

Corporate and Commercial

This is a summary of Corporate and Commercial matters of interest.

Annual Meetings for Ontario Corporations – What the COVID-19 State of Emergency Means for your Corporation

Businesses incorporated under the *Business Corporations Act* (Ontario) (the "**OBCA**") or the *Corporations Act* (Ontario) (the "**CA**"), are mandated to hold an annual general meeting of their shareholders or members, as applicable, each year to make governance decisions regarding the corporation (the "**AGM**"). Such meetings shall be called within 15 months of the previous AGM.

During the COVID-19 outbreak, hosting in-person meetings would contradict the public health advice to practice physical distancing and self-isolation. Further to this, on March 17, 2020 the Ontario Government declared a State of Emergency in the Province of Ontario which temporarily suspends the application of a number of provisions of the OBCA and the CA. With this in mind, many Ontario corporations are exploring the following alternative options to host their AGM.

Virtual Meetings

Under the *Emergency Management and Civil Protection Act* (the "**EMCPA**") which is enacted when a state of emergency is declared, the AGM of a corporation can be held virtually despite any provisions in the articles of incorporation, letters patent, or by-laws of the corporation providing otherwise. Means of holding the AGM virtually includes by telephone or any electronic means which allow all participants to speak to each other during the meeting. Any member or shareholder who votes through the above noted means or establishes a communication link during the meeting is deemed to be present (including for the purpose of establishing a quorum).

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Extension

Corporations incorporated under the CA and corporations incorporated under the OBCA have an extended timeline to hold their AGM under the EMCPA. If the last day on which a meeting is required to be held is a day that falls within the period of the declared emergency, the corporation may hold the AGM within 90 days after the state of emergency has been lifted.

Furthermore, if the last day on which a meeting is required to be held is within a 30 day period after the state of emergency is lifted, the corporation may hold the AGM within 120 days after the state of emergency is terminated.

Should you wish to discuss the above options or require any further information regarding this matter, please do not hesitate to reach out to George Dzuro @ gdzuro@kmlaw.ca or Sheila O'Toole @ sotoole@kmlaw.ca.

This edition of Corporate and Commercial was produced and edited by the members of the Corporate and Commercial Group at **Koskie Minsky LLP**.

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