

**Multilateral CSA Notice of Amendments to
National Instrument 58-101
*Disclosure of Corporate Governance Practices***

October 15, 2014

Introduction

The securities regulatory authorities in Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Québec and Saskatchewan (collectively, the **Participating Jurisdictions** or **we**) are implementing amendments (the **Rule Amendments**) to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (**NI 58-101**) and Form 58-101F1 *Corporate Governance Disclosure* (**Form 58-101F1**).

The Participating Jurisdictions have coordinated their efforts in finalizing the Rule Amendments and the Rule Amendments have been made by each member of the Participating Jurisdictions.

In some jurisdictions, Ministerial approvals are required for the Rule Amendments. Provided all necessary Ministerial approvals are obtained, the Rule Amendments will come into force on December 31, 2014. Where applicable, Schedule E provides information about each Participating Jurisdiction's approval process. Subject to obtaining all necessary Ministerial approvals, the Participating Jurisdictions are now implementing the Rule Amendments together.

Substance and purpose of the Rule Amendments

The Rule Amendments will require non-venture issuers to provide disclosure regarding the following matters on an annual basis:

- director term limits and other mechanisms of renewal of the board of directors (the **board**),
- policies regarding the representation of women on the board,
- the board's or nominating committee's consideration of the representation of women in the director identification and selection process,
- the issuer's consideration of the representation of women in executive officer positions when making executive officer appointments,
- targets regarding the representation of women on the board and in executive officer positions, and
- the number of women on the board and in executive officer positions.

The Rule Amendments will apply to all non-venture issuers reporting in the Participating Jurisdictions.

The Rule Amendments are intended to increase transparency for investors and other stakeholders regarding the representation of women on boards and in senior management of non-venture issuers. This transparency is intended to assist investors when making investment and voting decisions.

Schedule A sets out the text of the Rule Amendments.

Background

The proposals reflected in the Rule Amendments have been exposed for public comment twice.

January 2014 Materials

On January 16, 2014, the Ontario Securities Commission (the **OSC**), published for a 90-day comment period proposed amendments to Form 58-101F1 (the **January 2014 Materials**).

In developing the January 2014 Materials, the OSC:

- conducted research on the approaches to diversity in other jurisdictions, such as Australia, the European Union, the United Kingdom and the United States,
- considered the feedback in response to proposals set out in OSC Staff Consultation Paper 58-401 *Disclosure Requirements Regarding Women on Boards and in Senior Management* (the **Consultation Paper**), published for a 60-day comment period on July 30, 2013,
- convened a public roundtable on October 16, 2013 to discuss the model of disclosure requirements set out in the Consultation Paper, and
- considered the results of an OSC staff survey of approximately 1,000 TSX-listed issuers regarding gender diversity.

This work was undertaken following a request received on June 14, 2013 from the Ontario Minister of Finance, Charles Sousa, and the then Ontario Minister Responsible for Women's Issues that the OSC undertake a public consultation process regarding disclosure requirements for gender diversity. On December 18, 2013, the OSC delivered OSC Report 58-402 *Report to Minister of Finance and Minister Responsible for Women's Issues - Disclosure Requirements Regarding Women on Boards and in Senior Management* (**OSC Report 58-402**). The Rule Amendments reflect the recommendations contained in OSC Report 58-402.

July 2014 Materials

On July 3, 2014, the securities regulatory authorities in Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Québec and Saskatchewan published for a 60-day comment period proposed amendments to Form 58-101F1 (the **July 2014 Materials**).

The securities regulatory authorities in those jurisdictions published the July 2014 Materials in the context where gender diversity in decision-making functions is the subject of increased interest and debate in Canada and elsewhere. In recent years, numerous governments and regulators around the world have in particular been concerned by the under-representation of women on the boards of publicly-traded companies. Certain jurisdictions have adopted or are considering adopting guidelines and/or disclosure requirements regarding gender diversity, notably the United States, the United Kingdom, Australia and several European countries.

Summary of written comments received by the Participating Jurisdictions

The comment period for the January 2014 Materials ended on April 16, 2014 and the OSC received written submissions from 52 commenters. The comment letters on the January 2014 Materials can be viewed on the OSC website at www.osc.gov.on.ca.

The comment period on the July 2014 Materials ended on September 2, 2014 and the Participating Jurisdictions, other than the OSC, received submissions from 18 commenters. The comment letters on the July 2014 Materials can be viewed on the website of the Autorité des marchés financiers at www.lautorite.qc.ca.

We have considered the comments received and thank all of the commenters for their input. The names of the commenters are contained in Schedule C and a summary of their comments, together with our responses, is contained in Schedule D.

Summary of changes to the Rule Amendments

After considering the comments received on the January 2014 Materials and the July 2014 Materials, we have made some changes to those materials. Those changes are reflected in the Rule Amendments we are publishing concurrently with this notice. As those changes are not material, we are not republishing the Rule Amendments for a further comment period.

Schedule B contains a summary of notable changes between the Rule Amendments and the January 2014 Materials and July 2014 Materials.

Local matters

Schedule E is being published in any local jurisdiction and sets out any additional information that is relevant to that jurisdiction only.

Questions

Please refer your questions to any of:

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Schedules to Notice

Schedule A – Rule Amendments

Schedule B – Summary of Changes to the January 2014 Materials and July 2014 Materials

Schedule C – List of Commenters

Schedule D – Summary of Comments and Responses of Participating Jurisdictions

Schedule E – Local Matters