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Patricia Olasker and Steven Harris Speak to *Forbes* About Canadian Proxy Season

Davies partners [Patricia Olasker](#) and Steven Harris recently shared their insights on the 2018 Canadian proxy season with *Forbes* magazine.

According to Patricia and Steven, activism this year has “focused primarily on economic activism issues such as capital allocation and operational improvements.” Another trend shows active-passive investors and responsible investors increasingly pressuring issuers on environmental, social and governance (ESG) issues. Activism is also proving to be a useful tool in M&A, with Patricia and Steven seeing instances in which (1) activists or engaged shareholders have stepped between the board of the target and the acquirer to negotiate a better deal for the shareholders; (2) an activist has worked alongside the board to add heft and get a deal done on terms favourable to the company; and (3) activists have also helped stiffen a board’s resolve to reject an unsolicited bid.

When asked how this season compares with previous years, Patricia and Steven remarked that “the view of activist clients remains ‘not necessarily a proxy contest, but a proxy contest if necessary.’ Both companies and activists wisely seek to avoid the cost, time demands, brand damage, reputational harm, distraction and uncertainty that a proxy contest necessarily entails. That said, given the growing unease among directors over shareholder opposition to settlements with activists, and the increasing desire to seek shareholder input on key issues, we may see more issues being resolved at the ballot box.”