

January 2015

# SECURITIES ALERT

## Changes to Corporate Governance Disclosure

### New Requirements Effective After December 31, 2014

The Ontario Securities Commission and most other jurisdictions in Canada (the “Participating Jurisdictions”) are implementing amendments to National Instrument 58-101 *Disclosure of Corporate Governance Practices* and Form 58-101F1 *Corporate Governance Disclosure* (the “Amendments”). The amendments came into force on December 31, 2014.

The 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. The Amendments apply to all non-venture issuers reporting in the Participating Jurisdictions but do not apply to venture issuers.

The 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 Amendments recognize there are many mechanisms of board renewal, including director term limits and the regular assessment of the effectiveness and contribution of directors. The Amendments do not prescribe a particular method of board renewal.

The requirement to disclose any policy with respect to the representation of women on the board refers to a written policy. Where a non-venture issuer has not put a written policy in place it will have to disclose why it has not done so.

When describing the annual and cumulative progress of the non-venture issuer in achieving the target(s) regarding women on its board, the issuer should disclose the target as well as the annual and cumulative progress of the issuer in achieving the target.



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The Amendments require non-venture issuers to disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiary entities of the issuer, who are women. For the purpose of the Amendments, the term “major subsidiary” has the same meaning as in National Instrument 55-104 *Insider Reporting Requirements and Exemptions*.

As noted previously, the Amendments came into force on December 31, 2014. For further details, please contact any member of our Securities Law team

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*Contact us today and speak with a member of our securities law team.*

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