

1981 BILL 58

Third Session, 19th Legislature, 30 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 58

THE ALBERTA ENERGY COMPANY
AMENDMENT ACT, 1981

MR. ZAOZIRNY

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

Bill 58
Mr. Zaozirny

BILL 58

1981

THE ALBERTA ENERGY COMPANY AMENDMENT ACT, 1981

(Assented to _____, 1981)

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 amended by this Act.*

2 *Section 1(1)(n) is repealed and the following is substituted:*

(n) "voting share" means a share of the Company that carries the right under all circumstances to vote on a resolution electing all or any of the directors of the Company.

3 *Section 4 is repealed and the following is substituted:*

4 The Company shall, on offering any of its voting shares to the public at large, allot those voting shares in preference or priority to residents of Alberta.

4 *Section 5(9) is amended by striking out "2,000" and substituting "6000".*

Explanatory Notes

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

2 Section 1(1)(n) presently reads:

(n) "voting share" means any share of the Company that has attached thereto any right to vote whether upon the happening of a stated event or otherwise.

3 Section 4 presently reads:

4 The Company shall, on any offering of any of its common shares to the public at large, offer such common shares in preference or priority to residents of Alberta.

4 Section 5(9) presently reads:

(9) Where, in the case of a subscription for or transfer of any shares of the Company, it appears that the number of shares that would be held by the subscriber or the transferee, as shown by the register of

5 *Section 8 is amended*

(a) *in subsection (7)*

(i) *in clause (a) by adding “having a par value” after “share”;*

(ii) *in clause (b) by repealing subclause (i) and substituting the following:*

(i) *the average issue price per share of all the issued shares of that class, and*

(iii) *by striking out “and the expressions “principal stock exchange” and “business day” have the meanings assigned thereto in Part 4”;*

(b) *by adding the following after subsection (7):*

(7.1) *In this section,*

(a) *“business day” means, in respect of any investments of the Company listed or dealt in on a stock exchange, a day on which the principal stock exchange is open for trading in stocks and securities;*

(b) *“principal stock exchange” means the stock exchange in Canada designated by the Board of Directors as the principal stock exchange for the Company.*

(c) *by repealing subsection (8).*

6 *Section 11 is amended by striking out “, 10 and 19” and substituting “and 10”.*

7 *Section 13 is amended by striking out “, 10 or 19” and substituting “or 10”.*

8 *Section 19 is repealed and the following is substituted:*

members of the Company, would not be more than 2,000 shares if the subscription were accepted or the transfer allowed, the Board is entitled to assume

(a) that the subscriber or the transferee is not and will not be associated with any other holder of shares of the Company, and

(b) unless the address to be recorded in the register of members of the Company for the subscriber or transferee is a place outside Canada, that the shares will not be held in contravention of the charter of the Company.

5 Section 8 presently reads in part:

(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 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,

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 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.

6 Consequential to the amendment made by section 8 of this Bill.

7 Consequential to the amendment made by section 8 of this Bill.

8 Section 19 presently reads:

19(1) The Government of Alberta shall not

(a) acquire or hold more than 50% of the total number of issued and outstanding voting shares of the Company, or

(b) at any one time have invested in, or be committed to invest in, the common shares of the Company if the purchase price paid or payable in respect of those shares exceeds in the aggregate \$250 000 000.

(2) Notwithstanding subsection (1)(a), a transaction in the voting shares of the Company that results in the Government of Alberta contravening that subsection is not, by reason only of that contravention, invalid.

9 *Section 26 is amended*

(a) in subsection (1)

(i) by adding “of any class” before “that may be held”;

(ii) by striking out “the Company” and substituting “that class”;

(b) in subsection (3)

(i) by striking out “the Company that” and substituting “any class that”;

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:

(a) the aggregate amount that the Government of Alberta may at any one time have invested in the Company or be committed to invest in the Company by way of investment in the common shares of the Company shall not exceed \$250,000,000 as the purchase price thereof;

(b) if the total number of voting shares of the Company held by the Government of Alberta exceed in number 50 per cent of the total number of issued and outstanding voting shares of the Company, the Company may at its sole option redeem for cancellation any number of common shares of the Company that equals the number of voting shares held by the Government of Alberta in excess of 50 per cent of the total number of issued and outstanding voting shares or any lesser number thereof, at the net asset value of the common shares so redeemed;

(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.

(2) Where common shares acquired by or on behalf of the Government of Alberta directly from the Company are redeemed pursuant to subsection (1), clause (b), the price to be paid for those shares shall not be less than the average price paid by the Government of Alberta for all its common shares, but the Lieutenant Governor in Council may waive the requirements of this provision in respect of any common shares of the Company when the net asset value of the common shares is less than the average price paid by the Government of Alberta for all its common shares and has been less than that value for a period of at least 12 months.

(3) Where for any of the purposes of this Act it is necessary to determine the net asset value of any of the common shares of the Company that value shall be determined in accordance with Part 4.

9 Section 26 presently reads in part:

26(1) The total number of voting shares that may be held

*(a) in the name or right of or for the use or benefit of a person,
and*

(b) in the name or right of or for the use or benefit of

(i) any shareholders associated with the person mentioned in clause (a), or

(ii) any other persons who would be deemed under these statutory conditions to be associated with the person mentioned in clause (a), if both he and such other persons were share-

(ii) *by striking out “the Company or” and substituting “that class or”*.

10 *Section 29(c) is amended by striking out “2,000” and substituting “6000”*.

11 *Part 4 is repealed.*

12 *The following is added after section 35:*

35.1(1) The register of members shall, during normal business hours, be open to the inspection of any person.

(2) No person is entitled to a copy of the register or any part of it unless

(a) the Board of Directors has consented to provide the copy, and

(b) he pays the fee chargeable under *The Companies Act* for the copy.

(3) The Board may give its consent under subsection (2) on an individual basis or under general guidelines it establishes for that purpose.

holders,

shall not exceed one per cent of the total number of the issued and outstanding voting shares of the Company or such other percentage or percentages as may be fixed by the Lieutenant Governor in Council by regulation.

(3) The total number of voting shares of the Company that may be held

(a) in the name or right of, or for the use or benefit of Her Majesty in right of Canada or in right of a province other than Alberta, and

(b) in the name or right of, or for the use or benefit of an agent of Her Majesty in the right of Canada or of such other province and any persons associated with such agent,

shall not exceed one per cent of the total number of the issued and outstanding voting shares of the Company or such other percentage or percentages as may be fixed by the Lieutenant Governor in Council by regulation.

10 Section 29(c) presently reads:

29 Notwithstanding section 28, subsection (2),

(c) where it appears from the register of members of the Company that not more than 2,000 of the voting shares of the Company are held by a shareholder, he shall not be deemed to be associated with any other shareholder and no other shareholder shall be deemed to be associated with him.

11 Part 4 deals with the manner of determining the net asset value of common shares in the Company. The amendment made by this section is consequential to the amendment made by section 8 of this Bill - which eliminates the need to determine net asset value.

12 Availability of register.

In accordance with section 4(1) of The Interpretation Act, 1980, this Bill comes into force on the date it receives Royal Assent.

