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April 14, 2014

**VIA EMAIL**

The Secretary  
**ONTARIO SECURITIES COMMISSION**  
20 Queen Street West  
22<sup>nd</sup> Floor  
Toronto, Ontario  
M5H 3S8

**Re: OSC Request for Comment – 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).**

Public Sector Pension Investment Board (**PSP Investments, we or us**) is writing in response to the request of the Ontario Securities Commission for comments on the Proposed Amendments dated January 16, 2014. As at March 31, 2013, PSP Investments had over \$76.1 billion of assets under management and is an active participant in Canada's equity markets.

We are generally supportive of the Proposed Amendments and agree, in the first instance, with the "comply or explain" approach proposed to be adopted. We submit, however, that the "comply or explain" approach be enhanced to include a requirement for issuers to set and disclose targets and a timeline to achieve those targets regarding the representation of women on the board. In addition, in the event of lack of progress after three annual reporting periods, the OSC should consider imposing sanctions. We believe the enhanced transparency which should flow from the Proposed Amendments, if adopted, would encourage issuers to promote greater gender diversity which, we further believe, will lead to more effective boards of directors and corporate decision making.

Our comments on the specific questions for which comments are requested are set out below:

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

*We have reproduced below the recommendations developed by the OSC and contained in the Request for Comments and have added our comments thereto:*

<b>Recommendation #</b>	<b>Proposal</b>	<b>Funds' Comments</b>
<b>#1</b>	Require disclosure regarding director term limits or an explanation for the absence of such limits	<i>We agree with the adoption of enhanced disclosure requirements relating to term limits for directors. While we are not supportive of imposing term limits as a strict rule, we encourage issuers to develop and adopt term limits adapted to their reality. We believe that additional disclosure would lead issuers to specifically turn their minds to the appropriateness of nominating particular directors and would permit investors to better manage their expectations regarding term limits and have a better sense of an issuer's approach to term limits. In addition, enhanced disclosure may provide investors with a useful tool to assess an issuer's approach to director independence and board renewal.</i>
<b>#2</b>	Require disclosure of policies regarding the representation of women on the board or an explanation for the absence of such policies	<i>We agree with proposed amendments related to this recommendation, subject to providing further guidance as described below.</i>

- #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
- We agree with proposed amendments related to this recommendation.*
- #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 one of the basic rights of shareholders, the appointment of executive officers is within the ambit and authority of directors. As shareholder, we will limit our comments to the enhanced disclosure for the election of directors; we will leave it to boards of directors to measure the consideration given to the representation of women in executive officer positions within issuers' organizations.*
- #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
- With respect to boards of directors, we agree and suggest further that the OSC should require issuers to set and disclose their targets regarding the representation of women on their boards. In addition, disclosure requirements should be enhanced to provide a timeline to achieve targets and annual disclosure of an issuer's achievements with respect to such targets (the Enhanced Proposed Amendments).*
- With respect to executive officer positions, see response #4, above.*

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| #6 | Require disclosure of the number of women on the board and in executive officer positions  | <p><i>We support additional disclosure regarding the number of women on boards.</i></p> <p><i>With respect to executive officer positions, see response #4, above.</i></p>  |
| #7 | Conduct a review of compliance with any new disclosure requirements after issuers have provided this disclosure for three annual reporting periods | <p><i>We agree and suggest further that the OSC consider measures including sanctions to encourage and enhance compliance in the event of lack of progress after three annual reporting periods. Experience has shown elsewhere that sanctions may be necessary to effect the required changes.</i></p> |

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?

*Since we are proposing Enhanced Proposed Amendments, we believe it would be appropriate to phase in the Enhanced Proposed Amendments gradually beginning the first year only with those issuers in TSX 300 index, the following year applying to all non-venture reporting issuers.*

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.*

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?

*Yes. We support the specific additional disclosure requirement proposed and believe the enhanced transparency would lead to better disclosure and, ultimately, better corporate decision making. The disclosure could be mandated to occur in a press release following the holding of a*

*meeting of shareholders at which directors are elected and, annually, in an issuer's management proxy circular prepared in connection with meetings of shareholders at which directors are to be elected.*

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?

*We believe it would be desirable to clarify that the term "policy" can include formal and informal policies and require that issuers describe their "policy" (or absence thereof) irrespective of the form such policy takes. It is appropriate for the market (and not legislation) to dictate what type of policy would be appropriate in differing situations and to provide sufficient flexibility to reflect the different approaches issuers may take.*

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We would once again like to thank the Ontario Securities Commission for requesting comments on the Proposed Amendments. . Please do not hesitate to contact the undersigned if you wish to discuss any aspect of this letter in further details.

Sincerely,



Stéphanie Lachance  
Vice President, Responsible Investment and  
Corporate Secretary