



firm profile

McMillan is a modern and ambitious business law firm serving public, private and not-for-profit clients across key industries in Canada, the United States and internationally. With recognized expertise and acknowledged leadership in major business sectors, we provide solutions-oriented legal advice through our offices in Vancouver, Calgary, Toronto, Ottawa, Montréal and Hong Kong. Our firm values – respect, teamwork, commitment, client service and professional excellence – are at the heart of McMillan’s commitment to serve our clients, our local communities and the legal profession. For more information, please visit our website at www.mcmillan.ca.

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proxy contests

overview

Shareholder activism is increasing. And as it does, companies frequently find themselves in the middle of proxy contests on topics ranging from the election of directors to pay-for-performance to the merits of a potential acquisition. Canada is one of the most shareholder-friendly jurisdictions in the world, allowing shareholders to call for a special shareholder meeting during which they may replace directors who do not share their vision for the company.

All this means that boards of directors should pay careful attention to activist shareholders. The consequences of a protracted proxy battle—or worse yet, an overturned board—can cause considerable damage to a company’s performance and brand. It can distract management from the day-to-day business of running the company effectively and could keep the enterprise in the news headlines for months—rarely in a positive light. Ultimately, this hurts all shareholders, so it is in all parties’ interests to reach a conclusion as quickly and fairly as possible.

Understanding the regulatory environment that governs a proxy contest is critical, and—whether you are the shareholder group or the responding corporation—it is vital to gain the upper hand as quickly as possible.

McMillan’s Capital Markets Group provides companies with expert legal advice on dealing with proxy contests or, ideally, avoiding them altogether. We work with management and boards of companies facing proxy battles, as well as large shareholders seeking to influence a company’s strategic direction.

McMillan professionals help clients lead by:

- Launching proxy contests, or defending against one
- Assisting with proxy solicitation
- Advising on stakeholder engagement
- Drafting advance notice provisions
- Managing the shareholder meeting process
- Negotiating settlements
- Pursuing remedies based on the outcome of a proxy contest