



April 15, 2014

Ontario Securities Commission
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Attention: The Secretary

Gentlemen and Mesdames:

Proposed Amendments to Form 58-101F1 *Corporate Governance Disclosure of National Instrument 58-101 Disclosure of Corporate Governance Practices* (the OSC Consultation Paper)

Gaz Métro would like to thank the OSC for affording the opportunity to comment on the Proposed Amendments to Form 58-101F1 *Corporate Governance Disclosure of National Instrument 58-101 Disclosure of Corporate Governance Practices* (the OSC Consultation Paper).

General

Gaz Métro believes that the decision-making process of issuers benefits from a diversity of opinions and viewpoints which is enhanced when leadership roles are filled with qualified individuals who have different business experiences, industry-specific expertise, education, skills and individual qualities and attributes such as gender, age, ethnicity and geographic background.

Gaz Métro also believes that Canadian boards would benefit from a more diversified composition and generally supports 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)* (the **Proposed Amendments**).

Gaz Métro believes that a “comply or explain” regime is an effective, yet flexible approach for increasing the number of women on boards and in executive positions. As opposed to quotas and their “one-size-fits-all” approach, a “comply or explain” model would require issuers to develop their own strategies and objectives and to decide how and to what extent diversity should be taken into account as a criterion for board nomination.

In our perspective, diversity should be fully integrated in talent management processes and succession plans for executive ranks in order to be meaningful and become an integral part of the corporate culture of an organization. Gaz Métro is therefore of the view that the new disclosure requirements would benefit from a broader definition of “executive officer” than the one used in NI 58-101, to encompass not only CEOs, CFOs and

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vice-presidents in charge of a principal business unit, division or function but all vice-presidents and other members of senior management.

Gaz Métro is of the opinion that disclosure requirements relating to the type of statistics and accompanying qualitative information should be flexible enough to allow issuers to provide information in a way that makes sense within their organization. For instance, an issuer should be able to decide whether or not to include subsidiary entities in its disclosure relating to diversity and if so, whether statistics and/or data should be provided on a consolidated basis. Moreover, Gaz Métro is of the view that issuers should have flexibility in the form that a diversity policy takes. Whether such a policy is formalized in writing as a stand-alone document or presented in an issuer's proxy management circular should not be critical as long as it has the required impact within its organization.

Regarding the topic of the director term limits or mandatory retirement age, Gaz Metro believes that the OSC should not impose disclosure on term limits without further consultation on board renewal with issuers. If it nevertheless decides to do so, Gaz Métro believes the focus of the OSC should be on board renewal more generally, including mandatory retirement age and other renewal policies.

Finally, Gaz Métro suggests that the Proposed Amendments should not be effective until at least one year after they are adopted, allowing issuers to have some time to adjust to these new requirements.

Conclusion

Gaz Métro generally supports the OSC's initiative and believes it is a good step to increase diversification on boards and in executive positions across the country. Gaz Métro also believes that a "comply or explain" model of disclosure would raise awareness on the issue of gender diversity on boards and would pave the way towards tangible improvements for Canadian corporations and Canada as a whole.

Thank you for allowing us to comment on this subject.

Yours truly,



Jean Houde
Chairman of the Board
Gaz Métro