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CSA Proposes Amendments to Corporate Governance Disclosure Regarding Board Nominations, Board Renewal, and Diversity

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The Canadian Securities Administrators (CSA) has proposed amendments to the corporate governance disclosure requirements and guidelines surrounding board nomination, board renewal, and diversity and has published two approaches for comment.

Currently, non-venture issuers are required to provide annual disclosure relating to certain aspects of board composition, including term limits; policies and targets regarding the representation and consideration of women on boards and in executive officer appointments; and current representation of women on boards and in executive positions. The proposed amendments are intended to further emphasize the importance of considering diversity on these matters and the CSA has stated that the proposed amendments will allow investors to make better informed investment and voting decisions.

In proposing amendments, the CSA has presented two versions of Form 58-101F1 (Form A and Form B) for comment, both of which are meant to increase transparency regarding board and executive officer diversity and provide investors with “decision-useful information.” Form A and Form B are consistent with one another in the proposed approach for disclosure pertaining to board nominations and board renewal. Namely, the forms would require disclosure on (i) how candidates for nomination are identified and evaluated, whether there is a written policy on the nomination process and how the board manages possible conflicts of interest in this process; and (ii) how the board addresses renewals, including the contribution of any procedures, other than term limits, to board renewals.

The predominant difference between Form A and Form B is found in the proposed approach to disclosure on enumerated groups. Form A limits disclosure on diversity to women. In contrast, Form B proposes that issuers report on the representation of five designated groups, including women, Indigenous peoples, racialized persons, persons with disabilities and LGBTQ2SI+ persons on boards and in executive positions. Form B aligns with the approach currently set forth in the *Canada Business Corporations Act*, and is intended to provide statistics that are comparable among issuers. Form A’s approach defers to issuers to determine which aspects of diversity are most advantageous to that issuer in advancing its business strategy.

The British Columbia Securities Commission, the Alberta Securities Commission, the Financial and

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Consumer Affairs Authority of Saskatchewan and the Office of the Superintendent of Securities Northwest Territories support Form A and the Ontario Securities Commission supports Form B. Other commissions remain undecided in their preference.

The comment period is open until July 12, 2023, and Cassels will update the market with developments on this topic. Further details can be found [here](#).

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