

1990 BILL 37

Second Session, 22nd Legislature, 39 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 37

ALBERTA GOVERNMENT TELEPHONES REORGANIZATION ACT

THE MINISTER OF TECHNOLOGY, RESEARCH AND
TELECOMMUNICATIONS

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 37

1990

ALBERTA GOVERNMENT TELEPHONES REORGANIZATION ACT

(Assented to , 1990)

Table of Contents

Definitions	1
Part 1	
The Corporation	
Division 1	
Corporate Affairs	
Share capital	2
Board of directors	3
Head office	4
Fundamental changes	5
Sale of voting shares by Corporation	6
Division 2	
Restrictions on Voting Shares	
Definitions	7
Beneficial owner	8
Affiliation and control	9
Associated persons	10
Limitation on holding by non-residents of Canada	11
Limitation on holding of voting shares	12
Underwriters	13
Pro rata representation	14
Prohibition re dividends on voting shares	15
Restrictions on voting rights	16
Refusal to register	17
Validity of actions	18
Redemption of voting shares	19
Request for information	20
Judicial remedies	21
Reliance by the Corporation	22
Ruling by Board	23

Part 2
AGT Limited

Share capital	24
Board of directors	25
Head office	26
Fundamental changes	27

Part 3
General

Act prevails	28
Not Crown agents	29
Regulations	30

Part 4
Disposition of Alberta Government
Telephones Property

Definitions	31
Crown property	32
Transactions	33
Affected interests	34
Application of other Acts	35
Substitution of name	36
Commission employees	37
Pension and death benefit plan	38
Sale of Crown held shares	39
Crown shareholding and related matters	40
Temporary additional powers	41
Telecommunications Act amendments	42
Consequential amendments	43
Repeals	44
Coming into force	45

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

Definitions

1(1) In this Act,

- (a) "Board" means the board of directors of the Corporation;
- (b) "Corporation" means that body corporate incorporated or continued in Alberta,
 - (i) all of whose issued voting shares of every class are, on the date of the order referred to in subclause (ii), owned by the Crown or held in trust for the Crown or partly owned by the Crown and partly held in trust for the Crown, and

(ii) the identity and name of which are as prescribed by order of the Minister;

(c) "Crown" means Her Majesty in right of Alberta;

(d) "Minister" means the Minister of Technology, Research and Telecommunications;

(e) "Telephone Company" means that body corporate incorporated or continued in Alberta, the identity of which is as prescribed by order of the Minister, having the name "AGT Limited";

(f) "voting share" means a share that, subject to this Act, carries the right under all circumstances to vote on a resolution electing directors of the Corporation.

(2) Unless otherwise defined in this Act or the regulations under this Act, words and expressions used in this Act and the regulations have the same meaning as in the *Business Corporations Act*.

PART 1

THE CORPORATION

Division 1 Corporate Affairs

Share capital

2(1) The articles of the Corporation shall provide that it is authorized to issue shares of at least the following classes:

(a) a class of voting shares of unlimited number;

(b) 2 classes of preferred shares of unlimited number, issuable in series, neither of which has any voting rights other than voting rights described in subsection (3) or (4);

(c) a class of shares consisting of a single share issuable to the Crown, to be known as the "special share", with special rights, privileges, restrictions and conditions, approved by the Lieutenant Governor in Council, that are referable to the corporate actions enumerated in section 5(1).

(2) The Corporation may not, without the approval of the Lieutenant Governor in Council, create or issue any class of shares not mentioned in subsection (1)(a), (b) or (c) that has voting rights, other than the voting rights described in subsection (3) or (4).

(3) Subsections (1) and (2) do not derogate from voting rights provided for under the *Business Corporations Act* that apply to a class or series of a class of preferred shares that do not otherwise carry voting rights or that only carry voting rights described in subsection (4).

(4) Subsections (1) and (2) do not derogate from the rights of holders of any class of preferred shares that

(a) arise on the failure of the Corporation to pay 8 quarterly dividends, whether consecutive or not, and continue only for so long as those dividends remain in arrears, and

(b) give the right

(i) to receive notice of and to attend meetings of shareholders of the Corporation at which directors are to be elected, and

(ii) to vote for the election of 2 directors,

but if dividends on 2 or more of those classes of preferred shares are in arrears as described in this subsection, only 2 directors may be elected by the holders of all those classes of preferred shares in arrears as so described.

(5) The Corporation shall print

(a) on each share certificate issued in respect of voting shares, and

(b) on any other securities of the Corporation that are exchangeable for or convertible into voting shares

a legible statement that this Act applies to voting shares.

Board of
directors

3(1) The number of directors on and the composition of the Board shall be determined subject to this section.

(2) The articles of the Corporation shall provide for a minimum of 12 directors and a maximum of 20 directors.

(3) At least 2/3 of the directors of the Corporation must be ordinarily resident in Alberta.

(4) The Lieutenant Governor in Council may appoint 4 directors of the Corporation, who must be ordinarily resident in Alberta, to hold office for the respective terms specified by the Lieutenant Governor in Council.

(5) Subsection (4) applies whether or not the Crown owns voting shares, but so long as it owns voting shares the Crown's right of appointment under subsection (4), if exercised, is in lieu of and not in addition to the exercise of voting rights held by it on any resolution to elect directors.

(6) Any act of the Board or a committee of the Board is valid notwithstanding non-compliance with this section.

Head office

4 The registered and head office of the Corporation must be in the City of Edmonton.

Fundamental
changes

5(1) The Corporation may not

- (a) change its name,
- (b) amalgamate with one or more other bodies corporate,
- (c) apply under section 186 of the *Business Corporations Act* for an order of the Court of Queen's Bench approving an arrangement,
- (d) sell or otherwise dispose of any shares of the Telephone Company that carry the right to vote under all circumstances,
- (e) sell, lease or exchange all or substantially all of its property,
- (f) cease to carry on business,
- (g) be dissolved or liquidated and dissolved under the *Business Corporations Act*,
- (h) voluntarily take the benefit of any law that may result in the liquidation or the termination of existence of the Corporation,
- (i) make, alter, amend or modify its articles or by-laws in any manner that is inconsistent with or that derogates from the special rights, privileges, restrictions or conditions attaching to its special share, or
- (j) create or issue any shares having or purporting to have any rights, privileges, restrictions or conditions comparable to, or which negate or attempt to negate, any of the special rights, privileges, restrictions or conditions attaching to its special share,

without the consent of the Lieutenant Governor in Council and then only on the terms and conditions, if any, that he prescribes.

(2) The Corporation may not be continued in another jurisdiction.

(3) Subsection (1)(b) does not operate so as to prevent the Corporation and one or more of its wholly-owned subsidiaries from amalgamating and continuing as one corporation without the consent of the Lieutenant Governor in Council if

(a) none of those wholly-owned subsidiaries

(i) was acquired by the Corporation in a transaction that was material in relation to the business of the Corporation and its subsidiaries on a consolidated basis,

(ii) has amalgamated with a body corporate that is not a wholly-owned subsidiary of the Corporation,

(iii) has applied under section 186 of the *Business Corporations Act* for an order of the Court of Queen's Bench approving an arrangement, or

(iv) has acquired, through the acquisition of assets or shares, any business in a transaction that was material in relation to the business of that subsidiary and its subsidiaries on a consolidated basis,

since the coming into force of this subsection,

(b) the amalgamation will not result in an amalgamation of the Corporation and the Telephone Company, and

(c) the articles of amalgamation will be the same as the articles of the Corporation.

(4) In subsection (3), "subsidiary" means a subsidiary within the meaning of the *Business Corporations Act*.

(5) Subsection (1)(e) does not operate so as to restrict the power of the Corporation to grant security for the payment of money borrowed by it or any other person in the ordinary course of business.

Sale of voting
shares by
Corporation

6(1) When making an offering of voting shares to the public at large, the Corporation shall offer the shares to residents of Alberta alone or in common with non-residents of Alberta.

(2) In this section,

(a) "non-resident of Alberta" means

(i) an individual who is not ordinarily resident in Alberta,

- (ii) a corporation having its head office outside Alberta,
- (iii) a government or its agent, but does not include the Crown,
- (iv) a corporation that is controlled directly or indirectly by a non-resident of Alberta described in subclause (i), (ii) or (iii),
- (v) a trust in which non-residents of Alberta described in any of subclauses (i) to (iv) have more than 50% of the beneficial interest,
- (vi) a corporation of which the majority of
 - (A) the directors,
 - (B) persons occupying the position of director by whatever name called, or
 - (C) persons acting in a capacity similar to that of a corporate director,
 are non-residents of Alberta described in subclause (i), or
- (vii) a corporation that is controlled directly or indirectly by a trust described in subclause (v);
- (b) "resident of Alberta" means a person who is not a non-resident of Alberta;

and words and expressions defined in Division 2 have the same meaning in this section.

Division 2 Restrictions on Voting Shares

Definitions

7 In this Division,

- (a) "agent", in relation to a government, means an agent of that government and includes a corporation controlled by that government, but does not include
 - (i) a public trustee or other person performing a function or duty in connection with the administration or management of an estate or property of an individual, or
 - (ii) a corporation that is the governing body of a university or other educational institution or of a hospital;

- (b) “corporation” means a body corporate and includes an association, partnership or other unincorporated organization;
- (c) “foreign government” means the government of a foreign state or of a political subdivision of a foreign state;
- (d) “government” means
- (i) a government in Canada, or
 - (ii) a foreign government;
- (e) “government in Canada” means Her Majesty in right of Canada or of a province;
- (f) “non-resident of Canada” means
- (i) an individual, other than a Canadian citizen, who is not ordinarily resident in Canada,
 - (ii) a corporation incorporated, formed or otherwise organized elsewhere than in Canada,
 - (iii) a foreign government or its agent,
 - (iv) a corporation that is controlled directly or indirectly by a non-resident of Canada described in subclause (i), (ii) or (iii),
 - (v) a trust in which non-residents of Canada described in any of subclauses (i) to (iv) have more than 50% of the beneficial interest,
 - (vi) a corporation of which the majority of
 - (A) the directors,
 - (B) persons occupying the position of director by whatever name called, or
 - (C) persons acting in a capacity similar to that of a corporate director,are non-residents of Canada described in subclause (i), or
 - (vii) a corporation that is controlled directly or indirectly by a trust described in subclause (v);
- (g) “person” includes an individual, a corporation, a trust of any kind or nature, including a voting trust, and a government or its agent;

(h) “registered holder” means a person who is registered on the securities register of the Corporation as the owner of voting shares.

Beneficial
owner

8(1) For the purposes of this Act, a person is the beneficial owner of voting shares if

(a) that person is the registered holder of the shares and

(i) also beneficially owns the shares, or

(ii) does not beneficially own the shares but has the power, whether or not exercised, to sell or direct the sale of the beneficial ownership in the shares without being under an obligation to obtain consent or directions from any other person respecting the sale,

or

(b) that person is not the registered holder of the shares but has the power, whether or not exercised, to sell or direct the sale of the beneficial ownership in the shares without being under an obligation to obtain consent or directions from any other person respecting the sale, whether or not that person beneficially owns the shares.

(2) Notwithstanding subsection (1), if voting shares are held by a person by way of security only pursuant to a contract or arrangement under which that person has the right to sell or to direct the sale of the shares without being under an obligation to obtain consent or directions in respect of the sale of the shares from the person who in the absence of the contract or arrangement would be the beneficial owner of the shares, then, for the purposes of this Act,

(a) the beneficial owner of the shares does not cease to be their beneficial owner by reason only of the contract or arrangement, and

(b) the person holding the shares by way of security only does not become the beneficial owner of the shares by reason only of the contract or arrangement.

(3) Notwithstanding subsection (1), a person does not cease to be the beneficial owner of voting shares by reason only that the shares cannot be sold without obtaining consent or directions from a court or public body or public official in respect of the sale.

Affiliation and
control

9 For the purposes of this Act,

(a) a corporation is affiliated with another corporation if one is the subsidiary of the other or if each of them is controlled by the same person;

(b) a corporation with share capital is controlled by a person if shares of the corporation carrying more than 50% of the votes that may be cast to elect directors of the corporation are held, other than by way of security only, by or for the benefit of that person and the votes carried by those shares are sufficient, if exercised, to elect a majority of the directors of the corporation;

(c) a corporation without share capital is controlled by a government in Canada if all or a majority of its members or directors are appointed or designated, either by their personal names or by their names of office, by

(i) a statute or regulations under a statute,

(ii) the Governor in Council or the lieutenant governor in council of a province, as the case may be, or

(iii) a minister of the Crown in right of Canada or of a province, as the case may be,

or by any combination of them;

(d) a corporation without share capital is controlled by a foreign government if all or a majority of its members or directors are appointed or designated, either by their personal names or by their names of office, by

(i) a statute or regulations under a statute,

(ii) the head of state or the executive of that foreign government, or

(iii) a member of the executive of that foreign government,

or by any combination of them;

(e) an association, partnership or other unincorporated organization is controlled by a person if an ownership interest in it representing more than 50% of the assets of the association, partnership or organization is held, other than by way of security only, by or for the benefit of that person;

(f) a corporation is controlled by a person if the corporation is, in the opinion of the Board as evidenced by a resolution of the Board, then in fact effectively controlled by that person directly or indirectly through

- (i) the holding of shares, units or interests of whatever nature of the corporation or any other corporation,
 - (ii) the holding of a significant portion of the outstanding debt of the corporation, or
 - (iii) any other means, whether of a similar or different nature;
- (g) a subsidiary is a corporation that is controlled by another corporation;
- (h) a person is deemed to beneficially own voting shares if
- (i) the voting shares are beneficially owned by a corporation controlled by that person or by an affiliate of that corporation, or
 - (ii) the voting shares are beneficially owned by that person through a trustee, a legal representative, an agent or another intermediary;
- (i) a corporation is deemed to beneficially own voting shares if those shares are beneficially owned by its affiliate.

Associated
persons

10(1) For the purposes of this Act, a person is associated with another person if

- (a) one of them is a corporation of which the other is an officer or director,
- (b) one of them is a corporation that is controlled by the other,
- (c) one of them is a partnership of which the other is a partner,
- (d) both are corporations that are controlled by the same person,
- (e) both are parties to a voting trust or a voting arrangement that relates to voting shares,
- (f) one of them is a government and the other is an agent of that government,
- (g) both are agents of the same government,
- (h) both are beneficial owners of the same voting shares, or
- (i) both are associated within the meaning of any of clauses (a) to (h) with the same person.

(2) Notwithstanding subsection (1), for the purposes of this Act,

(a) the Crown is not associated with its agents;

(b) 2 corporations are not associated with each other by virtue of subsection (1)(i) by reason only that each is associated with the same person under subsection (1)(a);

(c) if a person is the beneficial owner or appears to the Corporation to be the beneficial owner of not more than 0.2% of the total number of issued and outstanding voting shares, that person is not associated with any other person and no other person is associated with him in relation to those voting shares;

(d) if a person submits to the Corporation a statutory declaration

(i) stating that none of the voting shares held by him or to be held by him as registered holder are or will be, to his knowledge, held as beneficial owner by him or any person with whom he is associated under subsection (1), or

(ii) specifying the number of voting shares of which he is the registered holder that are not and will not, to his knowledge, be held as beneficial owner by him or any person with whom he is associated under subsection (1),

then that person is not associated with any other person and no other person is associated with him in relation to those shares so long as the shares from time to time held by the person who made the declaration are not held contrary to the statements made in the declaration.

(3) Notwithstanding subsections (1) and (2)(b), (c) and (d), the Board may by resolution declare that 2 or more persons are associated for the purposes of this Act if the Board is satisfied that

(a) those persons are parties to an agreement or arrangement under which they act in concert with respect to their interests in the Corporation, or

(b) those persons have been and are continuing to act in concert with respect to their interests in the Corporation.

(4) A proxy respecting voting shares is not a voting trust or voting arrangement for the purposes of subsection (1)(e) or an agreement or arrangement for the purposes of subsection (3)(a).

Limitation on holding by non-residents of Canada

11(1) The number of voting shares that may be held by non-residents of Canada as beneficial owners shall not exceed in the aggregate 10% of the total number of issued and outstanding voting shares.

(2) For the purposes of this Act, if

(a) voting shares are held jointly by 2 or more persons as beneficial owners, and

(b) one or more of the joint holders is a non-resident of Canada,

the voting shares are deemed to be held by a non-resident of Canada as the beneficial owner of the shares.

Limitation on holding of voting shares

12(1) The total number of voting shares that may be held

(a) by any one person as beneficial owner, or

(b) by the members of any one group of associated persons as beneficial owners,

shall not exceed 5% of the total number of issued and outstanding voting shares.

(2) If 2 or more persons hold the same voting shares as beneficial owners, each of those persons is deemed to be the sole holder of those voting shares for the purposes of subsection (1).

(3) Subsection (1) does not apply to the Crown in respect of voting shares held by the Crown but does apply to agents of the Crown in respect of voting shares respectively held by them.

(4) In the case of the subscription for shares of the Corporation pursuant to an offer of voting shares by way of

(a) rights granted by the Corporation to registered holders to purchase additional voting shares, or

(b) a distribution of voting shares to the public,

the Corporation may, for the purposes of this section and section 11, count all of the unissued voting shares included in the offer as voting shares issued and outstanding until the offer has terminated.

Underwriters

13(1) Sections 11(1) and 12(1) do not apply to a person acting as an underwriter in connection with a distribution of voting shares during a period beginning on the date of sale of the voting shares by the Corporation or the Crown, as the case may be, to the

underwriter and ending 150 days after that date or at a later date that the Minister prescribes prior to the expiration of the 150-day period.

(2) A person referred to in subsection (1) shall not exercise the voting rights attached to the voting shares so held by him during the period mentioned in that subsection.

(3) In this section, “distribution” and “underwriter” have the meanings given to them in the *Securities Act*.

Pro rata
representation

14(1) When, at a meeting of shareholders of the Corporation, more than 10% of the voting shares represented at the meeting are held by non-residents of Canada as beneficial owners, the voting rights attached to the voting shares so represented shall be restricted on a pro rata basis to the extent necessary to ensure that the total number of votes that may be cast by or on behalf of non-residents of Canada at the meeting on any matter is not greater than 10% of the total number of voting shares represented at the meeting.

(2) For the purposes of subsection (1), when a non-resident of Canada

(a) holds voting shares by way of security only, and

(b) either has the right to vote the shares without obtaining voting instructions or the right to give voting instructions in respect of the shares,

the shares are deemed to be held by the non-resident as the beneficial owner of the shares.

Prohibition re
dividends on
voting shares

15(1) When voting shares are held by any one person or the members of any one group of associated persons in contravention of section 12, no dividend shall be paid in respect of any of the voting shares held by

(a) that person as beneficial owner, or

(b) any of the members of that group as beneficial owners,

as the case may be.

(2) Notwithstanding subsection (1), the Board may authorize the payment of a dividend in respect of any voting shares to a registered holder who would otherwise be disentitled to it under that subsection if the Board is of the opinion that

(a) the contravention was inadvertent or is of a technical nature, or

(b) it would be inequitable not to pay the dividend to the registered holder.

(3) If dividends are paid by the Corporation in respect of voting shares otherwise than in accordance with this section, the Corporation may by action recover the amount of the dividends so paid from the registered holders to whom they were paid whether or not the Corporation had knowledge of the contravention of this section when the dividends were paid.

Restrictions on
voting rights

16(1) When voting shares are held by any one person or the members of any one group of associated persons in contravention of section 12, no voting rights may be exercised in respect of

(a) any of the voting shares held by that person as beneficial owner or by any of the members of that group as beneficial owners, as the case may be, or

(b) any other voting shares held by way of security only by that person or by any of the members of that group, if that person or member either has the right to vote the shares without obtaining voting instructions or has the right to give voting instructions in respect of the shares.

(2) Subject to subsection (1), when

(a) any one person or one or more of the members of any one group of associated persons

(i) hold voting shares by way of security only, and

(ii) either have the right to vote the shares without obtaining voting instructions or the right to give voting instructions in respect of the shares,

with or without also holding voting shares as the beneficial owner or beneficial owners, and

(b) the total number of voting shares so held by him or them exceeds in the aggregate 5% of the total number of voting shares issued and outstanding,

the voting rights attached to the voting shares so held shall be restricted to the extent necessary to ensure that the total number of votes that may be cast in respect of those voting shares at a meeting of the shareholders of the Corporation on any matter shall not exceed 5% of the total number of votes attached to all voting shares then issued and outstanding.

(3) Subsection (2) does not apply to the Crown in respect of voting shares held by the Crown but does apply to agents of the Crown in respect of voting shares respectively held by them.

Refusal to
register

17 The Corporation shall not

- (a) issue any of its voting shares, or
- (b) register or otherwise recognize the transfer of any of its voting shares,

when the Corporation determines that a contravention of this Act would result.

Validity of
actions

18 The validity of

- (a) a meeting of shareholders of the Corporation or any action taken at it,
- (b) a transfer of voting shares that has been made or recorded in the securities register of the Corporation, or
- (c) the issuance of voting shares,

is not affected by a contravention of section 11, 12, 13, 14, 16, 17 or 20(6).

Redemption of
voting shares

19(1) If voting shares are held in contravention of section 11 or 12, the Corporation may, by notice to the registered holder of those shares, require the voting shares in excess of the percentage limit in section 11 or 12, as the case may be, to be disposed of within the period stated in the notice.

(2) A notice under subsection (1)

(a) may be given by personal service or by courier delivery or mail addressed to the registered holder at his last known address according to the records of the Corporation or its registrar and transfer agent, and

(b) shall prescribe a period of not less than 60 days from the time the notice is given as the period within which the voting shares must be disposed of.

(3) A notice sent by courier delivery or mail in accordance with subsection (2) is deemed to be given at the time it is delivered to the courier or deposited in the mail, as the case may be, unless

(a) there are reasonable grounds for believing that the registered holder did not receive the notice, and

(b) information as to the current address of the registered holder comes to the attention of the Corporation prior to the expiration of the notice period referred to in subsection (2)(b).

(4) If the excess voting shares referred to in subsection (1) have not been disposed of within the time set out in the notice given under that subsection, the Corporation may, at any time while those shares continue to be held in contravention of section 11 or 12, as the case may be, redeem them for cancellation on

(a) the deposit by the Corporation of the amount of the redemption price of the shares in a special account with a bank or treasury branch, and

(b) the giving of a notice of redemption to the registered holder of those shares in the manner prescribed by the by-laws of the Corporation, including notice of the deposit referred to in clause (a),

and thereupon the voting shares are redeemed for cancellation and the rights of the registered holder and any beneficial owners of them cease except the right of a registered holder to receive out of the amount so deposited, without interest, the redemption price payable with respect to the shares on presentation and surrender of the certificate representing the shares.

(5) The Corporation shall redeem voting shares for cancellation under subsection (4) according to the length of time they have been held by the registered holders as evidenced by the securities register of the Corporation, with the voting shares held for the shortest period of time being redeemed for cancellation before others held for a longer time.

(6) Any interest payable by the bank or treasury branch on the deposit made pursuant to subsection (4)(a) shall be paid to the Corporation.

(7) The Corporation is not bound to see to the application of the amount deposited or to the execution of any trust, whether express, implied or constructive, in respect of voting shares redeemed for cancellation under this section, nor is the Corporation estopped by any certificates outstanding in respect of voting shares redeemed for cancellation.

(8) The redemption price of voting shares for the purposes of this section is the lesser of

(a) the offer price per share on the first distribution of voting shares to the public after the coming into force of this section, and

(b) the lowest closing price per share of the voting shares on the principal stock exchange occurring in the 12-month period preceding the date of the giving of the notice of redemption.

(9) In subsection (8)(b), “principal stock exchange” means the stock exchange in Canada designated by the Board as the principal stock exchange for the Corporation.

Request for
information

20(1) At the request of the Corporation, a person who

- (a) is or proposes to be a registered holder,
- (b) holds or proposes to hold or is believed by the Corporation to hold voting shares on behalf of another person, other than as a registered holder,
- (c) is or proposes to be or is believed by the Corporation to be a beneficial owner of voting shares,
- (d) subscribes for voting shares,
- (e) requests registration of a transfer of voting shares,
- (f) requests a change in the registration of voting shares, or
- (g) elects to convert or exchange any securities of the Corporation into or for voting shares,

shall file a shareholder’s declaration with the Corporation or its registrar and transfer agent.

(2) A person to whom a request is made pursuant to subsection (1) shall file the shareholder’s declaration in a form authorized by the Board, and the shareholder’s declaration must contain the information requested by the Corporation to enable the Corporation to determine whether this Act is being or may be contravened.

(3) Without restricting the Corporation’s right to request information, the information mentioned in subsection (2) may include

- (a) the name and address of the person,
- (b) the name and address of any person on whose behalf that person holds voting shares,
- (c) the names and addresses of that person’s associates,
- (d) the names and addresses of any persons with whom that person acts in concert with respect to interests in the Corporation,

- (e) whether that person is a non-resident of Canada,
- (f) the number of voting shares that are or are to be held by that person and by that person's associates, as beneficial owner, and the date or dates on which that person or that person's associates acquired his or their interests,
- (g) whether any voting shares are held by way of security only, and
- (h) a summary of the residency or citizenship of the holders of shares, units or interests of whatever nature of a person that is a corporation.

(4) When

- (a) a shareholder's declaration is requested in respect of voting shares under this section by the Corporation from a registered holder or a beneficial owner or another person for whom the registered holder or other intermediary has indicated he holds the voting shares, and
- (b) the registered holder, beneficial owner or other person does not submit to the Corporation a declaration satisfactory to the Corporation within the time, being not less than 30 days, prescribed in the request,

then, until a declaration satisfactory to the Corporation has been submitted to it, sections 15, 16(1), 19 and 21(4) apply to those voting shares as though they were voting shares held by that person as beneficial owner in contravention of section 12.

(5) It is a condition of every transfer of voting shares to be made or recorded in the securities register of the Corporation and of the issue of voting shares that the transferee or purchaser must submit to the Corporation a declaration if requested pursuant to subsection (1).

(6) When the Corporation has requested a declaration from a person pursuant to subsection (1), the Corporation shall not

- (a) accept any offer to purchase voting shares from that person, or
- (b) allow any transfer of voting shares to be made or recorded in the name of that person in the securities register of the Corporation

unless the declaration has been submitted to the Corporation and it appears from the declaration that the proposed beneficial owner of those shares would not, by the acceptance of the offer to

purchase the shares being purchased or the entry in the securities register of the shares being transferred, hold those shares in contravention of this Act.

Judicial
remedies

21(1) A registered holder or beneficial owner of voting shares may apply to the Court of Queen's Bench for an order under this section.

(2) If, on an application under this section, the Court is satisfied that all or a majority of the directors then holding office, other than those appointed by the Lieutenant Governor in Council, consist of individuals who were

(a) elected at an election at which voting shares were voted in contravention of section 13, 14 or 16, or

(b) appointed to replace directors elected at an election at which voting shares were voted in contravention of section 13, 14 or 16,

the Court may, subject to section 18, make an order to rectify the contravention complained of.

(3) In connection with an application under this section, the Court may make any interim or final order it thinks fit, including, without limiting the generality of the foregoing, any or all of the following:

(a) an order restraining the Board from exercising any powers specified in the order;

(b) an order removing the directors then holding office, other than those appointed by the Lieutenant Governor in Council;

(c) an order respecting an election of directors, other than those appointed by the Lieutenant Governor in Council, and providing for their terms of office.

(4) On an application under this section, the Court may make

(a) an order directing the Corporation to commence and diligently prosecute an action under section 15(3), or

(b) an order directing the Corporation to commence and diligently prosecute proceedings under section 19 for the redemption of the voting shares specified in the order.

Reliance by the
Corporation

22(1) The Corporation is entitled to assume for the purposes of this Act that the registered holder of any voting shares is also the beneficial owner of the shares except to the extent that the Corporation has evidence to the contrary by way of

(a) a statutory declaration submitted by the registered holder to the Corporation stating that some other person is the beneficial owner of the shares and naming that beneficial owner,

(b) statements made in any declaration submitted to the Corporation under section 10(2)(d) or 20, or

(c) any other information in the possession of the Corporation,

and if the Corporation has no reasonable grounds to believe that the evidence is not then true.

(2) In determining for the purposes of this Act

(a) whether voting shares are held in contravention of section 11 or 12,

(b) whether voting rights were exercised in contravention of section 13, 14 or 16,

(c) whether a person is associated with any other person, or

(d) any other circumstances relevant to the performance of the duties of the Corporation and the Board under this Act,

the Corporation and any director, officer, employee or agent of the Corporation may rely on statements made in any declaration submitted under section 10(2)(d) or 20 or subsection (1)(a) of this section or rely on the knowledge of any of the directors of the circumstances, and the Corporation and its directors, officers, employees or agents are not liable in an action for anything done or omitted by them in good faith as a result of any conclusions made by them on the basis of any such statements or knowledge.

Ruling by
Board

23(1) The Board may, on application, make a ruling on whether a person or the members of a group of associated persons hold voting shares in contravention of section 12 or whether section 16 applies to a person or the members of a group of associated persons.

(2) The Board is bound by a ruling made under subsection (1) unless the applicant did not disclose a fact material to the Board in making its ruling or there is a subsequent material change of circumstances.

PART 2

AGT LIMITED

Share capital

24(1) The articles of the Telephone Company shall provide that it is authorized to issue shares of at least the following classes:

(a) a class of shares of unlimited number, each of which carries the right under all circumstances to vote on a resolution electing directors of the Telephone Company;

(b) 2 classes of preferred shares of unlimited number, issuable in series, neither of which has any voting rights other than voting rights described in subsection (3) or (4);

(c) a class of shares consisting of a single share issuable to the Crown, to be known as the “special share” of the Telephone Company, with special rights, privileges, restrictions and conditions, approved by the Lieutenant Governor in Council, that are referable to the corporate actions enumerated in section 27(1).

(2) The Telephone Company may not, without the approval of the Lieutenant Governor in Council, create or issue any class of shares not mentioned in subsection (1)(a), (b) or (c) that has voting rights, other than voting rights described in subsection (3) or (4).

(3) Subsections (1) and (2) do not derogate from voting rights provided for under the *Business Corporations Act* that apply to a class or series of a class of preferred shares that do not otherwise carry voting rights or that only carry voting rights described in subsection (4).

(4) Subsections (1) and (2) do not derogate from the rights of holders of any class of preferred shares that

(a) arise on the failure of the Telephone Company to pay 8 quarterly dividends, whether consecutive or not, and continue only for so long as those dividends remain in arrears, and

(b) give the right

(i) to receive notice of and to attend meetings of shareholders of the Telephone Company at which directors are to be elected, and

(ii) to vote for the election of 2 directors,

but if dividends on 2 or more of those classes of preferred shares are in arrears as described in this subsection, only 2 directors may

be elected by the holders of all those classes of preferred shares in arrears as so described.

(5) No unanimous shareholder agreement shall be entered into in respect of the Telephone Company without the consent of the Lieutenant Governor in Council.

Board of
directors

25(1) The number of directors on and the composition of the board of directors of the Telephone Company shall be determined subject to this section.

(2) The articles of the Telephone Company shall provide for a minimum of 12 directors and a maximum of 20 directors.

(3) At least 2/3 of the directors of the Telephone Company must be ordinarily resident in Alberta.

(4) The Lieutenant Governor in Council may appoint 4 directors of the Telephone Company, who must be ordinarily resident in Alberta, to hold office for the respective terms specified by the Lieutenant Governor in Council.

(5) Any act of the board of directors or a committee of the board of directors of the Telephone Company is valid notwithstanding non-compliance with this section.

Head office

26 The registered and head office of the Telephone Company must be in the City of Edmonton.

Fundamental
changes

27(1) The Telephone Company may not

(a) sell, issue or allot shares carrying voting rights, other than voting rights described in section 24(3) or (4), to any person other than the Corporation,

(b) change its name,

(c) amalgamate with one or more other bodies corporate,

(d) apply under section 186 of the *Business Corporations Act* for an order of the Court of Queen's Bench approving an arrangement,

(e) sell, lease or exchange all or substantially all of its property,

(f) cease to carry on the telecommunications business,

(g) be dissolved or liquidated and dissolved under the *Business Corporations Act*,

(h) voluntarily take the benefit of any law that may result in the liquidation or the termination of existence of the Telephone Company,

(i) make, alter, amend or modify its articles or by-laws in any manner that is inconsistent with or that derogates from the special rights, privileges, restrictions or conditions attaching to its special share, or

(j) create or issue any shares having or purporting to have any rights, privileges, restrictions or conditions comparable to, or which negate or attempt to negate, any of the special rights, privileges, restrictions or conditions attaching to its special share,

without the consent of the Lieutenant Governor in Council and then only on the terms and conditions, if any, that he prescribes.

(2) The Telephone Company may not be continued in another jurisdiction.

(3) Subsection (1)(c) does not operate so as to prevent the Telephone Company and one or more wholly-owned subsidiaries of the Telephone Company or of the Corporation from amalgamating and continuing as one corporation without the consent of the Lieutenant Governor in Council if

(a) none of those wholly-owned subsidiaries

(i) was acquired by the Telephone Company or the Corporation in a transaction that was material in relation to the business of the Telephone Company and its subsidiaries or the Corporation and its subsidiaries, as the case may be, on a consolidated basis,

(ii) has amalgamated with a body corporate that is not a wholly-owned subsidiary of the Telephone Company or the Corporation,

(iii) has applied under section 186 of the *Business Corporations Act* for an order of the Court of Queen's Bench approving an arrangement, or

(iv) has acquired, through the acquisition of assets or shares, any business in a transaction that was material in relation to the business of that subsidiary and its subsidiaries on a consolidated basis,

since the coming into force of this subsection, and

(b) the articles of amalgamation will be the same as the articles of the Telephone Company.

(4) In subsection (3), “subsidiary” means a subsidiary within the meaning of the *Business Corporations Act*.

(5) Subsection (1)(e) does not operate so as to restrict the power of the Telephone Company to grant security for the payment of money borrowed by it or any other person in the ordinary course of business.

PART 3

GENERAL

Act prevails

28(1) Subject to this Act, the *Business Corporations Act* applies to the Corporation and the Telephone Company.

(2) If there is a conflict between this Act or the regulations under it and

(a) the *Business Corporations Act* or the regulations under it,

(b) the articles of the Corporation or the Telephone Company,

(c) the by-laws of the Corporation or the Telephone Company, or

(d) a unanimous shareholder agreement relating to the Telephone Company,

this Act and the regulations prevail.

(3) The rights, privileges, restrictions and conditions

(a) attaching to the special share issued by the Corporation that are contained in the articles of the Corporation, and

(b) attaching to the special share issued by the Telephone Company that are contained in the articles of the Telephone Company,

apply notwithstanding anything in the *Business Corporations Act*.

(4) If the Minister approves the amendment before March 31, 1991, the articles of the Corporation may be amended so that the class of voting shares referred to in section 2(1)(a) is issuable in 2 series, but if the articles are so amended, none of the provisions of the *Business Corporations Act* entitling the holders of a series of

a class of shares to vote separately apply to the holders of a series of the class of voting shares referred to in section 2(1)(a).

Not Crown
agents

29 Neither the Corporation nor the Telephone Company is an agent of the Crown.

Regulations

30 The Lieutenant Governor in Council may make regulations

(a) respecting the offering and sale of voting shares held by the Crown including, for the purposes of section 39, defining “Alberta residents” and determining the nature and extent of the priority to Alberta residents;

(b) respecting the offering and sale of voting shares offered at the same time as voting shares held by the Crown;

(c) permitting the Corporation to include in its articles provisions imposing constraints on the issue, transfer and ownership, including joint ownership, of securities of the Corporation to enable the Corporation to comply with any law of Canada or qualify under any law of Canada to obtain or retain a licence or other similar approval to carry on any business, and provisions respecting the enforcement of the constraints;

(d) delegating any or all of the powers of the Lieutenant Governor in Council under section 33 to the Minister, subject to any terms or conditions imposed by the regulations;

(e) respecting any other matter considered necessary or advisable to carry out the intent and purpose of this Act.

PART 4

DISPOSITION OF ALBERTA GOVERNMENT TELEPHONES PROPERTY

Definitions

31 In this Part,

(a) “Commission” means The Alberta Government Telephones Commission;

(b) “purchaser corporation” means the Corporation, the Telephone Company or a Subsidiary Company, or a subsidiary of any of them;

(c) “Subsidiary Company” means

(i) any of the following:

(A) Alta Telecom International Ltd.,

(B) Alta Telecom, Inc.,

(C) Alta-Can Telecom Inc.,

(D) Alta Telecom Licensing Corporation, and

(E) 288922 Alberta Ltd.,

(ii) any other body corporate whose shares that carry voting rights sufficient to elect a majority of its directors are

(A) registered on the securities register of the body corporate in the name of the Commission, or

(B) held, directly or indirectly, by or on behalf of the Commission,

and

(iii) a subsidiary of a body corporate referred to in subclause (i) or (ii);

(d) “telecommunication assets” means all of the property of whatever nature and kind held or possessed by or for the Commission, except assets of the Alberta Government Telephones Employees’ Pension and Death Benefit Plan;

(e) “transaction” means a transaction referred to in section 33.

Crown property **32** For greater certainty, it is confirmed that at all relevant times prior to the closing of the transactions

(a) all property rights in or to the telecommunication assets were acquired by the Commission as agent for and on behalf of the Crown, and

(b) the telecommunication assets are the property of the Crown, whether title to them is in the name of the Crown or in the name of the Commission.

Transactions **33(1)** The Crown may enter into transactions that will, directly or indirectly, result in the vesting of any or all of the telecommunication assets in a purchaser corporation the Minister directs, subject to the terms and conditions, if any, approved by the Lieutenant Governor in Council.

(2) The Commission and the purchaser corporations shall enter into any transactions the Minister directs that will, directly or indirectly, result in the vesting of any of the telecommunication assets, or any legal interest in them, in a purchaser corporation, subject to the terms and conditions, if any, approved by the Lieutenant Governor in Council.

(3) With respect to any particular telecommunication assets that are or will be vested in a purchaser corporation pursuant to a transaction, a direction under subsection (2) may

(a) direct the concurrent or subsequent vesting of those telecommunication assets in another purchaser corporation, and

(b) impose any terms and conditions the Minister thinks appropriate on the direction.

(4) A transaction may provide for

(a) the assumption by a purchaser corporation of any indebtedness, liability or obligation

(i) of the Commission, or

(ii) originally incurred or assumed by the Commission,

and

(b) any matter related directly or indirectly to a transaction or an indebtedness, liability or obligation associated with it.

Affected
interests

34(1) If an indebtedness, liability or obligation of the Commission, or an indebtedness, liability or obligation originally incurred or assumed by the Commission, is assumed by a purchaser corporation pursuant to a transaction, the purchaser corporation is, unless a transaction otherwise provides, directly liable to the person to whom the indebtedness, liability or obligation is due or by whom it is held as if the purchaser corporation had incurred it on its own behalf, and any liability of the Crown and the Commission with respect to that indebtedness, liability or obligation is extinguished.

(2) A preferential or other right to acquire any telecommunication assets is waived with respect to a transaction as against the Crown, the Commission or a Subsidiary Company or a purchaser corporation to whom a direction referred to in section 33(3)(a) is made, as the case requires, and the purchaser corporation that, pursuant to the transactions, ultimately acquires telecommunication assets with respect to which there are preferential or other rights shall, in respect of any matter arising after the closing of the transactions, observe, fulfil and perform those preferential or other

rights as the person directly liable for their observance, fulfilment or performance.

(3) A notice, consent or approval required pursuant to an agreement or constating document that relates to telecommunication assets is waived with respect to a transaction, and the purchaser corporation that, pursuant to the transactions, ultimately acquires telecommunication assets with respect to which the notice, consent or approval applies shall, in respect of any matter arising after the closing of the transactions, comply with all requirements for the giving of the notice or procurement of the consent or approval as the person directly responsible therefor.

(4) A default or breach of a covenant that occurs under an instrument

(a) binding on the Crown or the Commission or a purchaser corporation to whom a direction referred to in section 33(3)(a) is made, or

(b) relating to telecommunication assets,

by reason of a vesting in a purchaser corporation pursuant to a transaction is waived, but the waiver made by this subsection is without prejudice to the rights of any person in respect of a default or breach arising after the closing of the transactions.

(5) No person has a right to compensation by reason only of the operation of this section.

Application of
other Acts

35 The following enactments do not apply to a transaction:

(a) the *Bulk Sales Act*;

(b) section 128 of the *Workers' Compensation Act*;

(c) section 6(4.1) and (4.2) of the *Alberta Heritage Savings Trust Fund Act*;

(d) the *Public Utilities Board Act*;

(e) the *Bills of Sale Act*.

Substitution of
name

36(1) In this section,

(a) "instrument" includes

(i) a caveat or an instrument within the meaning of the *Land Titles Act*,

(ii) an agreement, transfer, assignment, licence to use property, mortgage, encumbrance, charge, certificate of title or certificate of registration,

(iii) a judgment, order, direction, appointment, approval or determination of a court, judge or other constituted authority,

(iv) a pleading, notice or document in an action or other proceeding in a court, and

(v) a document issued, registered, filed, lodged or deposited by or with a registrar;

(b) “ministerial order” means an order of the Minister consequential to a direction under section 33;

(c) “registrar” means

(i) a Registrar of Land Titles,

(ii) the Registrar of Personal Property under the *Chattel Security Registries Act* or under the *Personal Property Security Act*,

(iii) a minister of the Crown,

(iv) a clerk of the court or a sheriff, or

(v) the chief officer of a registry or records office established by or pursuant to an Act.

(2) Subject to this section, a reference to the Commission in an instrument made or executed before the coming into force of this subsection, other than

(a) a debenture of the Commission,

(b) a note or other instrument of indebtedness issued by the Commission relating to the Alberta Provincial Corporation Loan Fund,

(c) an instrument relating to assets in the sinking fund of the Commission,

(d) an instrument relating to the assets or liabilities of the Alberta Government Telephones Employees’ Pension and Death Benefit Plan, or

(e) an instrument entered into by the Commission with a purchaser corporation as part of a transaction,

is deemed to be a reference to the Telephone Company, and the Telephone Company has the same rights, obligations and status that the Commission had in respect of that instrument.

(3) A reference to the Commission, a Subsidiary Company or the Crown in an instrument or class of instrument identified in a ministerial order is deemed to be a reference to the purchaser corporation named in the order with respect to that instrument or class of instrument, and the purchaser corporation has the same rights, obligations and status that the Commission, Subsidiary Company or Crown had in respect of the instrument or class of instrument.

(4) If, at any time, it is determined that the actual effect of a transaction is that the Commission or a purchaser corporation other than the Telephone Company should be referred to in an instrument or class of instrument to which subsection (2) applies, the Minister may make a ministerial order naming the Commission or that other purchaser corporation with respect to that instrument or class, but the order does not affect the validity of any action taken in relation to the instrument or class before the effective date of the order and, if the order names the Commission, subsection (3) applies as if the Commission were a purchaser corporation.

(5) If an instrument or class of instrument identified in a ministerial order is registered, filed, lodged or deposited with a registrar, the Minister shall file a copy of the order with that registrar.

(6) A registrar is not required to make any entries in his records with respect to a ministerial order filed with him, except in the case of a fee simple estate in land, in which case the Registrar of Land Titles shall, on the written request of the purchaser corporation, issue a new certificate of title in the name of the purchaser corporation.

(7) A registrar may rely on the execution of a document by a purchaser corporation

(a) when the Telephone Company is the purchaser corporation, if the document contains a statement that the deemed reference in subsection (2) is applicable, or

(b) in the case of any other purchaser corporation, if the document contains a reference to the ministerial order relevant to the matter to which the document pertains.

(8) No fees are payable to a registrar as a result of the filing of a ministerial order or the issue of a certificate of title pursuant to this section, but a purchaser corporation shall pay to the Crown a special charge, in an amount determined by the Lieutenant

Governor in Council, in lieu of registrar's fees avoided by reason of this section.

(9) The Minister shall publish a copy of each ministerial order in The Alberta Gazette as soon as reasonably possible after it is made.

Commission
employees

37(1) In this section, "Commission employee" means an individual in the employment of the Commission immediately before the closing of the transactions.

(2) On the closing of the transactions, every Commission employee

(a) becomes an employee of the Telephone Company, and

(b) is employed by the Telephone Company on terms and conditions as to salary and benefits that are no less advantageous than those under which he was employed by the Commission immediately before the closing of the transactions.

(3) Subsection (2) does not apply to a Commission employee who accepts an offer of employment from a purchaser corporation other than the Telephone Company.

(4) Every employee referred to in subsection (2) or (3) is deemed to have been employed by the Telephone Company or the purchaser corporation, as the case may be, for the same period of time that he was in the employment of the Commission before the closing of the transactions.

Pension and
death benefit
plan

38(1) In this section,

(a) "former plan" means the Alberta Government Telephones Employees' Pension and Death Benefit Plan;

(b) "new plan" means a plan established by a purchaser corporation designated by the Minister;

and words and expressions defined in the former plan have the same meaning in this section.

(2) All of the assets and liabilities of and all agreements relating to the former plan, except a trust agreement relating to it, are assigned and transferred to the trustees of the new plan.

(3) With respect to the assignment and transfer under subsection (2),

(a) a notice, consent or approval required pursuant to

(i) an agreement or constating document that relates to any of the assets or liabilities of the former plan, or

(ii) an agreement that relates to the former plan,

is waived with respect to the assignment and transfer,

(b) a default or breach of covenant that occurs under an agreement referred to in clause (a) by reason of the assignment and transfer is waived, and

(c) a preferential or other right to acquire any of those assets is waived with respect to the assignment and transfer.

(4) Subject to the law governing the plans, the new plan shall contain provisions ensuring that all employees referred to in section 37 are entitled to benefits under the new plan based on their employment with the Commission that are no less advantageous than those to which the employees were entitled under the former plan.

(5) Individuals within the following classes, namely,

(a) individuals who are

(i) former Commission employees who are receiving benefits under the former plan, or

(ii) former Commission employees who elected to be entitled to deferred benefits under the former plan,

and

(b) spouses, dependent children, dependent family members or beneficiaries of individuals described in clause (a),

shall receive their benefits through the new plan in accordance with the benefits fixed for them under the former plan, subject to the law governing the plans.

(6) The new plan is liable for the benefits referred to in subsections (4) and (5).

(7) Employees referred to in section 37 and individuals referred to in subsection (5) are deemed to consent

(a) to the termination of the former plan,

(b) to the assignment and transfer of assets, liabilities and agreements from the former plan to the new plan, and

(c) to the determination of all rights pursuant to the new plan without reference, in any way, to the former plan or any trust or trust agreement relating to it.

(8) On the coming into force of subsection (2),

(a) the former plan, together with any trust or trust agreement relating to the former plan, is terminated in its entirety, and

(b) the liability of the Crown, the Commission and the trustees of the former plan is extinguished with respect to the former plan and any trust or trust agreement relating to it.

(9) Notwithstanding subsections (1) to (7), the Minister, if it is necessary to do so before the coming into force of subsection (2), may direct that the new plan shall consist of a new pension and death benefit plan and a new disability plan, and in that event the Minister shall also determine the division between the 2 new plans of the assets, liabilities and agreements referred to in subsection (2) and the liabilities referred to in subsection (6).

(10) If the Minister makes a direction under subsection (9),

(a) references to the new plan in subsections (1) to (7) shall be read as references to the new pension and death benefit plan or the new disability plan, as the case requires,

(b) subsection (2) shall be construed so as to reflect the division of the assets, liabilities and agreements made by the Minister under subsection (9), and

(c) subsection (6) shall be construed so as to reflect the division of the liabilities made by the Minister under subsection (9).

Sale of Crown
held shares

39(1) When voting shares of the Corporation acquired by the Crown pursuant to the transactions are offered to the public at large, the Crown shall offer voting shares in priority to Alberta residents in accordance with the regulations.

(2) Where voting shares are offered to Alberta residents in accordance with subsection (1) under arrangements providing for the payment of the price of the voting shares in 2 or more instalments and for the issuance of instalment receipts in respect of those shares, the regulations may make provision respecting the applicability of all or any of the provisions of Division 2 of Part 1 to instalment receipts.

Crown
shareholding
and related
matters

40(1) Securities, including voting shares of the Corporation, acquired by the Crown pursuant to the transactions, other than under the *Alberta Heritage Savings Trust Fund Act*, are deemed to have been acquired pursuant to section 50.1(1) of the *Financial Administration Act*.

(2) With respect to a transaction or public offering of voting shares of the Corporation held by the Crown or related instruments, the expenses that are for the account of the Crown and related to

- (a) services of legal and securities or other financial advisers,
- (b) qualification of voting shares or related instruments for sale to the public,
- (c) preparation, translation, printing and delivery of any prospectus or preliminary prospectus required under securities law,
- (d) certificates or instruments representing or relating to voting shares,
- (e) listing of the voting shares or related instruments on any stock exchange, and
- (f) underwriting and agency fees, commissions and related expenses,

shall be paid out of the General Revenue Fund.

(3) Subsection (2) does not apply to expenses attributable to voting shares held by the Alberta Heritage Savings Trust Fund, to which section 11(1) of the *Alberta Heritage Savings Trust Fund Act* shall apply.

Temporary
additional
powers

41(1) Notwithstanding the *Telecommunications Act*, the Commission has capacity to enter into transactions and do anything required of it under section 33 or under a transaction.

(2) Notwithstanding sections 5(1) and 27(1), the Corporation and the Telephone Company may make any fundamental changes of the nature specified in those sections that are required to properly give effect to the transactions.

(3) When the Minister prescribes the identity and name of the Corporation and the identity of the Telephone Company, their names are changed accordingly, and the Registrar of Corporations shall change his records as necessary to indicate the new names.

Telecommuni-
cations Act
amendments

(4) The Corporation shall allot and issue its special share to the Crown for a nominal consideration approved by the Minister.

(5) The Telephone Company shall allot and issue its special share to the Crown for a nominal consideration approved by the Minister.

42(1) *The Telecommunications Act is amended by this section.*

(2) *Section 1(1) is amended by adding the following after clause (f):*

(g) "transaction" means a transaction under the *Alberta Government Telephones Reorganization Act*.

(3) *Section 2 is amended*

(a) *in subsection (1) by striking out " , with the same name";*

(b) *by repealing subsection (2).*

(4) *Sections 3 to 9 are repealed and the following is substituted:*

3(1) The Commission shall consist of a chairman and any other persons appointed as members by the Lieutenant Governor in Council.

(2) The chairman and other members shall receive the remuneration prescribed by the Lieutenant Governor in Council.

4 The Commission may

(a) make by-laws regulating its proceedings and generally for the conduct, management and operations of the Commission, and

(b) unless the Lieutenant Governor in Council directs that the work of the Commission be done by employees of the Government, hire employees, specify their duties and determine and pay their remuneration.

5 The purposes of the Commission are

(a) to fulfil any transactions in which the Commission is involved,

(b) to pay or perform the debts, liabilities or obligations of the Commission remaining or arising following the closing of the transactions and to enter into or administer arrangements with purchaser corporations with respect to the funding of those payments,

(c) to exercise any rights and remedies and to otherwise deal in any manner in respect of any indebtedness or other obligation of a purchaser corporation,

(d) to acquire, invest and dispose of sinking fund assets of the Commission,

(e) to conclude its business and affairs and distribute money and other assets to the Government, and

(f) to do all other things directed by the Lieutenant Governor in Council.

6 To carry out its purposes, the Commission has the capacity and the rights, powers and privileges of a natural person.

7 After the closing of the transactions, the Lieutenant Governor in Council may, by order, change the name of the Commission.

(5) Sections 12, 14, 17 and 18 are repealed.

(6) Sections 24 to 45 are amended by striking out “the Commission” wherever it occurs and substituting “AGT Limited”.

Consequential
amendments

43(1) *The Crown Property Municipal Grants Act is amended in section 4(g) by striking out “, the Alberta Government Telephones Commission”.*

(2) The Electric Power and Pipe Line Assessment Act is amended in section 1(g) by striking out “and” at the end of subclause (i), by adding “and” at the end of subclause (ii) and by adding the following after subclause (ii):

(iii) the installations, materials, devices, fittings, apparatus, appliances, equipment, machinery, ways and easements and structures used in the transmission or sale of telecommunications services,

(3) The Hydro and Electric Energy Act is amended in section 36(1)(a) and (b) by striking out “The Alberta Government Telephones Commission” wherever it occurs and substituting “AGT Limited”.

(4) The Municipal and Provincial Properties Valuation Act is amended

(a) by repealing section 3(i);

(b) in section 4(1) by adding “and” at the end of clause (b) and by repealing clause (d);

(c) by repealing sections 5 and 6(2);

(d) in section 9

(i) by striking out “3, 4 or 5” and substituting “3 or 4”;

(ii) by striking out “, Part 1 of the Telecommunications Act”.

(5) The School Act is amended in section 144(1)(c) by striking out “, the Alberta Government Telephones Act”.

(6) The Water, Gas and Electric Companies Act is amended in section 8

(a) by striking out “The Alberta Government Telephones Commission” wherever it occurs and substituting “AGT Limited”;

(b) by striking out “the Commission” and substituting “AGT Limited”.

Repeals

44 *Unless repealed at an earlier date by Proclamation,*

(a) sections 33 and 41 are repealed on March 31, 1991,

(b) sections 2(1)(c) and 5(1)(i) and (j) are repealed 5 years after the issue of the special share referred to in section 2(1)(c), and

(c) sections 24(1)(c) and 27(1)(i) and (j) are repealed 5 years after the issue of the special share referred to in section 24(1)(c).

**Coming into
force**

45 *Sections 3, 5(3) and (4), 25, 27(3) and (4), 36, 38, 42 and 43 come into force on Proclamation.*