

April 16, 2014

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

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

Catalyst appreciates the opportunity to comment on the Ontario Securities Commission's Proposed Amendments to Form 58-101F1 *Corporate Governance Disclosure of National Instrument 58-101 Disclosure of Corporate Governance Practices*.

Founded in 1962, Catalyst is the leading nonprofit organization expanding opportunities for women and business. With offices in the United States, Canada, Europe, India, and Australia, and more than 700 members, Catalyst is the trusted resource for research, information, and advice about women at work. Catalyst annually honors exemplary organizational initiatives that promote women's advancement with the Catalyst Award.

Catalyst strongly believes that by implementing these Proposed Amendments and making use of the many resources available to expand diversity on boards and in corporate leadership, Canadian companies can eventually achieve gender parity at every level.

I. Comments on the Proposed Amendments

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

Catalyst commends the OSC for considering a comprehensive set of Amendments that could considerably increase women's representation both on boards and in corporate leadership, and we strongly support these Amendments.

Our research shows that women hold only 15.9 percent of FP500 board seats and that 41.7 percent of FP500 public companies have no women board directors at all. Furthermore, women hold only 18.1 percent of senior officer roles in the FP500, and only 21.7 percent of FP500 public companies have 25 percent or more women senior officers.

This problem will not be solved by "giving it time." In fact, 85 percent of FP500 board seats filled between 2009 and 2011 went to men, and nearly 36 percent of public companies had no women senior officers in 2012, reflecting no change since 2010.

The OSC is considering and Catalyst recommends amending the current Corporate Governance Disclosure Rule to require that non-venture issuers provide disclosure of or an explanation for the absence of such policies regarding the following:

- Director term limits.
- Representation of women on boards.

- The board's or nominating committee's consideration of the representation of women in the director identification and selection process.
- Consideration given to the representation of women in executive officer positions when making executive officer appointments.
- Targets adopted regarding the representation of women on the board and in executive officer positions.
- The number of women on a company's board and in its executive officer positions.

The OSC is also considering adopting an Amendment that would require it to conduct a review of compliance with any new disclosure requirements after issuers have provided this disclosure for three annual reporting periods.

Comply-or-explain requirements such as these enable investors to make more informed decisions. Investors and shareholders look to the government to ensure that they have access to the information necessary to assess a company's integrity.

Based in part on the astonishing success of Australia's comply-and-explain requirements (please see attached chart on page 5), Catalyst believes that adopting these Amendments will considerably accelerate the pace of change when it comes to women's representation on Canadian boards and in senior leadership.

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?

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?

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?

Catalyst believes the OSC's Proposed Amendments regarding term limits will encourage an appropriate level of board renewal, and we support maximum transparency regarding the gender of new board appointees. Policies can include both formal written and informal unwritten policies, and we strongly believe that both should be disclosed.

Our research suggests that unless serious action is taken to increase women's representation on Canadian companies' boards and in senior leadership, there will be no change to the status quo.

Catalyst supports the OSC's Proposed Amendments, particularly the 3-year review period, and believes that if implemented they could lead to lasting culture change.

2. Business case for change

The OSC's Proposed Amendments are timely. They represent an important step in the ongoing conversation about how business can best leverage all available talent. Canada's greatest resource is its talent—much of which is currently being underutilized. The exclusion of women from corporate board positions is both a problem for women and a problem for Canada, which lags behind other global

economic leaders, such as France, Norway, and Sweden, in drawing on women's talents in the boardroom.

The business case for gender diversity is well-established: Catalyst research and additional studies show that in the United States, F500 companies with more women on their boards and in senior leadership, on average, financially outperform those with fewer women; increase their ability to draw from top talent and better serve their customer base by reflecting diverse perspectives; enjoy higher levels of innovation, creativity, and effectiveness; and are linked with higher quality corporate social responsibility programs and philanthropic initiatives.

Despite all we know about the benefits of gender diversity, progress over the last 20 years has been slow. In fact, women's representation in FP500 senior leadership has increased by less than 5 percentage points in the last decade.

To address this critical issue, Catalyst urges the OSC to adopt the Proposed Amendments.

3. Catalyst solutions and resources

Catalyst has long been at the forefront of identifying obstacles to women's advancement in the corporate world—and offering solutions.

We understand that the two issues the OSC seeks to address with these Amendments—increasing women's representation on boards and in senior executive roles—are inextricably linked. Our research shows that US F500 companies that have more women board directors are directly connected to, on average, an increase in the number of women in their senior management ranks five years later. By strengthening their pipeline of female talent up to the executive level in order to increase women's representation on boards, Canadian companies could also reap the benefits of having more women in senior leadership.

Many senior executive women already have the leadership experience necessary to qualify for board service. Furthermore, the skills they hone during board service will be exercised in their primary corporate roles, making them even more valuable, and leading to further advancement. Thus, initiatives to increase the number of women on boards are a win-win-win for boards, companies, and senior executive women.

To help companies diagnose the problem and support their efforts to address it with more effective talent development strategies, Catalyst produces a wide array of research and tools, including the biennial [Catalyst Census: Financial Post 500 Women Senior Officers and Top Earners](#) and [Catalyst Census: Financial Post 500 Women Board Directors](#).

In order to help connect newly developed talent to important opportunities for board service, Catalyst has recently acquired [Women On Board® Canada](#), a highly successful mentoring program that promotes the appointment of women to corporate boards by filling the pipeline with potential women directors. The organization's innovative approach of pairing highly qualified senior executive women with chairs of corporate boards has had great success: 32 percent of Women on Board® alumnae have been appointed to corporate boards.

We have also established the [Catalyst Accord](#), a call to action for Canadian corporations to increase the overall proportion of FP500 board seats held by women to 25 percent by 2017. Canadian companies that accept this challenge pledge to increase the percentage of women on their boards of directors by 2017 while providing Catalyst with confidential interim representation goals. Members of the Catalyst Canada Advisory Board have contributed names to a list of "board-ready" women maintained by Catalyst and made available to any company that signs the Catalyst Accord.

Catalyst has also recognized champions of board diversity with the annual [Catalyst Canada Honours](#).

In addition, we have launched the [Catalyst Corporate Board Resource](#), which identifies and connects CEO-sponsored women to opportunities for board service. CEOs of Catalyst member companies sponsor women executives they feel are ready for board service by adding them to our directory. Catalyst member companies have access to this uniquely curated directory when directorships become available. Both Women On Board® Canada and the Catalyst Corporate Board Resource serve companies that see board service as effective executive leadership training for senior executive women.

Catalyst is confident that by adopting these Amendments, corporate Canada will become a global leader in expanding opportunities for women and business.

We appreciate the opportunity to comment on this critical issue and we hope you will contact us with any further questions.

Sincerely,

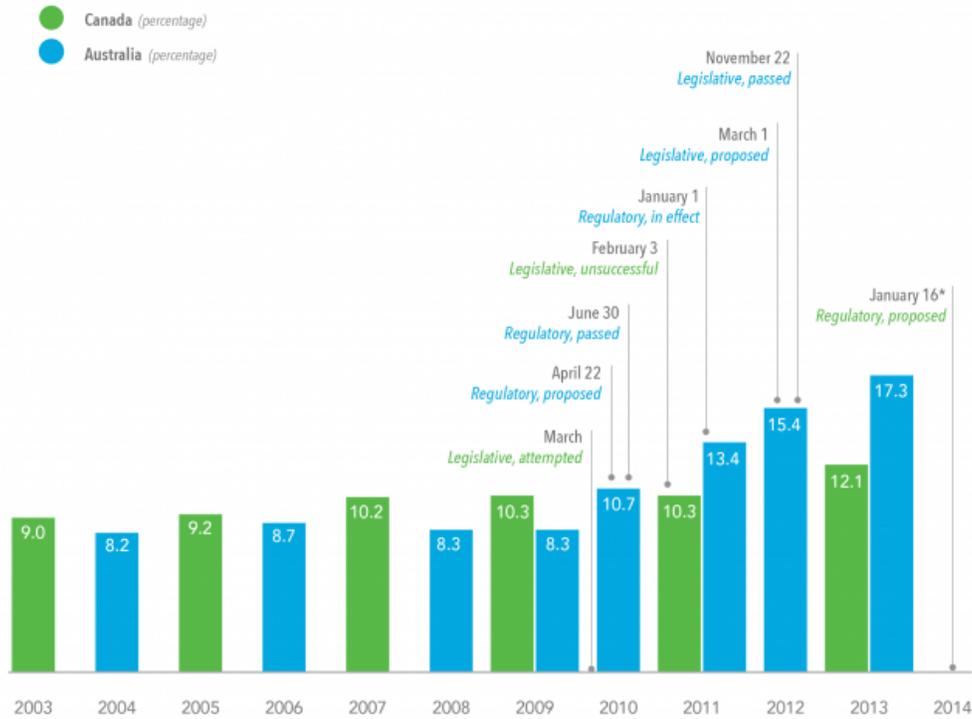


Deborah Gillis
President & CEO
Catalyst



Alex Johnston
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Women on Public Company Boards in Canada and Australia



*Data not yet available

SOURCES

Data is for public companies of the Financial Post 500 in Canada and for the ASX 200 in Australia.

Canada: Catalyst, *Financial Post 500 Board Seats Held By Women—Public Companies (Percent)* (March 2014); "OSC Proposes Rule Amendments Regarding Disclosure of Women on Boards and in Senior Management," Ontario Securities Commission press release, January 16, 2014; Parliament of Canada, Senate Public Bill S-206: An Act to Establish Gender Parity on the Board of Directors of Certain Corporations, Financial Institutions and Parent Crown Corporations (proposed March 9, 2010; did not pass 02/03/2011).

Australia: Australian Institute of Company Directors, "Appointments to S&P/ASX 200 Boards"; Equal Opportunity for Women in the Workplace Agency, *EOWA 2008 Australian Census of Women in Leadership* (2008); Parliament of Australia, *Equal Opportunity for Women in the Workplace Amendment Bill 2012, 2013*; ASX, "Corporate Governance Council"; ASX *Corporate Governance Council, Proposed Amendments to the ASX, Corporate Governance Council Corporate Governance Principles and Recommendations, Exposure Draft* (April 22, 2010).



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