

COVID-19 RESOURCE CENTER

Delaying Shareholder Meetings

May 11, 2020

One of the challenges that companies face during the COVID-19 pandemic is how to comply with corporate law requirements relating to annual general meetings (“**AGMs**”) in light of government-imposed restraints on public gatherings and physical distancing constraints. An option is for a company to delay their AGM.

The time for holding a shareholder meeting is largely governed by corporate legislation, as well as exchange rules for listed companies. Section 182 of the British Columbia *Business Corporations Act* (the “**BCBCA**”) provides that companies must hold their AGM at least once each calendar year and not more than 15 months after the preceding AGM. Pursuant to section 133 of the *Canada Business Corporations Act* (the “**CBCA**”), a company must call its AGM not later than 15 months after the preceding AGM but no later than 6 months after the end of the corporation’s preceding financial year. [Section 464](#) of the [TSX Company Manual](#) provides that a company must hold its annual shareholder meeting within six months from the end of its fiscal year, or at such earlier time as is required by applicable legislation.

[In British Columbia, the Registrar has indicated that it will grant individual requests of an extension of six months to hold an AGM](#), which request can be made by email and must state the reason for the delay, pursuant to section 182(4) of the BCBCA. Companies are also required to notify their shareholders that the AGM has been delayed.

Under the CBCA, an application must be made to court under section 133(3) to allow for an extension of an AGM. In [Glacier Media Inc. 2020 BCSC 591](#) Fitzpatrick J. granted such an extension where the company wished to not hold an AGM given the physical distancing concerns relating to the COVID-19 pandemic, as well as concerns with having to prepare a circular given limited resources and where it is unclear what shareholders would be asked to vote on.

On [March 23, 2020, the TSX issued a bulletin](#), as did the TSX-V, which provides certain temporary relief to companies as a result of the on-going COVID-19 pandemic. Among other things, the TSX is permitting companies to hold their 2020 AGM on any date in 2020 up to and including December 31, 2020 regardless of a company’s fiscal year end. However, the bulletin also stated that the TSX continues to expect companies to comply with applicable legislation regarding the timing of their 2020 AGM.

The [Canadian Securities Administrators \(the “CSA”\) advised on March 20, 2020](#) that companies that wish to change the date, time or location of in-person meetings due to COVID-19 and that have already sent and filed their proxy related materials can notify securityholders of the change without sending additional materials, but instead can issue a news release and notify all parties involved in the proxy voting infrastructure (such as intermediaries and transfer agents).

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On [May 1, 2020](#), the CSA announced [temporary blanket relief](#) from certain filing and delivery requirements that are generally tied to the sending of materials for AGMs. The CSA is giving companies until December 31, 2020 to file their executive compensation disclosure and providing relief from the requirements to send, or send upon request, copies of their annual or interim financial statements and management's discussion and analysis to investors within certain time periods. In BC, this relief is implemented through [BC Instrument 51-516 Temporary Exemption from Certain Requirements to File and Second Securityholder Materials](#).



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