



Universal Appeal: Pershing Square's Recent Battle with ADP and its Implications for the Use of Universal Proxy Cards in Canada

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In November 2017, Bill Ackman and his hedge fund Pershing Square Capital Management, L.P. ("**Pershing Square**") lost a high-profile proxy battle against ADP, LLC ("**ADP**"). After disclosing Pershing Square had acquired an 8% interest in ADP, Ackman launched a proxy campaign to obtain three seats on the ten-person ADP board. During the campaign, Pershing Square suggested both sides use a "universal proxy card," which is a single form of proxy listing all director candidates, regardless of whether they are nominated by management or the dissident shareholders.

Despite Ackman's admonition that using a universal proxy was a "hallmark of good corporate governance,"¹ and that proxy advisory firms recommended supporting some or all of the dissident nominees, ADP rejected the universal proxy proposal.² Pershing Square failed to place any directors on the board and, in the aftermath of its defeat, claimed Ackman would have been elected if the "withhold" votes in respect of a certain incumbent nominee on the management form of proxy had instead been votes for Ackman (which is what Pershing Square claimed would have been the case if a universal proxy had been used).³ Unfortunately for Ackman, the absence of a universal proxy made it impossible for shareholders to follow the recommendations of proxy advisors who recommended shareholders vote in favour of a slate consisting of some of the nominees on the Pershing Square proxy and some of the nominees on the management proxy. While shareholders seeking to follow these recommendations could strategically withhold votes from certain nominees on one proxy card or the other to try and achieve the same result,⁴ this approach has limited utility and is a poor substitute for allowing shareholders to vote directly for all of their preferred candidates.

The ADP campaign, along with Trian Fund Management L.P.'s 2015 campaign to replace four directors of DuPont Co.⁵, have brought renewed attention to the role universal proxies can (or should) play in a proxy contest. This article will explain the concept of universal proxies, provide examples of their use, consider the debate surrounding their use and outline positions held on the matter by various organizations. We

conclude universal proxies are an effective way of ensuring shareholders who vote by proxy have the same opportunity to support any combination of nominees that shareholders who vote in person have always enjoyed, and there are very few (if any) compelling arguments from a policy perspective as to why they should not be mandatory in any contested director election.

Contested Director Elections and Universal Proxies

Universal proxies address a significant difference in the way voting by proxy and voting in person work in contested director elections.

Under applicable Canadian corporate and securities laws, shareholders who attend a shareholder meeting to vote in person can vote for any combination of director candidates, regardless if they were nominated by management or dissident shareholders. They are not limited to selecting nominees from only the company slate or only the dissident slate.

In contrast, standard proxy voting practice is for both management and dissident shareholders to prepare separate forms of proxy, listing only their own nominees. Shareholders can submit one (and only one) form of proxy, and are therefore unable to vote for any combination of management and dissident nominees other than the ones set out in the form of proxy they choose to submit.⁶ Thus, shareholders voting by proxy do not have the same ability to select directors as those voting in person and can find themselves partially disenfranchised as there is no practical method of splitting their vote between candidates listed on competing proxy cards. Universal proxy cards address this problem.

There are currently no U.S. or Canadian laws prohibiting universal proxies, but neither are there any that require their use. For parties who wish to use universal proxies, there is a significant difference between Canadian and U.S. law - in Canada, each side is free to include nominees from the other side on their proxy card without the consent of those nominees, whereas U.S. proxy rules generally require the consent of each individual nominee before naming them on a proxy card.⁷ Unilateral use of a universal proxy is therefore possible in Canada, but not in the U.S. In other words, under current U.S. rules, the incumbent board can "just say no" to the use of a

universal proxy while their Canadian counterparts do not have that luxury. As evidenced by the dissident's experience in ADP and DuPont, this is a potentially important advantage for an activist investor considering targeting a Canadian company.

Regulatory and Industry Organization Positions on Universal Proxies

Canada

In September 2015, the Canadian Coalition for Good Governance (CCGG), an organization representing most of Canada's largest institutional shareholders, published its Universal Proxy Policy.⁸

The CCGG advocated for the use of a universal proxy in every instance of Canadian public company contested director elections, and suggested Canadian corporate and securities laws be amended to make universal proxies mandatory to “ensure that shareholders can vote for the selection of candidates they prefer, just as shareholders can if they attend a shareholder meeting in person”. The CCGG position focuses on enhancing shareholder democracy and director accountability by ensuring shareholders can individually select the nominees they believe most suitable for the board, preventing the election of potentially subpar directors who are *dragged along* with an otherwise preferred slate. The CCGG also urged Canadian issuers to voluntarily adopt universal proxies pending any legislative changes.

Beyond the CCGG policy, there has been very little in the way of legislative or policy initiatives relating to universal proxies in Canada. Neither the Toronto Stock Exchange nor any of the provincial securities regulators have signalled any intention to mandate the use of universal proxies or shown any particular interest in their use. Similarly, there are no current proposals to amend federal or provincial corporate laws to mandate or regulate universal proxies, including under Bill C-25, the proposed *Canada Business Corporations Act* amendments introduced in September 2016.⁹

United States

In October 2016, the SEC published proposed rule changes that would require universal proxies to be used in all contested elections of directors, other than those involving registered investment companies and business development

companies.¹⁰ Similar to the CCGG position, these rules seek to better align the in-person and proxy voting process so as to enhance shareholder democracy and are intended to eliminate the obstacles to using universal proxies created by the *bona fide* nominee rule. The proposed rules include, among other things, notice requirements to facilitate the universal proxy regime¹¹ and the broadening of key definitions.¹² The proposal also outlines robust mechanics for the use of universal proxies such as proxy card formatting, how nominees are to be described and categorized on a single card, when nominations and ballots must be finalized and printed, as well as the inclusion of “against” and “abstain” voting options.

The SEC rule changes have not yet been adopted and it now appears highly unlikely they will ever be adopted. The strongest advocate of the new rules was former SEC chair Mary Jo White, who left the SEC at the end of the Obama administration. With the appointment of a new SEC chair (Jay Clayton) and the strong focus on deregulation under President Trump, there is little prospect that universal proxies will be required in the U.S. anytime soon. In fact, the Financial CHOICE Act of 2017, which was introduced to Congress in June 2017, contains a provision prohibiting the SEC from mandating the use of a universal proxy.¹³

In response to the SEC's proposed universal proxy rule, the Council of Institutional Investors (CII), a corporate governance group in the U.S. similar to the CCGG, issued a statement fully supporting the proposal. CII noted shareholders' ability to vote for the nominees they wish to represent them on the board of directors “is vitally important in proxy contests, when board seats (and in some cases, board control) are at stake,” and shareholders will become disenfranchised if the combination of nominees they support is not found on either proxy form.¹⁴

Following the introduction of the Financial CHOICE Act of 2017, CII sent a letter to the House of Financial Services Committee¹⁵ outlining its concerns with the proposed legislation. In particular, CII opposed the above-noted prohibition on requiring a universal proxy. In support of its position, CII quoted Keith F. Higgins, former SEC Director of Corporation Finance:

What I haven't heard is a good answer to this simple question: Why shouldn't a shareholder who votes by proxy have the same voting options as a shareholder who votes in person? Unless someone comes up with a good answer to that question, I think the Commission

should move forward with the proposal, although I note that a prohibition on doing so may be part of version 2.0 of the Financial CHOICE Act being considered by the House Financial Services Committee. Even though there are only a relatively small number of contested elections each year, it is a glitch in the system of fair suffrage that should be fixed.¹⁶

While there may not be a clear answer to Mr. Higgins' question, it is clear – at least for the foreseeable future – there will continue to be no legal obligation to use universal proxies in either Canada or the U.S.

Canadian Pacific Railway – First Successful Use of a Universal Proxy

The ADP campaign was not the first time Pershing Square suggested using a universal proxy as part of a proxy contest. After trying, unsuccessfully, to convince Target Corporation to agree to a universal proxy in 2009,¹⁷ Pershing Square found more fertile ground for the tactic in 2012 as part of its high profile proxy contest to replace a majority of the board of Canadian Pacific Railway Ltd (“**Canadian Pacific**”).

Early on in that campaign, Pershing Square began to strongly advocate in favour of using a universal proxy. As Pershing Square did not require the consent of management's nominees to list them on its card, Canadian Pacific faced a difficult strategic decision – whether to pre-empt Pershing Square with its own universal proxy. Faced with the prospect of Pershing Square unilaterally deploying a universal proxy, Canadian Pacific adopted a universal proxy, listing the dissident's nominees in addition to its own. Pershing Square followed suit and shareholders were ultimately presented with two identical universal proxies.

The battle between Pershing Square and Canadian Pacific turned into one of the most prominent proxy contests to have occurred in Canada and Pershing Square succeeded in having all seven of its nominees elected. While it is hard to say how much of Pershing Square's success can be attributed to proxy voting mechanics, it is clear the universal proxy card worked precisely as intended: shareholders could vote for some or all of Pershing Square's nominees and still choose which incumbents they would prefer to populate the remainder of the board rather than being forced to support only incumbent

directors (by voting the management proxy card) or only the Pershing Square nominees (by voting the dissident proxy card). Pershing Square presumably believed this made it more likely its nominees would receive at least some votes from shareholders who favoured some changes on the board but not necessarily the entire Pershing Square slate. In addition, because both sides used identical universal proxy cards, the chances of shareholders being confused by the proxy voting process and inadvertent voting errors were greatly decreased.

Granite REIT – Recent Example of a Successful Universal Proxy

A more recent example of universal proxy use in Canada is the June 2017 proxy battle between Granite REIT (“**Granite**”) and two dissident unitholders, FrontFour Capital (“**FrontFour**”) and Sandpiper Group (“**Sandpiper**”). In an effort to place three directors on Granite's eight-person board, FrontFour and Sandpiper used a universal proxy card while – in contrast to Canadian Pacific's approach – Granite opted for a traditional form of proxy. The dissidents succeeded in having all three of their nominees elected. While the one-sided use of a universal proxy introduced a risk for the dissidents that dispersion of votes amongst all of the nominees might lead to an incumbent nominee being elected at the expense of one of their own, FrontFour and Sandpiper publicly targeted the incumbents they believed should not be re-elected, and therefore “were able to maintain the optics of a full democratic process while achieving the desired outcome”.¹⁸

Arguments Supporting the Use of Universal Proxies

In the course of the ongoing debate over universal proxies – both in the context of actual proxy contests and policy initiatives such as the CCGG's Universal Proxy Policy – those who support universal proxies have advanced a number of arguments in favour of their position. Two of the most commonly cited reasons for making universal proxies mandatory are discussed below.

(i) Enhancing Shareholder Democracy

The strongest and most obvious argument in favour of universal proxies is they enhance shareholder democracy. By

eliminating the discrepancies between proxy voting and in-person voting in contested elections, universal proxies allow all shareholders – regardless of how they vote – to support each one of their preferred nominees.

There is no obvious reason why the two processes and outcomes should be different. Imagine, for example, political elections worked the same way as contested board of director elections – citizens who vote in person at the polls would be able to vote for any combination of candidates running in respect of the various seats or positions being contested, whereas those who vote by absentee ballot would have to vote for only the candidates nominated by one party or another. While there are clearly a number of important differences between political elections and shareholder voting, it is inconceivable a system that restricts the manner in which citizens cast their votes in that manner would be acceptable in a democratic society. From that perspective, it seems incongruous that proxy contests continue to be conducted in a manner that limits the ability of the vast majority of shareholders (those who vote by proxy) to most precisely express their collective wishes.

(ii) Eliminating Shareholder Confusion

For most investors, the proxy voting system causes significant and unnecessary confusion, particularly in the context of a proxy contest. During a typical proxy contest, shareholders are bombarded by competing proxy forms from each side, containing different nominee combinations, formatting and colouring. Proxy solicitor calls, competing proxy circulars, press releases and websites continually urge shareholders to vote only one form of proxy and ignore the other, or to change their vote by submitting, for example, the “yellow” proxy if they had previously delivered the “blue” proxy (or vice versa). In these circumstances, it is inevitable some shareholders will become confused and inadvertently submit the wrong proxy or an invalid proxy, preventing them from having their true wishes recorded. It is easy to imagine, for example, some shareholders trying to vote for their preferred slate of directors by selecting some of the candidates on the company proxy and some of the candidates on the dissident proxy and then sending both in. Rather than giving effect to the shareholder’s actual wishes of course, this simply means only the candidates on whichever side’s proxy happens to arrive last end up receiving any votes.

The introduction of a universal proxy card could help streamline the voting process and minimize confusion and voting mistakes. Shareholders who receive a single form of proxy that lists all of the candidates will not be tempted to try and vote for nominees from multiple cards and are presumably far less likely to make mistakes when completing and submitting the proxy. Any subsequent form of proxy submitted, overriding an earlier card, would be on a form containing the same candidates, and therefore likely to merely be a harmless duplication (or reflect an intentional modification of the shareholder’s vote) rather than inadvertently changing the candidates who receive the shareholder’s support.

Arguments Against the Adoption of Universal Proxies

Although the case in favour of universal proxies is, in our view, quite compelling, there are some countervailing arguments worth considering, including:

(i) Increased Proxy Contest Frequency

The adoption of universal proxies may embolden activists to initiate more proxy battles. Since universal proxies provide shareholders greater flexibility to vote for dissident nominees, it may be that mandatory universal proxies would lead to an increase in the instances where activists are prepared to run a full campaign because of the possibility of achieving at least a partial victory (e.g., having one or two nominees elected, even if the full dissident slate does not get in). An increase in the frequency of proxy battles would lead to increased company expenses, which can be particularly significant for smaller companies, more distractions and uncertainty for company management and potentially greater leverage for activists looking to extract favourable settlements. There is also a fear the threat of more frequent proxy battles will force incumbent directors to adopt an increasingly short-term approach to management, warranted or not, aimed at appeasing activist shareholders.

On the other hand, it seems unlikely the ability to use universal proxies – in and of itself – would have a significant impact on the frequency of proxy contests, particularly because their potential utility to a dissident shareholder in a prospective contested election will be speculative at best. Since a proxy contest is a significant undertaking and is typically pursued

only as a last resort, we are not convinced dissidents will be any more or less likely to target companies based on whether universal proxies are available for use.

(ii) Value of Electing the Board as a Whole

Universal proxies may also lead to “mixed” boards, and boards are most effective when selected as a whole, not on a director-by-director basis. Companies (through their nominating and governance committees) and dissidents alike spend considerable time and resources selecting slates of nominees with a balanced range of skills, experience and expertise. Universal proxies, therefore, could disrupt this process and may result in suboptimal boards, lacking the proper balance of competencies and skills that could be better achieved through the synergies of a thoughtfully constructed group. There is also a concern that giving shareholders complete carte blanche over the composition of the board could lead to the election of a group of directors that does not satisfy corporate or securities law standards (e.g., Canadian residency or independence requirements).

On the other hand, requiring each nominee to stand on his or her own merit, as is the case with universal proxy cards, rather than being elected as part of a slate, could ultimately be in the best interests of the corporation by making it more likely only the best qualified candidates are elected. In addition, the external perspective that independent shareholders bring to the process may in some cases be helpful in identifying areas for improvement within the boardroom, and a board composed of both management and dissident directors may sometimes be more dynamic and conducive to generating shareholder value. We also believe shareholders, particularly sophisticated institutional shareholders, will be mindful of legal requirements and overall board composition considerations when choosing which nominees to support. Therefore, we believe concerns about universal proxy voting leading to less effective or non-compliant boards are largely overstated.

Looking to the Future

If the fundamental purpose of proxy voting is to mirror in-person voting and preserve shareholder democracy in the face of the practical limitations created by the separation of registered and beneficial ownership of securities, it is difficult to see why universal proxies should not be mandatory in all

contested director elections. Even if, in some cases, universal proxies encourage activists to be more aggressive than they might have otherwise been in pursuing a proxy contest or lead to the election of an arguably less than optimal “mix” of nominees, those minor concerns are far outweighed by the benefits associated with removing the limitations on shareholder choice and reducing the confusion caused by presenting shareholders with competing dissident and company forms of proxy.

Unfortunately, with the apparent failure of the SEC’s universal proxy rulemaking initiative and the existing ability for either party to use a universal proxy unilaterally in Canada, we do not believe universal proxies will be legally mandated on either side of the border anytime soon. This means activists who wish to use a universal proxy will continue to be forced to either (in the U.S.) try to convince the company to agree to this approach to proxy voting or (in Canada) take a calculated risk and proceed with a universal proxy unilaterally, recognizing the company may decide (as in the case of Granite REIT) to distribute a proxy that lists only the company nominees.

In the absence of any changes to the law, it will be left to shareholders and organizations like the CCGG and CII to advocate for universal proxies in proxy contests, but unless this issue gains more prominence as a “hot button” governance issue (like proxy access or majority voting) amongst larger institutional investors the prospect of companies voluntarily moving to mandatory universal proxies also seems remote.

Of course, this entire issue could be rendered moot if, as some are now predicting, blockchain technology can be deployed to maintain share ownership ledgers, removing the need for intermediaries (such as CDS) and eliminating the separation of registered and beneficial ownership, which would significantly transform proxy voting. The idea of a distributed voting ledger ensuring accuracy, consensus and immutability of votes, on a practical, accessible and secure platform in real time, could solve many of the problems associated with the current proxy voting system (including the use of separate dissident and company proxy voting forms) and provide shareholders with a more effective voice in director elections. If the widespread use of blockchain voting technology is indeed the future, it may be here sooner than we think.¹⁹

Endnotes

- ¹ Ackman stated this in Pershing Square's letter to the board of ADP dated September 15, 2017. Letter from William A. Ackman (September 15, 2017), online: U.S. Securities and Exchange Commission < <https://www.sec.gov/Archives/edgar/data/8670/000119312517286473/d240388dex999.htm>>.
- ² The rejection letter to Mr. Ackman noted universal proxy cards are not widely used in the U.S. – never having been used by a large-cap, broadly-held U.S. public company such as ADP, and the introduction of a relatively novel voting process, after both ADP and Pershing Square had already distributed their proxy materials, would not only be unnecessarily costly for both sides, but lead to significant disenfranchisement of shareholders. Letter from Jon Jones (September 22, 2017), online: U.S. Securities and Exchange Commission < https://www.sec.gov/Archives/edgar/data/8670/000095014217001703/eh1700973_ex01.htm>.
- ³ From Pershing Square's press release dated November 7, 2017: "As of the most recent preliminary vote count, Bill Ackman received 81 million out of the 259 million votes cast for Eric Fast and Bill Ackman combined, or more than 31% of the votes cast. Furthermore, Mr. Fast also received 62 million withhold votes as a result of proxy advisor ISS's recommendation that shareholders support Bill Ackman's election by withholding their votes for Mr. Fast. Had these shareholders voted for Mr. Ackman rather than withholding for Mr. Fast, Mr. Ackman would have received 62 million more votes, or 143 million versus 178 million for Mr. Fast, representing 45% of the votes cast. Had ADP been willing to use a universal proxy card for this election, Pershing Square believes that Bill Ackman would have been elected to ADP's board." Business Wire, Press Release, "Pershing Square Comments on Today's ADP Election Results" (November 7, 2017) online: Business Wire < <https://www.businesswire.com/news/home/20171107006255/en/Pershing-Square-Comments-Today%E2%80%99s-ADP-Election-Results>>.
- ⁴ For instance, shareholders voting for a seven-person board in the context of a dissident campaign to replace the entire board cannot follow a "five incumbent nominee, two dissident nominee" recommendation without using a universal proxy. With a traditional proxy card, shareholders have two options: (1) use the incumbent proxy card and vote "for" five directors and "withhold" two directors, or (2) use the dissident proxy card and vote "withhold" five directors and "for" two directors. This increases the likelihood the directors who receive "withhold" votes will not be elected (creating an opportunity for candidates listed on the other party's proxy card to receive more votes and be elected instead).
- ⁵ Nelson Peltz and his hedge fund Trian Fund Management L.P. unsuccessfully sought to replace four of DuPont's 12 directors in a high profile proxy contest. As part of its initiative, Trian requested DuPont to allow the use of a universal proxy card. Despite Trian's contention in a letter to the DuPont board that this would "reflect best-in-class corporate governance", DuPont denied the request. Letter from Nelson Peltz (March 3, 2015), online: U.S. Securities and Exchange Commission < https://www.sec.gov/Archives/edgar/data/30554/000093041315001013/c80541_dfan14a.htm>.
- Following the rejected proposal, Peltz commented in a press release, "We are disappointed that the DuPont Board has unanimously chosen to limit stockholder choice and veto best-in-class corporate governance by rejecting our proposal to allow stockholders to elect the best directors from among all director candidates. In objecting to the use of the universal proxy card, DuPont is forcing stockholders to elect either the Trian slate of candidates or the DuPont slate of candidates -- rather than permitting stockholders to elect whichever candidates they prefer regardless of which proxy card they submit. It is unfortunate that DuPont would frustrate shareholder democracy by rejecting a mechanism that we believe would result in the election of the most qualified directors and would allow stockholders who wish to choose among the best of all candidates to do so without having to travel to the Annual Meeting." Press Release, "Trian Comments on Dupont Rejection of Universal Proxy Card" (March 3, 2015) online: U.S. Securities Exchange Commission <https://www.sec.gov/Archives/edgar/data/30554/000093041315001013/c80541_dfan14a.htm>.
- ⁶ If a dissident shareholder is seeking to replace less than all of the incumbent directors, the dissident form of proxy will often list the dissident's nominees along with those incumbents the dissident supports remaining on the board.
- ⁷ This is frequently referred to as the "*bona fide* nominee" rule. There are certain exceptions to this rule (the "short slate rule") when a dissident is seeking to replace less than all of the incumbent directors.
- ⁸ Canadian Coalition for Good Governance, Universal Proxy Policy, "The Need for a "Universal Proxy" in Contested Director Elections" (September 2015).
- ⁹ Bill C-25, *An Act to amend the Canada Business Corporations Act, the Canada Cooperatives Act, the Canada Not-for-profit Corporations Act and the Competition Act*, 1st Sess, 42nd Parl, 2017. Bill C-25 proposes to make majority voting mandatory but does not address universal proxies. The fact this current effort to update federal corporate law does not include universal proxies suggests they are not a high priority item from a policy perspective.
- ¹⁰ *Securities and Exchange Commission*, 17 CFR Part 240 (2016). The proposed SEC rules apply only to registrants subject to U.S. federal proxy rules. The rules would not apply to foreign private issuers, including Canadian companies who list securities on U.S. stock exchanges.
- ¹¹ The dissident would be required to disclose to management the names of their nominees no later than 60 calendar days before the anniversary of the previous year's annual meeting date, and management would be required to disclose to the dissident the names of their nominees no later than 50 calendar days before the anniversary of the previous year's annual meeting date. In addition, the dissident would be required to file its definitive proxy statement by the later of (i) 25 calendar days before the meeting date, and (ii) five calendar days after management files its definitive proxy statement.
- ¹² The SEC proposals expand the definition of "*bona fide* nominee" to a nominee who has "consented to being named in a proxy statement relating to the registrant's next annual meeting of shareholders at which directors are to be elected [...] and to serve if elected".
- ¹³ Financial CHOICE Act of 2017, HR 10 (2017), Section 845: "The [SEC] may not require that a solicitation of a proxy, consent, or authorization to vote a security of an issuer in an election of members of the board of directors of the issuer be made using a single ballot or card that lists both individuals nominated by (or on behalf of) the issuer and individuals nominated by (or on behalf of) other proponents and permits the person granting the proxy, consent, or authorization to select from among individuals in both groups."
- ¹⁴ Council of Institutional Investors, "Universal Proxy Cards" *Council of Institutional Investors*, online: <http://www.cii.org/cii_universal_proxy>.
- ¹⁵ Letter from Jeffrey P. Mahoney, General Counsel for the Council of Institutional Investors (April 24, 2017).
- ¹⁶ Keith F. Higgins, Keynote Address at the Practising Law Institute Corporate Governance – A Master Class 2 (Mar. 9, 2017).
- ¹⁷ In May, 2009, Pershing Square was defeated by Target Corporation, in its pursuit for four seats of the twelve-person board. Like ADP, Target rejected Pershing Square's request for a universal proxy card. Pershing Square Capital Management, L.P., Press Release, "Pershing Square Comments on Target's Objection to Universal Ballot Proposal, online: <<https://www.sec.gov/Archives/edgar/data/27419/000095012309006934/y01431dadfan14a.htm>>.
- ¹⁸ Kingsdale Advisors, Proxy Release, "Proxy Season Review 2017" (September 2017).
- ¹⁹ For instance, on November 22, 2017, it was announced that South Africa's central securities depository will leverage Nasdaq's blockchain technology for its proxy voting (bringing electronic voting to the South African capital markets) (Nasdaq, News Release, "Nasdaq to Deliver Blockchain e-Voting Solution to State" (November 22, 2017) online: Nasdaq GlobeNewswire < <https://globenewswire.com/news-release/2017/11/22/1204914/0/en/Nasdaq-to-Deliver-Blockchain-e-Voting-Solution-to-State.html> >), and on July 21, 2017, Delaware's General Corporation Law was amended to allow corporations to employ electronic databases and blockchain technology to maintain and distribute certain corporate records, facilitating the adoption of blockchain and distributed ledger technologies (US, AB 69, *An Act to Amend Title 8 of the Delaware Code Relating to the General Corporation Law*, 149th Gen Assm, Del 2017).

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