

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.

RB Global's Continuance Resolution

RB Global Inc.'s form of proxy and management information circular dated March 25, 2024, note that shareholders will vote on approving the company's resolution to continue under the *Business Corporations Act* (Ontario) ("OBCA") from the *Canada Business Corporations Act* ("CBCA"). RB Global's circular sets out a comparison of provisions of the CBCA and OBCA. Some notable provisions for why an issuer may transition from the CBCA to the OBCA are:

- The CBCA requires at least one quarter of directors to be resident Canadians while the OBCA does not have a residency requirement.
- The CBCA requires that shareholder meetings must be held within Canada (unless another location is specified in the corporation's articles or shareholders agree that the meeting should be at another location). The OBCA allows the issuer to hold a shareholders' meeting in or outside Canada at a place determined by the directors unless the articles or any shareholders agreement provides otherwise.

RB Global's proxy circular also notes that as RB Global's operations continue to grow globally it believes that the director residency requirement imposed by the CBCA can be restrictive. Currently four of RB Global's 11 directors are resident Canadian, while the remaining seven directors reside in the United States.

Byte of the Week

Mr. Duncan Jackman serves on the most boards of TSX listed issuers.

As part of the 2023 proxy season Mr. Jackman served on six different TSX listed issuer boards, including at Algoma Central Corp., Dream Unlimited Corp., Economic Investment Trust Ltd., E-L Financial Corp. Ltd., First National Financial Corp., and United Corporations Ltd.

abrdn Asia-Pacific Income Fund's Failed Director Elections

Following abrdn Asia-Pacific Income Fund VCC's March 7, 2024, shareholders meeting, two non-independent directors, Ms. Prukha lamthongthong and Ms. Henny Mulianny, failed to receive majority votes cast in favour of their election. Ms. lamthongthong received 48.73% votes in favour of her election, and Ms. Mulianny received 48.89% votes cast in favour of her election. Ms. Mulianny has served on the board since 2021, while Ms. lamthongthong was appointed in 2023. The company's Majority Voting Policy requires directors failing to receive majority of votes in favour of their election to tender their resignation. As a result, both directors tendered their resignation following the meeting. However, the company did not accept their resignation, citing their resignation could compromise their compliance with Singaporean law. Section 48 (1) (a) of the *Variable Capital Companies Act 2018* (Singapore) states that "every VCC must have at least one director who is ordinarily resident in Singapore." Ms. lamthongthong and Ms. Mulianny are the only two directors of the fund who are Singaporean residents.

2024 Proxy Season To Date (TSX Listed Issuers)



Shareholder Proposals

111 submitted

59 proceeding to a vote



2 failed director elections



0 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 notes.

Algonquin

March 22, 2024 - Algonquin Power & Utilities Corp. (TSX: AQN), ["Starboard Value nominates three candidates to Algonquin Power's board"](#) - Thomson Reuters

Algonquin Power & Utilities' largest shareholder, Starboard Value who controls approximately 9% of Algonquin's shares announced that it intends to nominate three candidates to the board. This comes after Starboard, and another activist group, Corvex Management urged Algonquin to sell a majority of its renewable assets in order to improve earnings and reduce debt. Algonquin's Corporate Governance Committee noted that it would review the proposed nominees. Algonquin's 2023 AGM took place on June 20, 2023, with its circular being released on May 19, 2023. We expect that Algonquin's 2024 circular will be released in May as well.



March 24, 2024, Richards Packaging Income Fund (TSX: RPI.UN) ["Independent Chairman of the Board Donald Wright Sold A Bunch Of Shares In Richards Packaging Income Fund"](#) - Simply Wall St.

Richards Packaging Income Fund's Chair, Mr. Donald Wright, reportedly sold \$154,000 worth of shares in the fund. Notably, this sale almost liquidated all of Mr. Wright's holdings in the fund (amounting to 96% of his holdings). The selling of shares in the fund follows a broader trend of insider selling. Over the past year, insider buying has only accounted for 10,840 shares valued at \$364,000, compared to the sale of 33,800 shares valued at \$1,100,000.



March 25, 2024 - Bitfarms Ltd. (TSX: BITF), ["Bitfarms Announces CEO Transition"](#) - Financial Post

Bitfarms announced that its President and Chief Executive Officer, Mr. Geoffrey Morphy will be stepping down from his position. The board has established a CEO search committee to identify his successor. While the board identifies a successor, Mr. Morphy will remain in his position.



March 25, 2024 - New Gold Inc. (TSX: NGD), ["New Gold Appoints Richard O'Brien to The Board Of Directors"](#) - Newswire

Mr. Ian Pearce, New Gold's Chair will retire from the board on August 1, 2024. Following his retirement, it is expected that, Mr. Richard O'Brien, a newly appointed director will replace Mr. Pearce as chair of the board. Mr. O'Brien previously served as President and CEO of Newmont Mining.

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.