



Chartered  
Governance  
Institute  
of Canada

# INTERNATIONAL QUALIFYING PROGRAMME

## CORPORATE COMPLIANCE & ADMINISTRATION MODULE

THE CHARTERED GOVERNANCE INSTITUTE OF CANADA  
INTERNATIONAL QUALIFYING PROGRAM

## SYLLABUS

# CORPORATE COMPLIANCE & ADMINISTRATION

Total Hours Study Time – 200

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## Introduction:

The aim of this module is for candidates to develop their knowledge and skills to prepare for practice as a corporate secretary, ensuring that the corporation operates in accordance with good governance principles and the regulations of the jurisdictions of its incorporation and in which it operates. The focus is on board and board committee management, corporate compliance with law, bylaws and constating documents, and the corporate secretary's relationship with shareholders and executive management.

## Learning Outcomes:

This module is intended to result in the following learning outcomes for each candidate:

1. The candidate should understand the role of the corporate secretary and the differing responsibilities of the corporate secretary, the board, management, shareholders and other stakeholders.
2. The candidate should understand the nature and principles of the corporation's regulatory environment, and be able to interpret and practice those requirements in the sector to ensure compliance.
3. The candidate should be able to exercise appropriate judgment to advise the board on the expectations of and compliance with good governance requirements.
4. The candidate should be able to understand, apply and advise on statutes, regulations and good practice in respect of share capital.

## Part I: The Role of the Corporate Secretary, the Board and Other Stakeholders

20% - 40 Learning Hours

**Learning Outcome 1:** Understand the role of the corporate secretary and the differing responsibilities of the corporate secretary, the board, management, shareholders and other stakeholders.

TOPIC AREA	EXEMPLIFICATION
<p><b>Part I, Section 1: The Role of the Corporate Secretary and Good Governance</b></p>	<p>Role, functions and duties of the corporate secretary</p> <ul style="list-style-type: none"> <li>• Background</li> <li>• Duties               <ul style="list-style-type: none"> <li>• Board</li> <li>• Corporation</li> <li>• Shareholders</li> </ul> </li> <li>• Qualifications</li> <li>• Governance responsibilities vs. administrative responsibilities</li> </ul> <p>Appointment and vacation of the office corporate secretary</p> <ul style="list-style-type: none"> <li>• Appointment</li> <li>• Resignation or removal</li> </ul> <p>Relationship with the chair and directors</p> <ul style="list-style-type: none"> <li>• Reporting to chair</li> <li>• Independence</li> <li>• Reporting lines for executive management duties</li> </ul> <p>Corporate secretary as advisor to the chair and directors</p> <p>Dissemination of information and decisions</p> <ul style="list-style-type: none"> <li>• Before the board meeting</li> <li>• During the board meeting</li> <li>• After the board meeting</li> </ul> <p>Communication with shareholders and other stakeholders (including electronic communication)</p> <ul style="list-style-type: none"> <li>• Delivery of documents and information to a corporation</li> <li>• Delivery of documents and information by a corporation</li> </ul>

TOPIC AREA	EXEMPLIFICATION
<p><b>Part I, Section 2: The Directors</b></p>	<p>Types of directors</p> <ul style="list-style-type: none"> <li>• Executive</li> <li>• Non-executive</li> <li>• Alternate</li> </ul> <p>Recruitment, appointment, re-appointment and rotation</p> <ul style="list-style-type: none"> <li>• Qualification</li> <li>• Recruitment</li> <li>• Procedure for appointment</li> <li>• Rotation and reappointment</li> <li>• Number of directors</li> <li>• Defective appointment of directors</li> <li>• Disputed appointments</li> </ul> <p>Roles, duties, responsibilities and mandates</p> <ul style="list-style-type: none"> <li>• Executive and non-executive roles</li> <li>• Collective responsibility</li> <li>• Duties, as per the <i>Canada Business Corporations Act</i></li> <li>• Other statutory duties</li> <li>• Common law</li> <li>• Contractual</li> <li>• Authority to exercise corporate power</li> <li>• Liability for action or inaction</li> </ul> <p>Retirement, removal and disqualification</p> <ul style="list-style-type: none"> <li>• Vacation of office</li> <li>• Retirement by rotation</li> <li>• Removal of directors</li> <li>• Disqualification</li> </ul> <p>Succession planning</p> <ul style="list-style-type: none"> <li>• Diversity</li> <li>• Independence</li> <li>• Balance</li> </ul> <p>Directors' and officers' indemnification and liability insurance</p> <p>Board diversity – recruitment and value</p>

TOPIC AREA	EXEMPLIFICATION
<p><b>Part I, Section 3: The Directors Effective Board Practices</b></p>	<p>Board evaluation</p> <ul style="list-style-type: none"> <li>• Board structure</li> <li>• Board and corporate governance</li> <li>• Board monitoring</li> <li>• Board processes and interactions, including workplans and action items registers</li> <li>• Internal and external evaluations</li> <li>• Whole board and individual director assessments</li> </ul> <p>Director education and guidance</p> <ul style="list-style-type: none"> <li>• Orientation</li> <li>• Continuing professional development – whole board and individual director development</li> <li>• Availability of internal and external support</li> </ul> <p>Best practices, policies and procedures</p> <ul style="list-style-type: none"> <li>• Matters reserved to the board <ul style="list-style-type: none"> <li>• Authority limits</li> <li>• Code of conduct</li> <li>• Expense policy</li> <li>• Committee terms of reference</li> <li>• Whistle blowing policy</li> <li>• Risk management policy</li> <li>• Other matters</li> </ul> </li> </ul>
<p><b>Part I, Section 4: Members in a Not-for-profit Corporation</b></p>	<p>Defining a member</p> <ul style="list-style-type: none"> <li>• Membership under the <i>Canada Not-for-Profit Corporations Act</i></li> <li>• Becoming a member under federal legislation</li> <li>• Membership as a personal right, not a property right</li> <li>• Entry in the register of members</li> <li>• Minimum number of members</li> </ul> <p>Restrictions on membership</p> <ul style="list-style-type: none"> <li>• Defining a legal person</li> <li>• Restrictions in the articles</li> <li>• Minors as members of a corporation</li> <li>• Other disabling criteria</li> </ul> <p>Termination of membership</p> <ul style="list-style-type: none"> <li>• Death of a member</li> <li>• Relinquishment of membership status</li> <li>• Where termination occurs pursuant to a provision in the constating documents</li> </ul>

TOPIC AREA	EXEMPLIFICATION
<p><b>Part I, Section 5: Shareholders in a For-profit Corporation</b></p>	<p>Defining shareholders</p> <ul style="list-style-type: none"> <li>• Shareholders under the <i>Canada Business Corporations Act</i></li> <li>• Agreement to become a shareholder</li> <li>• Entry in the shareholders' register</li> <li>• Beneficial ownership</li> <li>• Minimum numbers of shareholders and shares</li> <li>• Shareholding as a property right</li> </ul> <p>Restrictions on shareholdings</p> <ul style="list-style-type: none"> <li>• Defining a legal person</li> <li>• Restrictions in the articles</li> <li>• Minors as shareholders in a corporation</li> </ul> <p>Activism</p> <ul style="list-style-type: none"> <li>• Shareholder (Investor) activism</li> <li>• Pressure group activism</li> </ul> <p>Rights attaching to, and characteristics of, shares</p> <ul style="list-style-type: none"> <li>• Detail in Articles of Incorporation</li> <li>• Shareholders' rights</li> <li>• Classes of shares</li> <li>• Rights attaching to a class of shares</li> <li>• Variation of shareholders' rights</li> </ul> <p>Shareholder remedies: statutory oppression</p> <ul style="list-style-type: none"> <li>• Who may take action as complainant</li> <li>• The conduct complained of</li> <li>• Possible remedial orders</li> </ul> <p>Shareholder remedies: the derivative action</p> <ul style="list-style-type: none"> <li>• The rule in <i>Foss v. Harbottle</i></li> <li>• The nature of the derivative action</li> <li>• Causes of action</li> <li>• Procedures in the derivative action</li> </ul>

## Part II: Regulatory Requirements for Corporations

40% – 80 Learning hours

**Learning Outcome 2:** Understand the nature and principles of the corporation's regulatory environment, and be able to interpret and practice those requirements in the sector to ensure compliance.

TOPIC AREA	EXEMPLIFICATION
<p><b>Part II, Section 1: Corporate Compliance</b></p>	<p>Matters to consider when establishing a corporation</p> <ul style="list-style-type: none"> <li>• Types of corporations: for-profit, not-for-profit; private, public</li> <li>• How to form a corporation federally and provincially</li> <li>• Registration of a corporation</li> <li>• Procedural requirements for the registration of a corporation</li> </ul> <p>Filing of corporate returns</p> <p>Offences under the relevant legislation with respect to filings</p> <p>Amalgamations</p> <ul style="list-style-type: none"> <li>• Amalgamations – procedures</li> <li>• Types of amalgamation: long form; vertical short form; horizontal short form</li> </ul> <p>Takeovers and acquisitions</p> <ul style="list-style-type: none"> <li>• Acquisition of shares</li> <li>• Acquisition of assets</li> <li>• Procedures related to share or asset acquisitions</li> </ul> <p>Insolvency and dissolution</p> <ul style="list-style-type: none"> <li>• How a corporation becomes insolvent</li> <li>• Winding up voluntarily and winding up involuntarily</li> <li>• The role of the liquidator</li> <li>• The federal <i>Bankruptcy and Insolvency Act</i></li> <li>• The federal <i>Companies' Creditors Arrangement Act</i></li> </ul> <p>Culture and corporate behaviour</p> <ul style="list-style-type: none"> <li>• Setting the tone from the top</li> <li>• Policies               <ul style="list-style-type: none"> <li>• Diversity and discrimination</li> <li>• Whistleblowing</li> <li>• Privacy and confidentiality</li> <li>• Remuneration</li> <li>• The employee handbook</li> </ul> </li> </ul>

TOPIC AREA	EXEMPLIFICATION
<p><b>Part II, Section 2: The Annual Report and External Audit</b></p>	<p>Role of the corporate secretary in the annual report cycle</p> <p>The annual report</p> <ul style="list-style-type: none"> <li>• Under the <i>Canada Not-For-Profit Corporations Act</i></li> <li>• Under the <i>Canada Business Corporations Act</i></li> <li>• For publicly traded corporations</li> <li>• As a communications tool</li> </ul> <p>Narrative reporting</p> <ul style="list-style-type: none"> <li>• Report on strategic planning and direction</li> <li>• Report from the board chair</li> <li>• Report from the chief executive</li> <li>• The auditors' report</li> <li>• Management discussion and analysis</li> </ul> <p>The role and responsibilities of the corporate secretary in the external audit process</p> <p>The annual financial statements and external audit</p> <ul style="list-style-type: none"> <li>• Appointment of auditors</li> <li>• Duties and rights of the auditor <ul style="list-style-type: none"> <li>• Right to information and access</li> <li>• Auditor as fiduciary</li> <li>• The auditors' report</li> </ul> </li> <li>• Recruitment process and maximum engagement periods <ul style="list-style-type: none"> <li>• Rotation of audit partner and audit firm</li> </ul> </li> <li>• Auditor remuneration and liability</li> <li>• Auditors' report and audited financial statements</li> <li>• Termination of auditor's appointment <ul style="list-style-type: none"> <li>• By resignation or removal</li> <li>• Rights of auditors removed or not re-appointed</li> </ul> </li> </ul>



TOPIC AREA	EXEMPLIFICATION
<p><b>Part II, Section 3: Publicly Traded Corporations</b></p>	<p>Requirements under the Ontario <i>Securities Act</i></p> <ul style="list-style-type: none"> <li>• The Ontario Securities Commission</li> <li>• The prospectus</li> <li>• Continuous disclosure</li> <li>• Proxies and proxy solicitation</li> <li>• Take over bids</li> <li>• Insider trading and self-dealing</li> <li>• Governance of reporting issuers</li> <li>• Penalties and civil liability</li> </ul> <p>Stock exchanges under provincial jurisdiction</p> <ul style="list-style-type: none"> <li>• The Toronto Stock Exchange</li> <li>• Ways to list with the TSX</li> <li>• Considerations for being listed</li> <li>• TSX listing process</li> <li>• TSX regulatory policies and procedures</li> </ul> <p>Disclosure requirements</p> <ul style="list-style-type: none"> <li>• Disclosure and transparency rules</li> <li>• Market abuse rules</li> <li>• Privacy law</li> <li>• Public access to corporate information</li> </ul> <p>Filing Options – the TSX Filing Portal</p>
<p><b>Part II, Section 4: Maintenance of Corporate Records</b></p>	<p>Statutory registers under federal law</p> <ul style="list-style-type: none"> <li>• Register of directors and their addresses</li> <li>• Register of members/shareholders</li> <li>• Register of securities holders</li> </ul> <p>The transparency register and individuals with significant control</p> <p>Location of records and the registered office</p> <p>Access to records and registers under federal law</p> <ul style="list-style-type: none"> <li>• Location</li> <li>• Inspection, in person or through requested copies</li> </ul> <p>Minute books</p> <ul style="list-style-type: none"> <li>• Where kept</li> <li>• Security</li> <li>• Access rights for directors, members and shareholders</li> </ul>

TOPIC AREA	EXEMPLIFICATION
<p><b>Part II, Section 4: Maintenance of Corporate Records</b> <i>(Continued)</i></p>	<p>Meeting materials</p> <ul style="list-style-type: none"> <li>• Members' or shareholders' meetings</li> <li>• Directors' meetings</li> <li>• Access rights</li> </ul> <p>Financial records</p> <ul style="list-style-type: none"> <li>• Maintaining "adequate" accounting records</li> <li>• Minutes</li> <li>• Other financial records</li> </ul> <p>Retention periods</p>
<p><b>Part II, Section 5: Minutes and Minute Books</b></p>	<p>Required information in minutes</p> <p>Guidance on the development of minutes</p> <p>The six "Cs"</p> <ul style="list-style-type: none"> <li>• Clarity</li> <li>• Coherence</li> <li>• Conciseness</li> <li>• Consistency</li> <li>• Completeness</li> <li>• Correctness</li> </ul> <p>Proof of existence of the corporation and its historical development</p> <p>Record of decisions made and actions taken</p> <p>Demonstration of due diligence on the part of decision-makers</p> <p>Legal evidence in support of actions taken</p> <p>Records retention and security of documents</p> <p>Minutes as a feature of risk management</p>
<p><b>Part II, Section 6: Corporate Secretarial Software</b></p>	<p>Evaluation of the need for specialized software</p> <p>Implementation of appropriate software</p> <p>Security issues</p> <p>Potential uses and benefits of specialized software</p> <p>Ongoing maintenance and updates</p> <p>Support of experts in project management and change management</p>

## Part III: Meetings

20% – 40 Learning hours

**Learning Outcome 3:** Be able to exercise appropriate judgment to advise the board on the expectations of and compliance with good governance requirements.

TOPIC AREA	EXEMPLIFICATION
<p><b>Part III, Section 1: Meetings of Members or Shareholders</b></p>	<p>Meetings or written resolutions?</p> <ul style="list-style-type: none"> <li>• Resolutions in writing as an alternative to a meeting</li> </ul> <p>General meetings</p> <ul style="list-style-type: none"> <li>• Annual general meetings</li> <li>• The AGM agenda</li> <li>• The rights of shareholders and members at the AGM</li> <li>• Class meetings</li> </ul> <p>Rules governing general meetings</p> <p>Role of the corporate secretary before, after and during a general meeting</p> <p>Notice of meetings</p> <ul style="list-style-type: none"> <li>• Rules governing the giving of notice           <ul style="list-style-type: none"> <li>• Timing</li> <li>• Short notice</li> <li>• Entitlement to notice</li> <li>• Content</li> </ul> </li> </ul> <p>Quorum, agenda and meeting materials</p> <p>Resolutions</p> <ul style="list-style-type: none"> <li>• Ordinary</li> <li>• Special</li> </ul> <p>Role of the chair</p> <p>Rules of order</p> <ul style="list-style-type: none"> <li>• Recognized rules of order</li> <li>• Speaking at meetings</li> <li>• Motions</li> <li>• Adjournment</li> </ul>

TOPIC AREA	EXEMPLIFICATION
<p><b>Part III, Section 1: Meetings of Members or Shareholders</b> <i>(Continued)</i></p>	<p>Proxies</p> <ul style="list-style-type: none"> <li>• At the meeting</li> <li>• Form and dispatch of proxy forms</li> <li>• Appointment of a proxy</li> <li>• Evaluation of proxies</li> </ul> <p>Polls</p> <ul style="list-style-type: none"> <li>• Demand for a poll</li> <li>• When a poll is demanded</li> <li>• The results of a poll</li> </ul> <p>Attendance</p> <ul style="list-style-type: none"> <li>• By a corporation</li> <li>• By a natural person</li> <li>• Disruption</li> </ul> <p>Voting and abstentions</p> <p>Scrutineers</p> <p>Communication with members/shareholders and other stakeholders</p>

TOPIC AREA	EXEMPLIFICATION
<p><b>Part III, Section 2: Meetings of the Board and its Committees</b></p>	<p>Board meetings</p> <ul style="list-style-type: none"> <li>• Convening directors' meetings</li> <li>• Quorum</li> <li>• Minutes of directors' meetings</li> <li>• The role of the chair</li> <li>• Meetings <i>in camera</i></li> </ul> <p>Role of the corporate secretary before, during and after board meetings</p> <ul style="list-style-type: none"> <li>• Preparation for a board meeting</li> <li>• At the board meeting</li> <li>• After the board meeting</li> </ul> <p>Delegation of authority and responsibility by the board</p> <p>Reliance on management and advisors</p> <p>Committees – types, purpose and composition</p> <p>Matters reserved to the board</p> <p>Executive discretion</p> <p>Motions and written resolutions</p> <p>Conflicts of interest</p> <ul style="list-style-type: none"> <li>• Duty to avoid conflicts of interest</li> <li>• Interests in contracts</li> <li>• Substantial property transactions</li> <li>• Loans to directors</li> </ul>

## Part IV: Shares

20% – 40 Learning hours

**Learning Outcome 4:** Be able to understand, apply and advise on statutes, regulation and good practice in respect of share capital.

TOPIC AREA	EXEMPLIFICATION
<p><b>Part IV, Section 1: Shares, Share Capital and Debt</b></p>	<p>Types of share capital and debt</p> <ul style="list-style-type: none"> <li>• Authorized capital</li> <li>• Issued capital</li> <li>• Allotted shares</li> <li>• Common shares vs. preference shares</li> <li>• Types of preference share, and their implications</li> <li>• Changes to capital</li> <li>• Convertible securities</li> <li>• Financing through equity issues</li> </ul> <p>Share capital</p> <ul style="list-style-type: none"> <li>• Authority for allotment</li> <li>• Pre-emption rights</li> <li>• Allotment procedure</li> <li>• Issue price</li> <li>• Payment for shares</li> <li>• Shares allotted for non-cash consideration</li> <li>• Purchase of own shares</li> </ul> <p>Share transfers</p> <ul style="list-style-type: none"> <li>• Overview</li> <li>• Share transfer form</li> <li>• Transmission of shares</li> </ul> <p>Share certificates</p> <ul style="list-style-type: none"> <li>• Issue on allotment or transfer</li> <li>• Lost share certificates</li> </ul> <p>Distributions</p> <ul style="list-style-type: none"> <li>• By public corporations</li> <li>• Cash dividends</li> <li>• Scrip dividends</li> </ul>

TOPIC AREA	EXEMPLIFICATION
<b>Part IV, Section 1: Shares, Share Capital and Debt</b> <i>(Continued)</i>	Debt financing <ul style="list-style-type: none"><li>• Purposes</li><li>• Types of loan</li><li>• Interest and other repayment terms</li><li>• Security</li></ul>