

April 16, 2014

The Secretary  
Ontario Securities Commission  
20 Queen Street West  
22<sup>nd</sup> Floor  
TORONTO, Ontario  
M5H 3S8

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

**Proposed Disclosure Requirements Regarding the Representation of Women on Boards and in Senior Management**

Dear Secretary,

On behalf of the Canadian Council of Chief Executives (CCCE), I would like to reiterate my support for the Ontario Securities Commission's initiative on increasing the representation of women on boards and in senior management roles in Canadian firms.

As stated in my letter on this subject dated October 4, 2013, the CCCE supports Ontario's proposal of a 'comply or explain' approach. Findings in the *2013 Catalyst Census of FP500 Women Board Directors* show that women hold 15.9 percent of board seats at these companies. While this number increased since the last census in 2011, it is still far too low, and more needs to be done to increase the representation of women.

Amending the Corporate Governance Disclosure Rule to require companies to disclose their performance annually will increase transparency and accountability, allowing shareholders and investors to assess whether individual firms have taken

appropriate action. As well, disclosure will provide baseline data essential to measure progress over time.

While I am certain of the benefits of greater gender diversity on boards, it is important that publicly traded companies have sufficient flexibility in achieving greater gender diversity to allow consideration of particular circumstances that certain businesses and industries may face. More specifically, the CCCE would recommend against a disclosure requirement regarding director term limits, or an explanation for the absence of such limits. While board renewal certainly can contribute to the effectiveness of the board, director term limits are not the only means of achieving renewal. In fact, term limits could affect the long term interests of some companies by removing the appropriate degree of experience and continuity on their board. Companies should be left with sufficient flexibility to pursue what works best for their business.

Beyond the OSC's disclosure policy, governments and businesses should encourage mentorship and sponsorship opportunities for women. Women must be properly recognized and prepared to take on the responsibilities of board and senior management positions.

In addition, finding ways to encourage incorporation of gender diversity as part of the "way companies do business", from employee interactions to human resources development plans, from frontline work with customers to engaging senior management, will make gender considerations part of everyday business practices, and over time, part of the company culture.

Finally, recognizing efforts already underway raises awareness and shines a spotlight on best practices. Fifty-two corporations have responded to the Canadian Board Diversity Council's (CBDC) call to action to replace at least one of every three retiring directors with a director of diverse background, and for Nominating and Governance Committees to consider three board-ready diverse candidates for each of its board seats.

I would also encourage the OSC to work with its provincial counterparts and the federal government to share best practices and establish a common, consistent framework for Canada, as many businesses operate across provincial borders.

Business leaders stand ready to work with the Ontario Securities' Commission to achieve greater gender diversity on boards and in senior management positions.

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Please do not hesitate to call on us if we can be of assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joe Walsh", is written below the word "Sincerely,".