

April 16, 2014

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

Attention: The Secretary

Subject: Response to Ontario Securities Commission (OSC) Proposed Amendments to Form 58-1-1F1: Disclosure Requirements Regarding Women on Boards and in Senior Management

We appreciate the opportunity to provide comments on the amendments to corporate governance disclosure practices being proposed by the OSC. In our October 1st, 2013, response to the staff consultation paper, we provided background on Deloitte and the reason for our interest, which remains the same.

Our general comments on the proposed amendments are that we do believe they will result in greater gender diversity on boards and executive teams, and that the “comply or explain” approach is the appropriate next step. It falls short of being prescriptive around policies and quotas, but provides the impetus for thoughtful consideration of the topic by companies, that will ideally then lead to actions.

The recommended compliance review with any new disclosure requirements after issuers have provided this disclosure for three annual reporting periods we believe would be beneficial. Consideration of further actions if a lack of progress is noted in the compliance reviews could strengthen the overall proposal.

Our responses to the specific consultation questions, for which input is being sought, are as follows:

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

We believe the scope and content are appropriate, and that no additional or different disclosure requirements should be considered at this time. The proposed amendments cover the key metrics and measures that will determine whether or not the issue of gender diversity is being addressed, and the disclosure requirement will cause companies to take the matter seriously.

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?

In our opinion, it is not necessary or useful to distinguish between larger and smaller non-venture issuers when applying the disclosure requirements. We do not believe that compliance to the requirements will be too onerous or time consuming, and including all companies in the application of the amendments makes it clear that valuing the role women can play on boards and executives is important for companies of all sizes.

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 it is a good start. We understand that not all boards of directors have term limits, even though refreshing boards with different members is a leading practice that contributes to better governance. Requiring companies to disclose whether or not they have term limits, and what they are, will cause boards to address the question, likely resulting in an increase in the number of boards with term limits, higher turnover of board members, and greater opportunities to place women on boards.

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. This information aligns with the other disclosure requirements being proposed, and does not require greater effort or a higher degree of information disclosure.

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?

Written policies provide clarity of intention, and a documented record that can be referred to if there is uncertainty around the topic of the policy. Informal unwritten policies are subject to interpretation and change for any reason, and would not provide the constancy of purpose that will be required to achieve progress in gender diversity. For these reasons, we believe it is important that written policies be the standard to which companies are held, with respect to the Proposed Amendments.

We would be pleased to discuss any of our comments. You can contact our Chief Inclusion Officer, Shannon MacDonald at 416-874-3272 or at smacdonald@deloitte.ca.

Yours truly,



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