

1972 Bill 87

First Session, 17th Legislature, 21 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 87

The Alberta Gas Trunk Line Company Amendment Act, 1972

HONOURABLE MR. DICKIE

First Reading

Second Reading

Third Reading

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THE ALBERTA GAS TRUNK LINE COMPANY AMENDMENT ACT, 1972

(Assented to _____, 1972)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

1. *The Alberta Gas Trunk Line Company Act is hereby amended.*

2. *Section 5 is struck out and the following section is substituted therefor:*

5. Unless altered as permitted by this Act, the capital stock of the company shall consist of

- (a) 8,000,000 Class "A" common shares of the par value of \$5 each and having limited voting rights attached to such shares as provided in section 5c;
- (b) 2,003 Class "B" common shares of the par value of \$5 each and having voting rights as hereinafter provided attached to such shares;
- (c) 2,000,000 preferred shares of the par value of \$100 each and having no voting rights attached to such shares.

3. *The following sections are added after section 5a:*

5b. (1) Subject to section 5c, the Board may by by-law

- (a) increase the capital stock of the company by the creation of
 - (i) new shares of such par value, or
 - (ii) new shares without nominal or par value, as the Board considers expedient, but
 - (iii) any common shares so created shall have only the limited voting rights provided in section 5c, and
 - (iv) any preferred shares so created shall have no voting rights;
- (b) consolidate and divide all or any of the shares of the company having a par value into shares of a larger amount than its existing shares;

Explanatory Notes

1. This Bill will amend chapter 37 of the Statutes of Alberta, 1954.

2. Section 5 presently reads:

5. The capital stock of the company shall consist of
- (a) eight million Class "A" common shares of the par value of five dollars with no voting rights attached to the shares, and
 - (b) two thousand and two Class "B" common shares of the par value of five dollars with voting rights attached to the shares, and
 - (c) two million preferred shares of the par value of one hundred dollars with no voting rights attached to the shares.

The Class "A" common shares will grant a limited voting right for the election of three directors and the number of Class "B" common shares will be increased by one to provide for the three directors to be appointed by the Lieutenant Governor in Council.

3. The new sections 5b and 5c will give to the company certain of the powers to alter its share capital that a company incorporated under The Companies Act would have — excluding however from such powers the power to alter the Class "B" common shares.

- (c) convert all or any of the paid-up common shares of the company having a par value into common shares without nominal or par value, but any shares as converted shall have only the limited voting rights provided in section 5c;
- (d) subdivide the common shares of the company having a par value, or any of them, into shares of a smaller amount than the existing shares, but in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (e) fix or vary the maximum price or consideration in the aggregate for which shares of the company without nominal or par value may be issued and the maximum price or consideration at or for which each share without nominal or par value may be issued;
- (f) redesignate or reclassify any class of shares of the company.

(2) A by-law under this section does not take effect until a certified copy has been filed with the Registrar of Companies accompanied by the fees required to be paid to him, and when the by-law has been so filed and the fees paid the Registrar of Companies shall issue under his seal of office a certificate showing the alteration effected by the by-law.

(3) An issue and allotment of shares of the company without nominal or par value may be made from time to time for such consideration as may be fixed by the Board.

(4) All shares without nominal or par value issued as authorized by this Act shall be deemed to be fully paid and non-assessable and the holder of any such shares is not liable to the company or to its creditors with respect thereto.

5c. (1) The holders of Class "A" common shares do not, by virtue only of holding such shares, have any voting rights and are not entitled to receive notice of, nor to attend, meetings of shareholders except that such holders have

- (a) the right to vote, on the basis of one vote for each Class "A" common share held of record, for the election of directors as provided in section 19, subsection (3), and
- (b) the right to receive notice of, and to attend, meetings of shareholders at which directors are to be elected as provided in section 19, subsection (3).

(2) The Board from time to time by by-law may prescribe rules as to proxies and proxy solicitation applicable to the Class "A" common shares.

(3) Any regulations made by the Lieutenant Governor in Council governing proxies and proxy solicitations applicable to Class "A" common shares supercede and replace any like provisions of a by-law made under subsection (2).

5d. Notwithstanding anything contained in this Act, the provisions of section 5b do not apply to the Class "B" common shares of the company.

4. Section 6, subsection (1), clause (d) is amended by striking out the word "two" and by substituting therefor the word "three".

5. Section 7, subsection (4) is amended by striking out the word "two" and by substituting therefor the word "three".

6. Section 12 is amended

(a) as to subsections (2), (3) and (5) by striking out the word "two" wherever it appears therein and by substituting therefor the word "three", and

(b) by striking out subsection (6) and by substituting therefor the following subsection:

(6) The shareholders holding Class "B" Common Group IV shares have full voting rights including, without restricting the generality of this subsection, the right to vote the shares in any election of directors whether by the holders of Class "A" common shares or by the holders of Class "B" common shares.

7. Section 18 is amended by striking out subsection (1) and by substituting the following:

18. (1) The Board shall consist of 11 directors.

8. Section 19 is struck out and the following section is substituted therefor:

19. (1) The Lieutenant Governor in Council shall appoint three directors to the Board.

(2) Holders of Class "B" common shares who are otherwise qualified to vote shall elect three directors to the Board.

(3) Holders of Class "A" common shares who are otherwise qualified to vote shall elect three directors to the Board.

4. Section 6(10)(d) will provide for the increase in the number of directors appointed by the Lieutenant Governor in Council from two to three.

5. Section 7(4) will provide for the increase in the number of directors appointed by the Lieutenant Governor in Council from two to three.

6. Subsections (2), (3) and (5) will provide for the increase in the number of directors appointed by the Lieutenant Governor in Council from two to three. Subsection (6) will give the directors appointed by the Lieutenant Governor in Council full voting rights in all circumstances.

7. Section 18(1) presently reads:

18. (1) The Board shall consist of five elected directors and two appointed directors.

The Board will now consist of three directors appointed by the Lieutenant Governor in Council, three directors elected by the holders of Class "A" common shares, three directors elected by the holders of Class "B" common shares and two directors appointed from full-time employees of the company.

See section 8 of this Bill.

8. Section 19 presently reads:

19. (1) Subject to section 20, the shareholders who hold Class "B" common shares in the company and who are otherwise qualified to vote shall elect five directors to the Board.

(2) The Lieutenant Governor in Council shall appoint two directors to the Board.

(4) The Board appointed and elected as provided in subsections (1), (2) and (3) shall appoint the chief executive officer and one other full-time employee of the company as directors.

9. Section 20 is struck out.

10. Section 22 is struck out and the following section is substituted therefor:

22. The directors elected or appointed to the Board pursuant to section 19, subsections (2), (3) and (4) shall retire from office at each annual meeting of the company but may be re-elected or reappointed.

11. Section 23 is struck out and the following section is substituted therefor:

23. (1) The Lieutenant Governor in Council shall appoint three directors to the Board to take office at the termination of the annual meeting of the company in 1972, and the term of one director shall expire at the termination of the annual meeting of the company in 1973, the term of one other director shall expire at the termination of the annual meeting of the company in 1974 and the term of the third director shall expire at the termination of the annual meeting of the company in 1975.

(2) In each year, the Lieutenant Governor in Council shall appoint one director for a term expiring at the termination of the annual meeting of the company in the third year following such appointment.

12. Section 25 is struck out and the following sections are substituted therefor:

25. A retiring director shall continue in office until his successor is appointed or elected.

25a. (1) A vacancy in the number of directors appointed by the Lieutenant Governor in Council shall be filled by the appointment of a person by the Lieutenant Governor in Council.

(2) A vacancy in the number of directors elected by holders of Class "B" common shares shall be filled by the appointment of

(a) one of the holders of, or

(b) a duly authorized representative of a holder of, Class "B" common shares by the remaining directors.

(3) A vacancy in the number of directors elected by holders of Class "A" common shares and holders of Class

9. Section 20 presently reads:

20. In electing the directors of the company
- (a) shareholders holding Class "B" Common Group I shares may elect one director to the Board,
 - (b) shareholders holding Class "B" Common Group II shares may elect one director to the Board,
 - (c) shareholders holding Class "B" Common Group III shares may elect three directors to the Board.

Under the foregoing section, shareholders representing utility companies elected one director, shareholders representing gas export companies elected one director and shareholders representing gas producers elected three directors, making an aggregate of five.

Under the amendments contained in this Bill, the same shareholders would pool their votes and elect an aggregate of three directors.

10. Section 22 presently reads:

22. (1) The election of the directors of the company shall be held at the first annual meeting of the company.
- (2) When the directors have been elected to the Board the provisional directors cease to hold office.
- (3) The directors elected to the Board shall retire at each annual meeting but may be re-elected by the Group Class "B" common shareholders whom they represent.

11. Section 23 presently reads:

23. (1) Immediately after the first election of directors the company shall send a notice in writing to the Clerk of the Executive Council setting out the names of the elected directors.
- (2) Upon receipt of the notice the Lieutenant Governor in Council shall appoint the two directors to be appointed by him pursuant to section 19.
- (3) The appointed directors may hold office during the pleasure of the Lieutenant Governor in Council.

The new section 23 provides for the appointment of the directors by the Lieutenant Governor in Council for a fixed term and on an annual basis.

12. Section 25 presently reads:

25. (1) Vacancies occurring on the Board shall be filled
- (a) by the Lieutenant Governor in Council where the vacancy occurs among the directors that are appointed,
 - (b) by the directors appointing to the Board
 - (i) one of the holders of, or
 - (ii) one of the duly authorized representatives of the holders of Class "B" common shares of the Group whose representation on the Board is decreased by the vacancy.
- (2) Special elections shall be held in such manner and at such time and place as may be provided by the Board.

The new section 25 provides for filling vacancies in the cases specified.

“B” Common Group IV shares, shall be filled by the appointment of a person by the remaining directors.

(4) A vacancy in the number of directors appointed pursuant to section 19, subsection (4) shall be filled by the appointment of a person by the remaining directors who meets the qualifications therein contained.

13. The following heading and section are added after section 27:

Insider Trading

27a. The provisions of sections 81 to 87 of *The Companies Act* apply to the company.

14. Section 29 is struck out and the following section is substituted therefor:

29. An annual meeting of the company shall be held once at least in every calendar year and not more than 16 months after the holding of the last preceding annual meeting.

15. Notwithstanding anything contained in this Act, the directors of the company in office immediately prior to the commencement of this section shall remain in office until, and shall retire at, the termination of the annual meeting of the company in 1972.

16. (1) This Act, except section 12, comes into force on the day upon which it is assented to.

(2) Section 12 comes into force on a date to be fixed by Proclamation.

13. Sections 81 to 87 of The Companies Act are the Insider Trading provisions of The Companies Act which presently do not apply to the company.

14. Section 29 presently reads:

29. The first annual meeting of the company shall be held prior to the thirty-first day of December, 1955, and an annual meeting shall be held within every twelve-month period thereafter.

The new section is to conform with the corresponding section in The Companies Act, section 133(1).

15. This section will continue the Board as presently constituted until the annual meeting in 1972 when the reconstituted Board can be set up.