

OCTOBER 3, 2018

Davies Governance Insights 2018

Davies' annual *Governance Insights* reports analyze the top governance trends and issues important to Canadian boards, senior management, in-house counsel and governance observers.

In the 2018 edition, we shine the spotlight on the following issues that shaped the corporate governance landscape this year, in each case offering practical insights into the impact of these trends on public companies as well as recommended best practices:

- Shareholder proposals and proxy access, including trends in shareholder proposals on ESG and other topics; and the tepid adoption of proxy access policies in Canada
- Gender diversity and #MeToo, including data and trends in women's representation on boards and executive positions; pending diversity-related amendments to the federal corporate statute; potential implications for companies in the #MeToo movement; and potential changes in securities law disclosure requirements
- Virtual shareholder meetings, including the advantages and disadvantages of virtual or virtual-hybrid meetings; the positions taken by proxy advisory firms; and issues to consider in deciding whether to go virtual
- Climate change and sustainability, including developments in climate change reporting; the increasing integration of social responsibility considerations into investment frameworks; growing support for climate change–related shareholder proposals; and climate expertise in the boardroom
- Shareholder activism, including some case studies and trends from this year's robust proxy contest arena; industries that are expected to remain under focus; proxy advisory firms' guidelines for campaigns on majority versus minority changes to the board; withhold campaigns as a tool for "activism lite"; and an update on "vote buying" in proxy contests
- Director duties and implications 10 years after BCE, including key takeaways from the Supreme Court's decision; a discussion of the evolving definition of a "good corporate citizen"; and best practices for this new environment
- Executive and director compensation trends and issues, including a three-year review of CEO compensation and demographics; the evolution of "say on pay"; changes in long-term incentive plan practices; human resource experience on compensation committees; and pay ratio disclosure
- Governance in a rapidly changing technology landscape, including cybersecurity risk management practices; legislative updates on new mandatory breach reporting; regulatory guidelines on data protection; and blockchain enterprise opportunities
- Other select governance developments from the past year, including updates on majority voting, the sustained demand for shareholder engagement and anti-corruption risk management.

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