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August 13, 2013

The Secretary
Ontario Securities Commission
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Toronto, Ontario M5H 3S8
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Dear Secretary

Re: Discussion paper #58-481

Those unhappy with current female participation in senior corporate roles in Canada should seek changes in the processes by which directors and senior officers are groomed, nominated, and selected. It is not enough to change the decisions that give rise to an unsatisfactory result, for such change is likely to be transitory; one must improve the process. Indeed, the distribution by sex of members of Canadian boards is so skewed that it calls into question the quality of existing selection processes even as respects males that presently make the cut.

Corporations are creatures of our provincial and federal governments, the same entities that legislate quite strict qualifications for those who practise medicine, dentistry, naturopathy, accountancy, nursing, teaching, and so on. Yet our governments impose few or no educational requirements on those in whose care it places the affairs of our largest public corporations. This is wrong. The practical fact of the matter is that in many, if not most public corporations, selection of directors is controlled to a very large extent by the CEO's who report to the boards being selected. This is both wrong and backwards. Shareholders have a say in electing board members but little or no say in selecting those whose names appear on the ballot. In other words, the fix is in before the election even takes place.

The process for choosing directors is so misdirected in practice that great improvements could be achieved simply by substituting random processes for the ones in place today. For example, governments and regulators could create a register of people duly qualified to serve as directors of various types of companies and the names of nominees could be chosen randomly from this list to appear on the ballot for consideration by the shareholders. The old boy network would disappear, of course, and the government could ensure that all segments of society are properly represented on the register of eligible directors. The random selection process would ensure survival of this balance into the overall composition of Canadian boards.

Corporations, through their existing CEOs and boards, will not volunteer for process change, and will resist changes of the kind described above. Corporations will gladly adopt disclosure requirements surrounding diversity if the alternative is substantive change in who gets to nominate people for election as directors. Fortunately, Canada has an abundance of people who could qualify themselves for the task of directing corporations. This means that achieving proper diversity on boards will prove both achievable and beneficial.

Yours very truly,

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