

April 9, 2018

Nazma Lee  
Senior Legal Counsel  
British Columbia Securities Commission  
P.O. Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, BC  
V7Y 1L2

Re: Consultation on Disclosure Requirements in National Instrument 58-101

Dear Nazma,

On behalf of the Burnaby Board of Trade, one of the province's leading business associations, I would like to submit for your consideration our support of both the existing Disclosure Requirements in National Instrument 58-101, and additional governance guidelines in National Policy 58-201 pertaining to gender diversity on corporate boards.

*National Instrument 58-101*

The Burnaby Board of Trade fully supports the gender diversity disclosure requirements currently in place, and has advocated for them to be adopted here by the BC Securities Commission. Comply-or-Explain regulations, such as those in National Instrument 58-101, are useful as they are able to shed light on issues such as gender diversity by forcing discussion and consideration amongst the business and investment communities, as well as the general public.

After three years of the disclosure requirements in National Instrument 58-101 being in force, there are positive, albeit minor, improvements in the inclusion of women on corporate boards in Canada. According to the most recent review of compliance with these requirements, the number of companies with at least one female board director is 61%, up from 49% in 2015, and the number of overall board seats held by women is 14%, up from 11%. Most notably, however, is the number of companies which have adopted policies related to women on their boards—35% of companies now have such policies in place as opposed to just 15% in 2015. The Burnaby Board of Trade sees this as a good example of disclosure requirements driving desirable behavior change and is reason to continue requiring this disclosure.

*National Policy 58-201*

The Burnaby Board of Trade supports building on the progress made already by implementing additional governance guidelines in National Policy 58-201 pertaining to gender diversity on corporate boards.

One reason for the lack of women board directors is the common recruitment process: male board members and male executives search their often male-dominated networks for potential candidates, perpetuating a gender gap. In addition, women are also often under-represented in senior and executive business positions which are often the source of board appointees. Policies which require nominating committees to actively consider women for board vacancies would force these nominating committees to broaden their searches, get more creative in their recruitment efforts, and go beyond their traditional networks to find candidates.

National Policy 58-201 has a section dedicated to the nomination of directors and the Burnaby Board of Trade urges the BC Securities Commission and the other CSA jurisdictions to add governance guidelines that call for companies to implement gender diversity policies for their director identification and selection processes. The guidelines should insist that these company policies mandate nominating committees fully consider at least one woman for all board vacancies. Such consideration should be required to be meaningful, conducted in good faith, and include any requisite interview or assessment process.

Policies which require women be included at the consideration/shortlist/interview stage of board nominations are ideal as they ensure that women are being considered fairly while still requiring they demonstrate the skill and merit necessary to receive a directorship. Regulations such as these would have the additional benefit of forcing a change in mindset in Canada's boardrooms and would be a catalyst for progressive changes in corporate governance and for greater gender diversity outcomes.

The Burnaby Board of Trade's position on the issue of women on boards has been developed by our *Women's Business Success Network*, a group of over 120 women and men professionals interested in supporting women in all facets of business. I would like to thank you for holding this consultation and providing us the opportunity to share our thoughts, and our organization would welcome any further engagement with you on this important issue.

Sincerely,



Paul Holden  
President & CEO  
Burnaby Board of Trade