

Hansell McLaughlin Weekly Proxy Notes

Hansell McLaughlin Weekly Proxy Notes provide you with a look into our governance findings for the 2024 proxy season for TSX listed issuers and governance developments that have occurred during the week. To receive our future notes on the 2024 proxy season [subscribe here](#).

Failed Director Election at Kelso Technologies Inc.

The President and CEO of Kelso Technologies Inc. ("Kelso"), Mr. James Bond, failed to receive majority support for his election to the Kelso board at the company's shareholders meeting on June 6, 2024. As a result, Mr. Bond tendered his resignation from the board. The board has not yet decided to accept his resignation. In the last three years, Mr. Bond faced lower support levels from shareholders, with support for his election not exceeding 71% during this period. In 2022, he received just 59% of votes cast in favour of his election. Kelso's share price has depreciated more than 80% over the past three years.

Several resolutions relating to Kelso's compensation plans also failed to receive shareholder support. The failed resolutions involved approving the company's omnibus equity incentive plan, unallocated options, unallocated restricted share units and unallocated deferred share units. All these resolutions received less than 26% of shareholder support.

Byte of the Week

Aya Gold & Silver Inc. announced that its shares will join the S&P/TSX Composite Index on June 24, 2024.

National Bank's Agreement to Purchase Canadian Western Bank

National Bank of Canada ("National Bank") entered into an agreement to acquire Canadian Western Bank ("CWB") for \$5 billion in a stock-exchange transaction, as it aims to grow its retail services in western Canada. In a press release, National Bank set out several benefits of the transaction, including expanding its services for banking and wealth management customers and investing in the western Canadian economy, among other things.

At least two thirds of CWB's shareholders will need to approve the transaction at CWB's special meeting in September for the transaction to be successful. If approved, the deal is expected to close by the end of next year. Following the deal's closure, CWB shareholders will own approximately 10.5% of National Bank shares.

2024 Proxy Season To Date (TSX Listed Issuers)



Shareholder Proposals

154 submitted

81 proceeding to a vote

7 successful



10 failed director elections



2 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 proxy note.



June 10, 2024, Bitfarms Ltd. (TSX: BITF), "[Bitfarms Implements Shareholder Rights Plan Amid Riot Platforms' Hostile Takeover Attempt](#)" - *Blockchain News*

Bitfarms Ltd. ("Bitfarms") announced its adoption of a shareholder rights plan to protect it from a hostile takeover attempt by Riot Platforms Inc. ("Riot"). The shareholder rights plan stipulates that if any shareholder holds 15% or more of Bitfarms shares before September 10, 2024, or 20% or more after that date, Bitfarms can issue and sell shares to other shareholders at a discounted price.

This measure comes in response to Riot's hostile attempt to acquire Bitfarms. Bitfarms' board rejected this attempt, citing that Riot, owning nearly 12% of Bitfarms shares, was undervaluing the company. Riot has criticized the board's actions, accusing it of poor governance practices and not acting in the best interests of its shareholders, among other things. Riot has requested the resignation of Chairman Mr. Nicolas Bonta and the appointment of two independent directors to the board.



June 10, 2024, Royal Bank of Canada (TSX: RY), "[Royal Bank of Canada to repurchase up to 30 million of its common shares](#)" - *NewsWire*

Royal Bank of Canada ("RBC") received approval from the Toronto Stock Exchange and the Office of the Superintendent of Financial Institutions to repurchase, for cancellation, up to 30 million common shares, representing 2.12% of its outstanding shares. The share buyback program will run from June 12, 2024, to June 11, 2025, or until the maximum amount of shares repurchased is reached.



June 11, 2024, Nuvei Corporation (TSX: NVEI), "[Second Leading Independent Proxy Advisor Glass, Lewis & Co. Recommends Nuvei Shareholders Vote "FOR" Arrangement](#)" - *NewsWire*

Proxy advisory firms, Institutional Shareholder Services ("ISS") and Glass Lewis & Co ("Glass Lewis"), supported an arrangement to allow U.S. private equity firm, Advent International, L.P., to acquire all of Nuvei Corporation's ("Nuvei") outstanding shares. The arrangement, if successful, will take Nuvei private and provide Nuvei shareholders with US\$34.00 per share. The arrangement will be voted on at the company's June 18, 2024, special meeting.

Our governance expertise is complemented by a sophisticated data analytics practice which brings you these weekly proxy 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.