

July 3, 2014

Introduction

On January 16, 2014, the Ontario Securities Commission (the **OSC**) published for comment proposed amendments to Form 58-101F1 *Corporate Governance Disclosure* of National Instrument 58-101 *Corporate Governance Practices* (the **OSC Proposal**) which would apply to all TSX-listed non-venture issuers who report in Ontario. The OSC Proposal requires specified and extensive disclosure regarding term limits for board directors and the representation of women on boards and executive management, imposing a “comply or explain” approach to such disclosure. The OSC Proposal is the result of a request made to the OSC on June 14, 2013 by the Ontario Minister of Finance and then Minister Responsible for Women’s Issues.

On March 26, 2014, the OSC advised other members of the Canadian Securities Administrators jurisdictions of its intent to move forward with the OSC Proposal, subject to the comments received, and invited other jurisdictions to participate in the implementation of the OSC Proposal. The Alberta Securities Commission (the **ASC**), having considered the OSC Proposal in the context of its securities regulatory mandate, has declined to participate.

ASC Response

The ASC will not implement the amendments contained in the OSC Proposal.

The ASC understands the OSC Proposal to reflect the objective of increasing the participation of women on boards of directors and in executive officer positions with TSX-listed issuers. The ASC’s mandate as a securities regulator is to protect investors and foster a fair and efficient capital market in Alberta. The ASC is not persuaded that the objective underlying the OSC Proposal – even if implemented through disclosure requirements falls within the ASC’s mandate; the ASC has a similar concern regarding board member term limits.

The ASC recognizes that many investors favour the inclusion of diverse perspectives within issuers’ boards of directors and management teams. Existing requirements mandate disclosure about reporting issuers’ directors and executive officers, and about corporate governance practices including the process for identifying board nominees and assessing directors’ effectiveness and contribution. These requirements do not preclude issuers from elaborating on matters of concern to investors; indeed, the ASC notes that many issuers, of their own volition or in response to investor demand, already provide information specified in the OSC Proposal. The ASC encourages each reporting issuer to provide disclosure regarding its approach to appropriately structuring its board and management in the interest of its investors.