

1987 BILL 261

Second Session, 21st Legislature, 36 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 261

AN ACT TO AMEND THE VENCAP EQUITIES ALBERTA ACT

MR. TAYLOR

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

Bill 261
Mr. Taylor

BILL 261

1987

AN ACT TO AMEND THE VENCAP EQUITIES ALBERTA ACT

(Assented to _____, 1987)

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

1 *The Vencap Equities Alberta Act is amended by this Act.*

2 *The following is added after section 1:*

2 The objectives of the Corporation are:

(a) to operate profitably and to promote the growth of the Corporation's assets, particularly in the longer term, in the best interests of all shareholders;

(b) to encourage and assist in the creation, development and expansion of businesses based in Alberta, or controlled or managed by residents of Alberta, particularly those for which initial or development equity financing is not readily or fully available from traditional sources;

(c) to develop, diversify, expand and strengthen the industrial and service base of Alberta, especially those industries which involve advanced technology, and to advance Alberta's technical, managerial and research resources in world-wide markets; and

(d) to encourage and enable residents of Alberta to invest and to participate directly in the economic development and potential of Alberta.

3 The Corporation will not, without the consent of the Lieutenant Governor in Council, directly engage in or provide or further the provision of equity capital or other forms of financing to or for any person whose main purpose is carrying

on the conventional oil or gas exploration business, the real estate development business, the business of a mutual fund, water diversion projects, nuclear energy development or production, or, except as expressly permitted by that certain loan agreement dated August 9, 1983 between Vencap Equities Alberta Ltd. and the Province of Alberta, the business carried on by banks chartered under the *Bank Act* (Canada), trust companies, credit unions or Province of Alberta Treasury Branches, nor enter into any statutory amalgamation, arrangement, re-organization or similar transaction, nor amend without consent those certain provisions of its articles and by-laws specified in that certain loan agreement as not to be amended without such consent in the manner provided in the loan agreement.

4(1) On any offering of voting shares in Vencap Equities Alberta Ltd. to the public at large, the Corporation shall allot those shares in preference or priority to residents of Alberta.

(2) On any offering of shares by the Corporation, Alberta institutions shall be used so far as is possible.

5(1) The Corporation's investments may involve a higher degree of risk than investments which traditional financial institutions are prepared to make, but the Corporation may make such investments where, in its opinion, there is the prospect for a superior long-term rate of growth and return.

(2) The Corporation shall diversify its investments to limit risk and place special emphasis on investment opportunities which develop or diversify the industrial and service base of Alberta, especially those which involve technological developments or the upgrading of agricultural and natural research products.

(3) The Corporation may provide the service of assembling or guaranteeing financing for business in such ways to avoid the duplication of activities of other investors, conventional lenders or financial institutions and may associate with other investors in providing the necessary financing for investments.

(4) The Corporation shall consider investment opportunities of all sizes and not a minimum level of investment as a policy.

(5) The Corporation shall not acquire control of corporations in which investments are made unless it becomes necessary to do so in order to protect the Corporation's investment.

4 Provides for share issue preference to Albertans.

5 Provides guidelines for investment policy.

(6) The Corporation shall not become involved in managing the operations of the businesses in which it invests, but may offer advice on management of businesses in which it invests, either by the appointment of members of the Corporation to a board of directors or by other means.

6 Sections 2 to 5 operate notwithstanding any conflicting provisions of the articles or by-laws of the Corporation.

6 Sections 2 to 5 override articles and by-laws.