond gender for boards was discussed and generally acknowledged as a positive element of improved corporate governance at the OSC roundtable discussion of Consultation Paper 58-401 on October 16, 2013. CIRI realizes that the wheels of regulatory reform often move slowly and deliberately and that the adoption of some policies are best achieved in a step-by-step manner. It is our hope and recommendation that the OSC and other regulators give serious consideration to broadening diversification beyond gender alone.

CIRI appreciates the opportunity to comment on the Proposed Amendments and would be pleased to answer any questions on our comments and/or positions expressed herein.

Yours truly,

Yvette Lokker
President & CEO
Canadian Investor Relations Institute