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This fifth annual edition of *Davies Governance Insights* presents our analysis of the important trends and developments in corporate governance for Canadian public companies during 2015. Our report provides guidance for boards and senior management of public companies and their investors on emerging and recurring governance themes including the following:

- **Board composition and compensation.** We explore the debate over board tenure restrictions and turnover, and the best means of ensuring board effectiveness, and review the trend in “say on pay” advisory votes in Canada, for which there is continued momentum. We also review director and CEO compensation trends.
- **Gender diversity initiatives and trends.** Women continue to make modest progress in being elected to boards of directors and appointed to senior management positions of Canadian public companies. The number of issuers that adopted a diversity policy has increased significantly, but we are expecting more prescriptive disclosure requirements from regulators, particularly with respect to the adoption of written gender-diversity policies and targets.
- **Shareholder issues.** Shareholder engagement in its many forms continued to grow and gain prominence in 2015. We also consider issues surrounding majority voting policies and practices, including enhanced quorum requirements and the carve-outs for exceptional circumstances, advance notice requirements and forum selection by-laws. We examine new proxy access and universal proxy proposals, as well as 2015 trends in proxy contests.
- **Selected issues in board risk management:** Boards are responsible for the oversight of risk management, encompassing a wide range of topics. We discuss several risks that a board must be aware of, including those relating to securities class actions, parent liability for subsidiary governance, cybersecurity breaches and corruption, both domestic and foreign. We also provide recommended best practices for addressing several of these issues.
- **Changes to rights plans, takeover bid amendments and corporate law reform.** We review the proposed changes to the way in which unsolicited bids are carried out, proposed amendments aimed at modernizing the *Canada Business Corporation Act* and recommendations for updating the *Business Corporations Act* (Ontario) to reflect technological advancements and legislative and case law developments.

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