

For Immediate Release

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Canadian securities regulators provide updated guidance on virtual shareholder meetings

Toronto – Staff of the Canadian Securities Administrators (CSA Staff or we) are today providing reporting issuers with guidance on virtual shareholder meetings.

Since the emergence of the COVID-19 pandemic, many reporting issuers have adopted a virtual format for their shareholder meetings. These meetings are typically conducted either entirely virtually, in place of an in-person meeting, or through a “hybrid” format held in-person while also permitting participation via electronic means.

CSA Staff recently engaged in informal consultations with market participants and stakeholders to better understand their experience with virtual shareholder meetings. In light of these consultations and the still-evolving landscape for virtual shareholder meetings, we are providing the following recommendations to assist reporting issuers in fulfilling their obligations under securities legislation and encourage the adoption of practices that facilitate shareholder participation.

The conduct of shareholder meetings is primarily governed by applicable corporate law and the reporting issuer’s organizational documents rather than securities legislation. Given the connection between securities law requirements for disclosure in respect of shareholder meetings and shareholders’ experience at such meetings, we felt it appropriate to issue this new release with our recommendations.

Certain corporate law statutes in Canada have been amended, or are proposed to be amended, by corporate law regulators to expressly permit virtual shareholder meetings going-forward and to provide requirements for such meetings. We encourage reporting issuers to review their governing corporate legislation and documents when considering the conduct of their shareholder meetings.

Disclosure Concerning Shareholder Access and Participation at Virtual Meetings

It is important that reporting issuers provide clear and comprehensive disclosure in management information circulars and associated proxy-related materials concerning the logistics for accessing, participating and voting at a virtual shareholder meeting. Reporting issuers can do this by providing full explanations of the registration, authentication and voting process for both registered and beneficial shareholders. In order for shareholders to understand how a reporting issuer will facilitate shareholder participation at a virtual meeting, we recommend that reporting issuers provide shareholders with information concerning the procedures for how shareholder questions will be received and addressed, and how shareholder participation will otherwise be accommodated and managed at the meeting.

We also recommend that reporting issuers provide contact information where shareholders can obtain assistance in the event of difficulties during the registration process or while accessing and attending the meeting.

Shareholder Participation at Virtual Meetings

While securities regulators do not oversee the conduct of shareholder meetings, we encourage reporting issuers to provide for a level of shareholder participation at a virtual meeting that is comparable to that which a shareholder could reasonably expect if they were attending an in-person meeting. This would include opportunities to make motions or raise points of order, and the ability to raise questions and provide direct feedback to management in any question and answer segment of the meeting. Proponents of shareholder proposals accepted to be voted on at the meeting should typically also be given the opportunity to speak to the proposal. We recognize that, similar to in-person meetings, reporting issuers and meeting Chairs will necessarily have to apply some level of discretion in fielding questions and managing the meeting. However, we recommend that the practices applied at virtual meetings be transparent and consistent with established practices for in-person meetings to promote meaningful interaction between shareholders and management.

In the case of a contested shareholder meeting, we encourage reporting issuers to consult their legal advisors on the appropriateness of conducting the meeting in a virtual format and carefully consider the establishment of a meeting protocol agreement with the dissident in advance of such meeting.

Conclusion

The CSA will continue to monitor the practice of virtual shareholder meetings as changes to corporate law, reporting issuer practice, and technology unfold. We may issue further guidance and updates as required.

The CSA, the council of the securities regulators of Canada's provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

For investor inquiries, please contact your [local securities regulator](#).

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