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DIRECTORS AND OFFICERS IN CANADA: LAW AND PRACTICE

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Directors and Officers in Canada: Law and Practice is a comprehensive text on the current legal framework of corporate governance in Canada. It considers and compares the *Canada Business Corporations Act* and the corporate statutes in each of the provinces and territories, describes relevant case law in detail, and discusses current themes in corporate governance.

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This release features updates to Procedural Summaries.

Highlights

Appendices - Appendix Q. Summaries of Major Corporate Events Pursuant to the British Columbia Business Corporations Act - I. Company Alterations Pursuant to British Columbia’s Business Corporations Act—Summary of Procedure - § Q:3. Division 3—Amalgamation - The appeal was dismissed substantially for the reasons of the judge. The Act unmistakably refers to the registration of a change in the registered ownership effected as a result of an amalgamation effected under the Business Corporations Act as a transfer referred to in paragraph (f) of the definition of “taxable transaction”. It also unmistakably refers to the registration of a change in the registered ownership effected as a result of such an amalgamation as a transfer described in s. 14(4)(u) of the Act. When RC applied under s. 191(4) of the Land Title Act for a new indefeasible title following the amalgamation, it also applied for, and was granted, an exemption under s. 14(4)(u) for the Transfer Tax, because the amalgamation was effected under the Business Corporations Act. However, it was assessed \$1,629,200 as Foreign Buyer’s Tax because, by operation of s. 14(2.1), the s. 14(4)(u) exemption was inapplicable to that tax payable upon an application under s. 191 of the Land Title Act in respect of an amalgamation. In Justice MacKenzie’s view, if an application pursuant to s. 191(4) of the Land Title Act subsequent to an amalgamation is not a “transfer” within the meaning of the Act, both the statutory provision excluding statutory amalgamations from the transactions subject to Transfer Tax (s. 14(4)) and the exception to that exclusion (s. 14(2.1)) were unnecessary provisions. (*RC Limited Partner Inc. v. British Columbia*, 2024 CarswellBC 576, 2024 BCCA 86 (B.C.C.A.))

Appendices - Appendix PS1. Meetings of Shareholders Pursuant to CBCA—Summary of Procedure - § PS1:12. Voting - Intermediary - Case Law: Representative - Justice Kurz granted the following order: 1. Penelas was reinstated as a director of Stanmech, effective forthwith, upon the following terms: a. Penelas will not be involved in managing the day-to-day business of Stanmech b. Penelas is not permitted to negotiate or sign any contracts for Stanmech or hold himself out to third parties as having the authority to do so. c. Penelas is permitted to have ad hoc discussions with employees or other stakeholders regarding Stanmech’s business, for informational purposes only and without interfering in any way with the conduct of Stanmech’s business. d. Penelas will attend weekly leadership team meetings and receive the weekly “dashboard” reports. 2. Cruise and Stanmech shall forthwith restore Penelas’ email, IT, and banking access; 3. Stanmech shall forthwith restore Penelas’ compensation (including indirect compensation paid to his spouse) effective September 1, 2024; 4. Neither Penelas nor Cruise shall have any substantive discussions with Leister without the other participating; 5. No non-ordinary course steps or transactions with respect to the Stanmech business shall be undertaken without the express written consent of both Cruise and Penelas; 6. Cruise shall not terminate the employment of any Stanmech employee without first consulting with Penelas about the proposed termination; 7. Stanmech shall not hire a new employee without Cruise’s and Penelas’ joint participation in the hiring process, including all candidate interviews; 8. This order is effective until terminated by further order of the court; and 9. If any dispute(s) arise(s) respect-

ing the implementation of the terms of any of this order, the parties may request a case conference. (Penelas v. Cruise, 2024 CarswellOnt 18765, 2024 ONSC 6679, 2024 A.C.W.S. 6149 (Ont. S.C.J.)).