

RESPONSE TO THE OSC STAFF CONSULTATION PAPER



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- Former Securities Lawyer, Calgary, AB listing JCP's on the ASE
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To: The Secretary, Ontario Securities Commission

RE: Comments in respect of Specific Consultation Questions

1. *What are effective policies for increasing the number of women on boards and in senior management?*

The Model Disclosure Requirements at Section 4.2 is effective in that it incites accountability. In addition, however, it is recommended to implement policies that further address the *reasons* for under-representation of women on boards.

One example may be as follows:

Set Quotas in terms of a Mandatory Interview Process for Qualified Females:

Introduce and legislate a threshold requirement (quota) that induces situations which result in the introduction (by way of interview) of qualified females to various Non-Venture and Venture corporations; specifically as it relates to the potential recruitment of women as board nominee candidates.

It is argued that currently there are not enough women that are qualified to hold senior management or board positions. There are, however, several arguments to the contrary, wherein it is concluded that there are many qualified women available that can hold senior executive and board positions. The primary issue is that women are not being sought after for consideration, which gives a false appearance that there are not enough qualified female candidates.

I therefore recommend the following:

- That legislation be introduced, having an expiry period of 2017, whereby companies must undertake, from time to time during each fiscal year end, an interview process pursuant to which skilled female nominee candidates are identified and subsequently granted interviews for the purpose of assessing and considering nominee board (or senior executive) candidates, particularly as follows:

- a) Non-Venture Issuers as to 4 nominees interviewed in every calendar quarter; or
- b) Venture Issuers as to 2 nominees in every calendar quarter – without using a paid-for recruiting agency, wherein each director undertakes to participate in a “by word of mouth” search for qualified female nominee candidates.

Policy Reasons: The purpose of this proposed legislation is to force face-to-face meetings among qualified female candidates and corporate entities. It is up to the nominee candidate at this point to sell her wares as would any other qualified individual that may have been awarded an interview through the otherwise existing status-quo processes.

By imposing the requirement for corporations to reach interviewing quotas, I believe that overall board diversity can be achieved at a quicker pace.

It was stated in the OSC Staff Consultation Paper that in the UK, Lord Davies of Abersoch was to prepare a report that identified what was preventing women becoming board members. Currently, that there is very little opportunity for qualified women to be interviewed as nominee candidates and to be given a chance to promote their skill set. Should that opportunity become more readily available to qualified women, corporations would be pleasantly surprised and begin to open more positions to women.

2. *What type of disclosure requirements regarding women on boards and in senior management would be most appropriate and useful?*

In addition to the Model Disclosure Requirements, I would further recommend that the disclosure be more widely read in a news release (summary), in addition to being cited in the middle of an Information Circular.

By introducing regulation that requires disclosure in a convenient and very public forum (news release wire), it is much more convenient and readily available to the reader, and accordingly, it would force corporations to be more accountable in their compliance efforts.

Accordingly, I further recommend the following:

- a) **Stand-alone News Release Disclosure in every 6 Month Period:** Require that companies disseminate one (1) news release in every six month period disclosing specifically:
- (i) the number of women on the board;
 - (ii) the number of women in senior management positions;
 - (iii) where the recommendation in Item 1 above is implemented, disclose the number of qualified women interviewed in the prior six month period for positions as nominee directors; and
 - (iv) a summary of few key points of the corporation's corporate governance policy (as amended, assuming the OSC's proposed amendments to the Corporate Governance Disclosure Rule) as it relates to the section pertaining to the representation of women in the director selection and evaluation process.

Policy Reasons: The *location* of Corporate Governance disclosure under the current regulatory requirements tends to be buried in the "boiler-plate" sections of an AIF or of an Information Circular. This is insufficient, because for the most part, these documents force investors and interested parties to undertake a mini-research exercise which, for the most part, does not occur and remains un-read.

3. *Are the proposed scope and content of the model disclosure requirements appropriate? Are there additional or different disclosure requirements that should be considered? Please explain.*

The proposed scope and content of the Model Disclosure Requirements are appropriate.

In addition, would suggest including the following:

- a) The Role of the Investor: Include the requirement to add an item of business to the Proxy, namely, "Do you believe the corporation is complying with diversity criteria imposed by the Corporate Governance Disclosure Rule?"

4. *What type of statistics, data and/or accompanying qualitative information regarding the representation of women in their organization should non-venture issuers be required to disclose? Should such disclosure be reported for the non-venture issuer only or for all of its subsidiary entities also?*

a) The items in Item 2(a) above should be disclosed, with particular importance on the number of qualified female nominee candidates interviewed, as recommended above in 2(a)(iii).

b) At this point, focus should be kept on the Non-Venture issuer only.

5. *What practices should we recommend for facilitating increased representation of women on boards and in senior management?*

- *For example, should we recommend that non-venture issuers have a gender diversity policy? If so, should we set out recommended content for the policy?*

I am in agreement with the Model Disclosure Requirements, in addition to other suggestions put forth herein.

- *Should non-venture issuers be required to comply with the recommended practices or explain why they have not complied (i.e. a “comply or explain” model of disclosure)?*

Yes to the above.