

OCTOBER 3, 2019

Davies Governance Insights 2019

Davies Governance Insights 2019 is a comprehensive report that analyzes the governance trends and issues most important to Canadian public companies. Now in its ninth edition, *Governance Insights* is designed to be a playbook for navigating the diverse and complex challenges facing today's boards and the ever-expanding environmental, social and governance-related expectations placed upon them. Throughout the report, we provide expert insights into the implications of major trends for public companies and offer best practices for organizations to position themselves for success in the short, medium and long term.

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The following significant developments are included in this year's edition:

- Important governance-related reforms to the *Canada Business Corporations Act*, including the codification and expansion of directors' and officers' common law duties, that reflect a move toward greater transparency, governance and accountability
- Growing expectations for more robust and transparent sustainability disclosure, including significant developments regarding mandatory reporting of climate-related risks and recent guidance from the Canadian Securities Administrators
- Trends and major developments in shareholder activism, including the increased involvement of institutional shareholders in contested situations and an uptick in activists' use of universal proxies, as well as practical tips for both issuers and activists
- The emergence of short selling as a new form of shareholder activism, including a review of notable campaigns from recent years and potential avenues for boards to safeguard against and respond to short sellers
- An in-depth analysis of board composition trends and best practices critical to building high-performing boards, focusing on qualifications and skills, board commitment, tenure, board size, independence, diversity and board committees
- Navigating the ever-expanding framework of gender diversity requirements and guidelines from corporate law, securities regulators, the Toronto Stock Exchange, proxy advisers and governance watchdogs
- Shareholder proposal regimes in the United States and Canada, including proposed revisions to the U.S. framework and a look at the rising number of proposals in Canada
- Innovative tools for companies to transform their communication and engagement practices, including leveraging company websites, making use of notice-and-access, hosting hybrid-virtual meetings and making appropriate use of social media
- How companies can evolve into "next generation" governance organizations that remain competitive and sustainable by focusing on strategy, adopting a people-centred approach and proactively engaging with stakeholders

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Key Contacts: [Patricia L. Olasker](#), [Aaron J. Atkinson](#), [Franziska Ruf](#) and [Jeffrey Nadler](#)

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