

June 4, 2026

Marketplace Frameworks Policy Branch
Innovation, Science and Economic Development Canada
235 Queen Street
Ottawa, ON K1A 0H5
E-mail: mfpbconsultations-consultationsdgpccm@ised-isde.gc.ca

cc: Pamela Jones,
Marketplace Frameworks Policy Branch
Innovation, Science, Economic Development Canada
E-mail: pamela.jones@ised-isde.gc.ca

Dear Sir/Madam,

Re: Consultation on modernizing business law frameworks (Red tape review)

We thank you for the opportunity to provide feedback to Innovation, Science and Economic Development Canada (ISED) on its consultation in respect of modernizing business law frameworks.

CCGG's members are Canadian institutional investors that together manage approximately \$5.8 trillion in assets on behalf of pension funds, mutual fund unit holders, and other institutional and individual investors. CCGG promotes good governance practices, including the governance of environmental and social matters, at Canadian public companies and assists institutional investors in meeting their stewardship responsibilities. CCGG also works toward the improvement of the regulatory environment to best align the interests of boards and management with those of their investors and to increase the efficiency and effectiveness of the Canadian capital markets. A representative list of our Members is attached to this submission.

We welcome the opportunity to comment on the proposal to amend the *Canada Business Corporations Act* (CBCA) to permit virtual and hybrid meetings of shareholders and directors as a default.

Our comment will focus on the proposal in respect of virtual and hybrid meetings of shareholders with a primary focus on publicly listed companies (distributing issuers).

GENERAL COMMENTS:

CCGG strongly supports hybrid shareholder meetings and does not support virtual-only shareholder meetings barring exceptional circumstances.

Hybrid meetings provide shareholders with the opportunity to be present in person if they wish to be but also to participate virtually if they prefer. In our view, this is the optimal meeting format. Default **hybrid** meetings of shareholders should be facilitated by the CBCA. Virtual only meetings should not be permitted by default.

The ability of a shareholder to choose to participate in a meeting in person is an important shareholder accountability mechanism and a fundamental exercise of shareholder rights which should be retained in the corporate law. We note as an aside that the opportunity to attend in person is particularly important for retail investors as the annual general meeting is often the only venue where retail investors have direct access to the board and management¹.

While we agree that the ability to attend and participate in a meeting virtually is also an important capability for shareholders, we do not support implementation of amendments to the CBCA to make virtual only shareholder meetings the default, absent emergency circumstances such as those experienced during the COVID 19 pandemic. For both hybrid and virtual-only meetings the CBCA should retain the current requirements in Ss. 132(4) and (5) which provide that, however a participant attends, the relevant communication facility must “permit all participants to communicate adequately with each other during the meeting”². This is one of the crucial elements of a successful shareholder meeting but, unfortunately, is currently rarely achieved in the virtual component of either a hybrid or virtual format.

SPECIFIC COMMENTS:

Do not conflate hybrid and virtual only meetings

The CBCA should not conflate hybrid and virtual shareholder meetings.

Hybrid meetings offer investors choice as to how to participate and enhance shareholder democracy whereas virtual only meetings can be used to constrain, limit and control shareholder participation and access. As a result of this, investors are not supportive of virtual-only meetings. This is demonstrated by the fact that, in response to investor pressure, the number of virtual-only shareholder meetings has been declining in Canada³.

¹ ICGN, [Can You Hear Me Now? The importance of maintaining an in-person option for AGMs.](#), Governance as Market Advantage Blog, June, 2026.

² Canada Business Corporations Act (R.S.C 1985, c. C.-44), Ss. 132(4)-(5).

³ See [Laurel Hill Advisory Group, Trends in Corporate Governance 2025, October 2025](#) at p. 25-26 noting that in 2024 there were 13 shareholder proposals made to companies on the TSX Composite seeking to prevent virtual only shareholder meetings in favour of hybrid meetings, seven of which passed with all 13 receiving an average of 42.4% shareholder support; in 2025 there were a further five proposals made on this topic, one of which passed. The report also highlights the ongoing downward trend away from virtual only shareholder meetings (dropping from 54% in 2024 to 41% in 2025) and related upward trend of hybrid meetings increasing from 22% in 2024 to 33% in 2025. Also see: International Corporate Governance Network letter to the European Commission re: Response to call for evidence on evaluation and potential review of the Shareholder Rights Directive, May 5, 2026.

There is a growing body of research that supports investor concerns that companies leverage meeting format choice and procedures to limit shareholder voice especially where there is expected low support for directors or management proposals. The same research finds that “voice-limiting methods are significantly more likely to be used at virtual-only shareholder meetings, indicating that companies tend to restrict shareholder voice, especially in virtual settings”⁴. Ignoring or restricting shareholder questions is one of most commonly used strategies for controlling shareholder participation. CCGG highlighted this practice in a 2025 letter to the Canadian Securities Administrators (CSA), along with other concerning behaviours, as experienced by our Members during their virtual participation in shareholder meetings⁵.

Other behaviours noted in our letter included companies using platform technologies to control the meeting in ways that benefit the company, such as lack of video, inconsistent audio, no ability for shareholders to speak; no real time participation features such as chat or Q and A capability or the ability to determine who else was participating in the meeting; opaque and complex sign in procedures forcing voting shareholders and shareholders bringing proposals to attend as a guest.

Issuers often argue that virtual only meetings are preferable to hybrid or in-person meetings due to cost savings, and this may be the case where basic virtual platforms with minimal transparency and communication features are used, which lead to the kind of shareholder experiences described above. A more complex platform with shareholder experience, access and protection prioritized in a manner equivalent to the experience of an in-person meeting may cost more. As the International Corporate Governance Network has noted, “[t]he right comparison is therefore not between a physical AGM and a low cost webcast. It is between a physical or hybrid AGM and a virtual-only AGM with equivalent shareholder protections”⁶.

Consider using the CBCA regulatory authority to establish best practice/meeting conduct expectations

We would encourage ISED to consider using the regulatory powers already incorporated S. 132 (4) and (5) to implement principles based guardrails establishing a minimum floor of expectations and best practices for the conduct of the virtual component of a hybrid meeting.

CCGG’s Virtual Shareholder Meetings Policy highlights potential areas for consideration. These include:

1. Use, as a default, a hybrid meeting format to permit in person and virtual shareholder participation.

⁴ Schwartz-Ziv, Miriam, Is Shareholders' Voice Strategically Shaped at Shareholder Meetings, and Does the Market Care? (April 25, 2026). European Corporate Governance Institute – Finance Working Paper No. 748/2021, Available at SSRN: <https://ssrn.com/abstract=3674998> or <http://dx.doi.org/10.2139/ssrn.3674998>

⁵ [CCGG, Submission to the CSA regarding investor experiences at virtual shareholder meetings during the 2025 proxy season, November 28, 2025.](#)

⁶ *Supra*, note 1.

2. Use accessible video-based technology platforms that facilitate virtual shareholder access, voting and real time participation.
3. Ensure synchronous shareholder participation that facilitates communication among shareholders as well as between shareholders and the company's board and management and provides the ability for shareholders to vote, raise points of order, speak to shareholder proposals and pose questions including follow up questions from the floor to management in real time, without prior gatekeeping or vetting by management.
4. Consistent with the recommendations of the CSA guidance on VSMs, ensure that disclosure in the management circular and proxy materials provides complete, thorough and transparent instructions for registering, shareholder authentication, and voting. Particular care should be taken to ensure that the processes for participation of beneficial shareholders is not overly cumbersome or requires unnecessary additional steps.
5. Ensure the Chair of the meeting is well versed in meeting rules and procedures and exercises discretion with a view to the principles of transparency and accountability to shareholders.

CCGG's guidance is consistent with that subsequently offered by the CSA in a press release on the topic of VSMs issued in early 2024, raising similar concerns and identifying best practices⁷.

It is also consistent with the conclusions in recent academic research, which made the following policy recommendations: make recordings public, make submitted questions public, allow shareholders to present their questions, require firms to disclose the number of attending shareholders, and ease the submission of questions⁸.

ADDITIONAL RECOMMENDED CBCA AMENDMENTS: CLIMATE DISCLOSURES

In 2024, the federal government announced that it would amend the CBCA to permit facilitation of future regulation mandating climate disclosures for large privately held federally incorporated companies⁹. Our understanding is that this amendment was intended to level the playing field with respect to disclosure requirements between Canadian public companies and large private companies in anticipation of expected mandating of climate disclosures for Canadian public companies by the CSA.

⁷ [Canadian Securities Administrators News Release, Canadian securities regulators provide updated guidance on virtual shareholder meetings, February 22, 2024](#)

⁸ *Supra*, note 3 at Appendix D, at p. 73-74.

⁹ [Department of Finance Canada News Release, Government advances Made-in-Canada sustainable investment guidelines and mandatory climate related disclosures to accelerate progress to net-zero emissions by 2050, October 9, 2024.](#)

The CSA subsequently paused its work on mandating climate-related financial disclosures but has repeatedly indicated that the pause will be lifted at a future point¹⁰.

As such, we recommend that the federal government proceed with the planned amendments to the CBCA to establish the required regulatory authority to implement aligned climate-related financial disclosures as and when the CSA pause is removed in the future.

CONCLUSION

We thank you again for the opportunity to provide you with our comments. Please do not hesitate to contact our Chief Executive Officer, Catherine McCall, at cmccall@ccgg.ca or our Director of Policy Development, Sarah Neville at sneville@ccgg.ca if you would like to discuss the matters in this letter further or if we can be of any assistance.

Yours truly,

Dawn Jia

Dawn Jia, Vice Chair
Canadian Coalition for Good Governance

¹⁰ [Noushin Ziafati, CSA's pause on mandatory climate disclosures 'not indefinite': OSC CEO, Investment Executive, June 4, 2025.](#)

CCGG MEMBERS 2026*

- Alberta Investment Management Corporation (AIMCo)
- Archdiocese of Toronto
- Aviva Investors Canada Inc.
- BlackRock Asset Management Canada Limited
- BMO Global Asset Management Inc.
- Burgundy Asset Management Ltd.
- Capital Group Canada
- CIBC Asset Management Inc.
- Colleges of Applied Arts and Technology Pension Plan (CAAT)
- Connor, Clark & Lunn Investment Management Ltd.
- CPP Investments
- Desjardins Global Asset Management
- Fiera Capital Corporation
- Fondation Lucie et André Chagnon
- Foyston, Gordon & Payne Inc. (FGP)
- Healthcare of Ontario Pension Plan (HOOPP)
- Hillsdale Investment Management Inc.
- Investment Management Corporation of Ontario (IMCO)
- iA Financial Group
- Jarislowsky Fraser Limited
- La Caisse
- Leith Wheeler Investment Counsel Ltd.
- Letko, Brousseau Global Investment Management
- Morguard Lincluden Global Investments
- National Bank Investments
- NEI
- Ontario Municipal Employee Retirement System (OMERS)
- Ontario Teachers' Pension Plan (OTPP)
- OP Trust
- PCJ Investment Counsel Ltd.
- Pension Plan of the United Church of Canada Pension Fund
- Provident10
- Public Sector Pension Investment Board (PSP Investments)
- Qube Investment Management Inc.
- QV Investors Inc.
- RBC Global Asset Management Inc.
- Régimes de retraite de la Société de transport de Montréal (STM)
- RPIA
- Scotia Global Asset Management
- Sionna Investment Managers Inc.
- SLC Management
- Summerhill Capital Management
- Teachers' Pension Plan Corporation of Newfoundland and Labrador
- TD Asset Management
- Teachers' Retirement Allowances Fund (TRAF)
- UBC Investment Management Trust Inc.
- University Pension Plan Ontario (UPP)
- University of Toronto Asset Management Corporation (UTAM)
- Vestcor Inc.
- York University Pension Fund

***As a coalition, CCGG strives to build and reflect a consensus but, while supportive of CCGG's mission and mandate, CCGG's Members are not individually bound by CCGG's positions.**