

Corporate Securities Law

October 16, 2014

Canadian Securities Regulators Announce Rules on Gender Diversity

Canadian securities regulators in the majority of the provinces and territories have published an update of their proposed amendments to Form 58-101F1 of National Instrument 58-101 *Disclosure of Corporate Governance Practices*. The final amendments (the “**Amendments**”) are based on those put forward in January and July, 2014 (see our January 20, 2014 update, *OSC Proposes Rule on Gender Diversity*) and are intended to increase transparency regarding the representation of women on boards of directors and in senior management of reporting issuers.

Subject to obtaining Ministerial approval in certain jurisdictions, the Amendments will come into force on December 31, 2014, in time for the 2015 proxy season.

Amendments

The securities regulatory authorities in Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Quebec and Saskatchewan (the “**Participating Jurisdictions**”) have approved the Amendments. Issuers listed on the Toronto Stock Exchange and other non-venture issuers reporting in a Participating Jurisdiction will be required to provide annual disclosure regarding:

- director term limits and other mechanisms of board renewal or why there are no such limits;
- policies regarding the representation of women on the board of directors or why there are no such policies;
- the board’s or nominating committee’s consideration of the representation of women in the director identification and selection process or why there is no such consideration;

- the issuer’s consideration of the representation of women in executive officer positions when making executive officer appointments or why there is no such consideration;
- targets for the representation of women on the board and in executive officer positions or why there are no such targets; and
- the number and proportion of women on the board and in executive officer positions.

The disclosure will usually be made in the proxy circular for an issuer’s annual meeting.

Conclusion

It is expected the increased “comply” or “explain” disclosure will encourage greater representation of women on boards and in senior management positions. Howard Wetston, Q.C., Chair and Chief Executive Officer of the Ontario Securities Commission, remarked “this issue is an important one, and we’ve taken steps in a coordinated fashion to broaden disclosure in this area.”

The full text of the Amendments is available at: http://www.osc.gov.on.ca/documents/en/Securities-Category5/csa_20141014_58-101_noa-national-instrument.pdf

For further information on the Amendments, please contact any member of our Corporate Securities Group.