

Hansell McLaughlin Data Analysis Notes

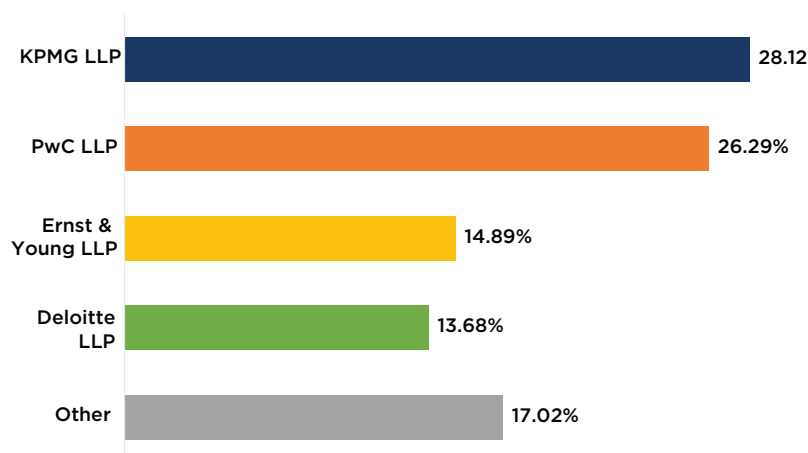
Hansell McLaughlin Data Analysis Notes provides a weekly review of governance-related topics from our analysis of disclosures of issuers listed on the TSX in 2024. To receive our future notes, [subscribe here](#).

Breaking down the most commonly retained auditors at TSX listed issuers

Auditors Most Frequently Appointed

This proxy season, TSX listed issuer disclosure showed over 30 different accounting firms were appointed to serve as auditors for the coming year. KPMG LLP, PwC LLP, Ernst & Young LLP and Deloitte LLP were the auditors most frequently appointed. Collectively, these four firms represented 82.98% of auditor appointments by TSX listed issuers to date in 2024.

KPMG LLP was the most frequently appointed auditor (28.12% of TSX listed issuers), followed by PwC LLP (26.29%), Ernst & Young LLP (14.89%) and Deloitte LLP (13.68%). The remaining 17.02% of auditors appointed by TSX listed issuers included MNP LLP, BDO LLP and Davidson & Company LLP, among others. There were 15 firms that were appointed as auditors for only one TSX listed issuer. To date, there have been no failed auditor appointment elections at TSX listed issuers.



Companies Appointing a New Auditor This Proxy Season

The top five issuers by market cap that disclosed replacing their auditor this proxy season were:

- Russel Metals Inc. appointed KPMG LLP, replacing Deloitte LLP;
- TerraVest Industries Inc. appointed KPMG LLP, replacing Raymond Chabot Grant Thornton LLP;
- Aura Minerals Inc. appointed KPMG LLP, replacing PwC LLP;
- Valeura Energy Inc. appointed Deloitte LLP, replacing KPMG LLP; and
- Aurora Cannabis Inc. appointed Ernst & Young LLP, replacing KPMG LLP.

2024 Proxy Season To Date (TSX Listed Issuers)



Shareholder Proposals

154 submitted

81 proceeding to a vote

7 successful



16 failed director elections



3 failed say on pay votes

In the News

Below, we discuss news releases related to governance issues at issuers listed on the TSX since our last weekly note.



July 15, 2024, Stelco Holdings Inc. (TSX: STLC), "[Cleveland-Cliffs to Acquire Stelco for C\\$70 per Share](#)" - *Stelco Holdings Inc.*

Stelco Holdings Inc. ("Stelco") announced that it has entered into an agreement with Cleveland-Cliffs Inc. ("Cliffs") to allow Cliffs to acquire all of Stelco's outstanding shares for \$3.4 billion. The arrangement will provide Stelco shareholders with \$60 in cash in addition to 0.454 common shares of Cliffs (equivalent to \$10) for every Stelco share held.

The transaction is expected to close at the end of the year, if Stelco's shareholders' approve the transaction. Upon completion of the transaction, Stelco's shares will be delisted from the TSX.



July 15, 2024, Corus Entertainment Inc. (TSX: CJR.B), "[Corus Entertainment faces debt problem as it warns about company's future](#)" - *The Globe and Mail*

Corus Entertainment Inc. ("Corus") announced that it will need to negotiate debt relief with its lenders by September 1, 2024 in order to remain solvent. Corus has struggled with a significant decline in its revenue, reporting a near 29% drop in year-over-year cash generation. Corus also recently lost the Canadian rights to several Warner Bros. Discovery channels to Rogers Communications. Despite aggressive cost-cutting measures implemented by Corus, including laying off approximately 800 employees, Corus faces substantial debt repayment obligations.



July 16, 2024, Aeterna Zentaris Inc. (TSX: AEZS), "[Aeterna Zentaris Announces Results of Virtual 2024 Meeting of Shareholders](#)" - *Financial Post*

The audit committee chair of Aeterna Zentaris Inc. ("Aeterna Zentaris"), Denis Turpin, failed to receive majority shareholder support for his election to the board at the company's annual shareholders meeting. Although Mr. Turpin failed to receive majority support for his election, Aeterna Zentaris noted that he will continue to serve as a director for up to 90 days or until a successor is appointed to replace him as the chair of the audit committee. Mr. Turpin was not the only director to receive low levels of shareholder support. Aeterna Zentaris' CEO, Gilles Gagnon, nearly failed his election, receiving only 51.18% support for his election.

Last year, Mr. Turpin also received low levels of support for his election, only receiving 51.21% votes cast in favour of his election.

Our governance expertise is complemented by a sophisticated data analytics practice which brings you these weekly notes. We analyze the governance practices of all TSX listed issuers. The data is gathered from publicly available information and is managed internally to ensure that the information is standardized, comparable and reliable. [Click here](#) to learn more about our practice areas.