

Kingsdale Advisors Releases 2019 Annual General Meeting Checklist for Canadian Companies

Annual checklist historically trusted by Canada's largest companies and of vital importance to rapidly growing cannabis companies

TORONTO ON., October 24, 2018– Kingsdale Advisors releases its *2019 AGM Checklist*, designed to help Canadian companies and their boards prepare for their next annual general meeting and avoid potential pitfalls in the upcoming proxy season.

“A successful annual meeting is no longer defined by resolutions simply passing. It’s defined by a robust turnout of voters with strong support in a way that signals the company has a broad and definitive mandate from its owners. Even if a resolution passes with low support it can result in embarrassment for directors and reputational damage with shareholders,” said Kingsdale’s Wes Hall, Executive Chairman and Founder. “A strong turnout coupled with strong support is a sign of good governance and can prevent a lot of problems. When we are working for an activist the first thing we do is look at the turnout and identify governance holes.”

The checklist, released annually, has historically been a valuable resource for Canada’s largest issuers ahead of their annual meetings and of new relevance this year to cannabis companies who have graduated to the TSX and seen their shareholder base change dramatically with the addition of more institutional ownership. Based on an analysis of publicly available data for six of the largest Canadian cannabis companies by market cap, the number of institutional shareholders over the last year have increased on average by 549%.

“We expect a lot of rapidly growing cannabis companies may face a rude awakening at their 2019 AGMs when they encounter a shareholder base that has shifted and brings with it more stringent voting policies and a method of evaluation that transcends simple share price performance,” said Amy Freedman, Chief Executive Officer. “While cannabis companies are focused on the opening of the recreational market, there is a more important choice for them today: Either get prepared and spend the time needed to properly institute best-in-class governance practices, or run the risk of being surprised when you open the ballot box and are left exposed.”

This year’s checklist poses ten tough questions designed to prompt debate amongst directors and ensure they are thinking about what can be done proactively to ensure a successful annual meeting. It also encourages fledgling companies to evaluate their readiness and identify their vulnerabilities:

1. Do you know your shareholders and how sensitive they are to proxy advisors Institutional Shareholder Services (ISS) and Glass Lewis?
2. Do your shareholders know you and are you planning a listening exercise before they vote?
3. Are gender and racial diversity problems for your board?
4. Can directors withstand scrutiny that goes beyond share price performance?
5. Are your by-laws not only up to date but reflective of best practices?
6. Are you aware of how you will be evaluated from an environmental and social (E&S) perspective?
7. Is your meeting turnout robust or does it reflect shareholder apathy that leaves you vulnerable?
8. Is your executive compensation aligned with performance and based on metrics beyond total shareholder return?

9. Are you planning to renew your rolling reserve equity plan or do you intend to seek shareholder approval for additional treasury reserves?
10. With 40 proxy fights to date this year, has your board prepared itself in the event it becomes an activist target?

The full version of Kingsdale's *2019 AGM Checklist* can be downloaded [here](#).

"Kingsdale is alone in its ability to proactively identify and prevent potential issues ahead of an annual meeting. Coupled with that our unparalleled ability to convince and mobilize shareholders means we are able to provide boards with not only the ultimate insurance policy on certainty of outcome but represent a competitive advantage amongst their peers," Freedman added. "The fact is too many companies still wait until ISS and Glass Lewis have passed judgment or a few days before their annual meeting to acknowledge a problem they should have seen coming. We are in the business of changing that."

About Kingsdale Advisors:

With offices in Toronto and New York, Kingsdale Advisors is the leading advisor to public companies on all shareholder, governance, and transaction related matters having acted on the largest and highest profile proxy fights, transactions, and other special situations. Since 2003, public companies across North America have looked to the expertise of Kingsdale Advisors to secure the success of transactions or resolutions driven by shareholder votes. Kingsdale Advisors' multidisciplinary team offers an array of specialized services focused on strategic and defensive advisory, governance advisory, compensation advisory, strategic communications, voting analytics, and creative services.

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