



The Honourable Céline Hervieux-Payette, PC
Senator

PRESS RELEASE

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SENATOR CÉLINE HERVIEUX-PAYETTE UNVEILS HER SECOND BILL TO RENEW CORPORATE MANAGEMENT

Equal Representation on Boards of Directors

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OTTAWA, June 2, 2009 – Following Bill S-235, a proposal to limit the remuneration of officers of companies that receive federal financial relief, the Honourable Céline Hervieux-Payette introduced a new bill in the Senate today.

S-238 would require publicly traded companies, financial institutions and federal government corporations to guarantee the equal representation of women and men on their boards of directors.

"In Bill S-235, we proposed that a person cannot sit on more than four boards of directors. Seats will become available as a result and, under Bill S-238, we can ensure that women are appointed to those vacancies," said Senator Hervieux-Payette. *"Given the moral crisis that is shaking the capitalist system, boards of directors urgently need a complete cultural overhaul."*

Fine words and good intentions about the equal representation of women on boards of directors are no longer enough.

A study by Catalyst, released in June 2008, showed that the representation of women on boards in Canada is still very low. In 2007, women held only 13 percent of the seats on the boards of companies listed in the Financial Post 500, which is only one percentage point higher than in 2005.

In 2007 as well, 40 percent of these companies had no women on their boards.

"These figures clearly show that the government must take action," said Senator Hervieux-Payette. *"A large number of women in Canada have the skills and experience necessary to sit on a company's board of directors."*

Bill S-238 applies to all companies under federal jurisdiction and includes the following main provisions:

- Publicly traded companies, banks, insurance companies, trust companies and credit unions will have three years to comply with the new legislation.
- The bill also applies to federal government corporations.
- If a company refuses to comply, it will not be issued its certificate or letters patent.

Canada's Parliament does not have to look far to find similar legislation: the Quebec government implemented the same policy in 2006. *"To my knowledge, no government corporations in Quebec have gone bankrupt or experienced difficulties because an equal number of women serve on their board of directors,"* said the Senator.

In Norway, publicly traded companies have been required to maintain 40-percent female representation on their boards since 2006. Spain has made identical reforms.

“It is utopian to think that the situation will correct itself. We need only look at how little progress has been made on equal representation. That is why I want to recognize women’s contribution to society and the business world by introducing Bill S-238 in the Senate today,” explained Senator Hervieux-Payette.

The Senator has been a member of the Senate Standing Committee on Banking, Trade and Commerce for more than 10 years and is its Deputy Chair. She also played a key role in reforming the Bank Act in 1997.

Maximilien Depontailier
Policy Advisor
Office of the Honourable Céline Hervieux-Payette, PC
613-947-8008 – deponm@sen.parl.gc.ca

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