

1976 Bill 44

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Second Session, 18th Legislature, 25 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

**BILL 44**

**THE ALBERTA ENERGY COMPANY AMENDMENT ACT, 1976**

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THE MINISTER OF ENERGY AND NATURAL RESOURCES

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First Reading .....

Second Reading .....

Third Reading .....

# BILL 44

1976

## THE ALBERTA ENERGY COMPANY AMENDMENT ACT, 1976

(Assented to \_\_\_\_\_, 1976)

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

1. *The Alberta Energy Company Act is hereby amended.*

2. *Section 1, subsection (1) is amended*

(a) *by adding the following clause after clause (f):*

(f.1) "non-resident of Alberta" means

- (i) an individual who is not ordinarily resident in Alberta, or
  - (ii) a corporation having its head office outside Alberta, or
  - (iii) the Crown in right of any province outside Alberta or any agent thereof, the Crown in right of Canada or any agent thereof or the government of any foreign state or any political subdivision thereof, or an agent of either, or
  - (iv) a corporation that is controlled directly or indirectly by non-residents as defined in this clause, or
  - (v) a trust
    - (A) established by a non-resident as defined in any of subclauses (i) to (iv) other than a trust for the administration of a pension fund for the benefit of individuals a majority of whom are residents of Alberta, or
    - (B) in which non-residents as defined in any of subclauses (i) to (iv) have more than 50 per cent of the beneficial interest,
- or
- (vi) a corporation of which the majority of the directors or persons occupying the position of directors by whatever name called, are non-residents as defined in subclause (i), or

## **Explanatory Notes**

**1.** This Bill will amend chapter 6 of the Statutes of Alberta, 1974.

**2.** Section 1, subsection (1), clauses (g) and (h) presently read:

1. (1) In this Act,

(g) "person" includes an individual or group of individuals, a partnership, a body corporate and any government or government agency;

(h) "resident of Alberta" means a person who makes his home and is ordinarily present in Alberta;

- (vii) a corporation that is controlled directly or indirectly by a trust defined in this clause as a non-resident;
- (b) *as to clause (g), by adding after the word "partnership," the words "a trust,"*
- (c) *by striking out clause (h) and substituting the following clause:*
  - (h) "resident of Alberta" means a person who is not a non-resident of Alberta;

3. *Section 5 is amended by striking out subsection (11).*

4. *Section 8 is amended*

- (a) *as to subsection (7), by striking out clause (b) and substituting the following clause:*
  - (b) in the case of a share of any other class, the lesser of
    - (i) the issue price per share on the initial issue of shares of that class, and
    - (ii) the closing price per share of the shares of that class on the principal stock exchange on the business day immediately preceding the date of the giving of notice of redemption or, if there is no sale thereof on that exchange on that business day, the average of the closing asked price and the closing bid price therefor on that exchange on that business day or, if no bid price and asked price therefor on that exchange are quoted for that business day, the last closing sale price therefor on that exchange recorded before that business day,
- (b) *by striking out subsection (8) and substituting the following subsection:*

(8) For the purposes of this section, the initial issue of shares of a class means the issue of shares that first follows an offering by the Company of shares of the applicable class to residents of Alberta.

5. *Section 18, subsection (1), clause (a) is amended by striking out the words "subscribe for, purchase" and substituting the words "acquire by subscription, purchase or otherwise".*

**3. Section 5 (11) presently reads:**

(11) Within 60 days after the purchase or other acquisition of any shares of the Company by any person, the certificate representing such shares shall be presented to the Company for transfer into the name of the beneficial owner, his designated nominee, trustee, executor or other personal representative and shares not presented for transfer in accordance with this subsection shall be deemed to be held in contravention of the charter of the Company.

**4. Section 8 (7) and (8) presently read:**

(7) The redemption price of voting shares of the Company for the purposes of this section is

- (a) in the case of a preferred share, the par value thereof, and
- (b) in the case of any other share, the lesser of

- (i) the issue price on the initial issue of shares of the Company, and

- (ii) the closing sale price of the share on the principal stock exchange on the business day immediately preceding the date of the giving of notice of redemption or, if there is no sale thereof on that exchange on that business day, the average of the closing asked price and the closing bid price therefor on that exchange on that business day or, if no bid price and asked price therefor on that exchange are quoted for that business day, the last closing sale price therefor on that exchange recorded before that business day,

and the expressions "principal stock exchange" and "business day" have the meanings assigned thereto in Part 4.

(8) For the purposes of this section the initial issue of shares of the Company refers to the issue of shares that first follows an offering by the Company of such shares to residents of Alberta.

**5. Section 18 (1) (a) presently reads:**

18. (1) With the approval of the Lieutenant Governor in Council but subject to this Part, the Minister or the Provincial Treasurer may in his name of office, from time to time,

- (a) subscribe for, purchase and hold shares of the Company on behalf of the Government of Alberta, and

6. Section 19, subsection (1) is amended by striking out clause (c) and substituting the following clause:

- (c) no voting shares of the Company in excess of 50 per cent of the total number of issued and outstanding voting shares of the Company shall be purchased, owned or held by the Government of Alberta unless otherwise agreed by the Company and the Minister on behalf of the Government of Alberta.

7. The following section is added after section 19:

**19.1** The Company shall, within 60 days of the issue of any of its voting shares of any class, notify the Minister in writing of the number and class of the voting shares so issued.

8. Section 20 is amended

- (a) by renumbering the section as subsection (1),
- (b) as to clauses (a) and (b) of renumbered subsection (1), by adding after the words "the Company" in each case the words "or any affiliate of the Company",
- (c) by adding the following subsection after the renumbered subsection (1):

(2) For purposes of this section, an "affiliate of the Company" means any company of which shares carrying at least 33 per cent of the votes for the election of directors of that company are held, otherwise than by way of security only, by or for the benefit of the Company.

9. Section 23, subsection (2) is amended by striking out the words "notice by the Board calling an".

10. Section 28, subsection (1), clause (c), subclause (v), paragraph (A) is amended by striking out the figure "(ii)" and by substituting the figure "(i)".

11. Section 36, subsection (2) is amended by striking out the words "section 94, subsection (1)" and by substituting the words "section 94, subsection (2)".

12. This Act comes into force on the day upon which it is assented to.

**6. Section 19, subsection (1), clause (c) presently reads:**

19. (1) Notwithstanding any other provision of this Act, the Government of Alberta may purchase, own and hold shares of the Company in excess of 50 per cent of the total number of issued and outstanding voting shares of the Company but subject to the following conditions:

- (c) unless otherwise agreed by the Company and the Minister on behalf of the Government of Alberta, no voting shares of the Company shall be purchased, owned or held by the Government of Alberta other than voting shares acquired by or on behalf of the Government of Alberta directly from the Company by purchase, dividend or otherwise.

**7. New.**

**8. Section 20 presently reads:**

20. The Provincial Treasurer may, with the approval of the Lieutenant Governor in Council, and upon such terms and conditions as the Lieutenant Governor in Council may prescribe,

- (a) guarantee on behalf of the Government of Alberta the repayment of any or all of the indebtedness of the Company, and
- (b) make loans to the Company and acquire and hold securities of the Company as security for the repayment thereof.

**9. Section 23, subsections (1) and (2) presently read:**

23. (1) Notwithstanding any provision of Part 1 or The Companies Act, the memorandum of association or the articles, the Minister may, with the approval of the Lieutenant Governor in Council, annually appoint not more than four of the members of the Board of Directors in lieu of voting the shares held by the Government of Alberta on any resolution electing members of the Board of Directors.

(2) An appointment under subsection (1) shall be made by notice in writing to the Company at least 30 days before the date of the notice by the Board calling an annual general meeting and the Minister shall be notified of the date at least 45 days in advance thereof.

**10. Corrects a cross reference.**

**11. Corrects a typographical error.**