

**ADDENDA**

**CAPITAL**

April 16<sup>th</sup>, 2014

36, Toronto Street  
Suite 1050  
Toronto (Ontario) M5C 2C5  
416-943-1010  
addenda-capital.com

**Sent via electronic mail**

The Secretary  
Ontario Securities Commission  
20 Queen Street West, 22nd Floor  
Toronto, Ontario M5H 3S8

**Re: Proposed amendments to Form 58-101F1 *Corporate Governance Disclosure* of National Instrument 58-101 *Disclosure of Corporate Governance Practices***

Dear Sir:

We have reviewed the proposed amendments (the Proposed Amendments) to Form 58-101F1 *Corporate Governance Disclosure* of National Instrument 58-101 *Disclosure of Corporate Governance Practices* and we thank you for the opportunity to provide our comments.

Addenda Capital Inc. is a privately owned investment management firm responsible for investing more than \$23 billion in assets for pension funds, insurance companies, foundations, endowment funds and third party mutual funds of major financial institutions.

**General Comments**

Addenda Capital is in favour of increasing many types of diversity among corporate directors and executive officers. We view gender diversity positively as well as diversity in professional experience, education and ethnicity that can enhance board effectiveness and corporate decision-making.

As noted in many of the comments submitted in response to the request for comments on OSC Staff Consultation Paper 58-401 *Disclosure Requirements Regarding Women on Boards and in Senior Management*, there is a strong

business case for higher levels of gender diversity on corporate boards and among executive officers than currently exists.

We are supportive of giving the “comply or explain” approach outlined in the Proposed Amendments an opportunity to promote higher levels of gender diversity. However, we would like to see a commitment from the OSC to revisit the “comply or explain” model outlined in the Proposed Amendments if there is no significant improvement in the number and proportion of directors and executive officers that are women five years from now. For example, the OSC might consider introducing a quota for the minimum number of women on a board (largest of 30% or 3 directors) and a target of 30% women executive officers might be suitable with a five to ten year phase in period.

### **Specific requests for comment**

**Question 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 find the scope and content of the Proposed Amendments to be appropriate with the exception of item 10, as noted in our response to question 3 below.

We propose the following additional disclosure requirements for consideration:

- Related to item 10 of the Proposed Amendments: disclose the term limit, if one has been adopted.
- Related to item 15 of the Proposed Amendments: disclose the proportion (in percentage terms) of employees of the issuer including all subsidiary entities of the issuer, who are women.

**Question 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?*

The Proposed Amendments should apply to all non-venture issuers at the same time.

**Question 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?*

We agree that regular renewal of board membership contributes to the effectiveness of a board. However, instead of term or age limits, we would prefer that boards adopt robust processes for board, board committee and individual director performance evaluations that lead to the best board of directors.

**Question 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?*

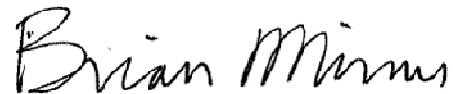
The additional disclosure requirements outlined in the question above would be helpful for monitoring the renewal of board membership as well as progress towards greater gender diversity.

**Question 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?*

The proposed disclosure item should explicitly indicate that the term “policy” only applies to written policies.

In closing, thank you for undertaking the consultation regarding disclosure requirements for gender diversity and for providing us with the opportunity to comment on the resulting Proposed Amendments. If you would like to discuss our comments, please do not hesitate to contact me at +1 647-253-1029 or [b.minns@addenda-capital.com](mailto:b.minns@addenda-capital.com).

Yours Sincerely,

A handwritten signature in black ink that reads "Brian Minns". The signature is written in a cursive, flowing style.

Brian Minns  
Sustainable Investment Specialist

c.c. Frank Bomben, Director, Public Affairs and Government Relations,  
The Co-operators Group Limited