

1995 BILL Pr3

Third Session, 23rd Legislature, 44 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL Pr3

ALBERTA STOCK EXCHANGE
AMENDMENT ACT, 1995

MR. HERARD

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

Bill Pr3
Mr. Herard

BILL Pr3

1995

ALBERTA STOCK EXCHANGE AMENDMENT ACT, 1995

(Assented to , 1995)

WHEREAS a petition has been presented praying for amendments to The Alberta Stock Exchange Act, being chapter 79 of the Statutes of Alberta, 1974, and it is desirable to grant the prayer of the petition;

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

1 The Alberta Stock Exchange Act is amended by this Act.

2 Section 1 is repealed and the following is substituted:

1 In this Act,

- (a) "associate", "director", "security" and "senior officer" have the same meaning as in the *Securities Act*;
- (b) "Corporation" means The Alberta Stock Exchange;
- (c) "exchange" means the exchange operated by the Corporation;
- (d) "insider" means
 - (i) every director or senior officer of a member of the Corporation,

Explanatory Notes

1 Amends chapter 79 of the Statutes of Alberta 1974.

2 Section 1 presently reads:

1 In this Act,

(a) "Corporation" means The Alberta Stock Exchange;

(b) "exchange" means the stock exchange operated by the Corporations;

- (ii) every director or senior officer of a company that is itself an insider of a member or a subsidiary thereof, and
 - (iii) any person who beneficially owns, directly or indirectly, voting securities of a member of the Corporation or who exercises control or direction over voting securities of a member of the Corporation or a combination of both carrying more than 5 percent of the voting rights attached to all voting securities of the member for the time being outstanding other than voting securities held by the person or company as underwriter in the course of a distribution;
- (e) "public director" means a director of the Corporation who is not a member of the Corporation or an associate or insider of a member of the Corporation.

3 Section 4(1) is repealed and the following is substituted:

4(1) The object of the Corporation is to operate an exchange in Alberta for trading in securities or other instruments by members of the Corporation and other persons authorized under subsection (2).

4 Section 6(1) is repealed and the following is substituted:

6(1) The affairs of the Corporation shall be managed by a board of directors, who may be referred to as governors, consisting of

- (a) the President of the Corporation,
- (b) 3 public directors or, where the by-laws so provide, up to 5 public directors, and
- (c) such other number of directors as the by-laws provide.

3 Section 4(1) presently reads:

4(1) The object of the Corporation is to operate a stock exchange in Alberta for trading by the members of the Corporation and other persons authorized under subsection (2).

4 Section 6(1) presently reads:

6(1) The affairs of the Corporation shall be managed by a board of directors, who may be referred to as governors, consisting of not less than nine and not more than 15 persons elected under section 7, subsection (2).

5 In section 7, subsections (2), (3) and (4) are repealed and the following is substituted:

(2) The public directors shall be elected annually by the board of directors, at the first meeting of the board of directors following the annual meeting of the Corporation to hold office until the next annual meeting of the Corporation, and any vacancy occurring in the office of the public directors may be filled by the election of another person for the remainder of the term by the directors then in office.

(3) The directors referred to in subsection 6(1)(c) shall be elected by the members annually in such manner as the by-laws of the Corporation provide.

(4) The directors of the Corporation in office immediately before this Act comes into force shall be deemed to be the directors of the Corporation and shall remain in office until the first annual meeting of the Corporation held after this Act comes into force.

6 Section 8 is repealed and the following is substituted:

8(1) The chairman and any vice-chairman of the board of directors shall be appointed by the board of directors.

(2) The board of directors may bestow upon any one or more of its number such honorary offices as it shall think fit.

(3) Every officer of the Corporation, except the chairman, any vice-chairman of the board of directors, the President and any honorary officers referred to in subsection (2), shall be appointed by the President with the approval of the board of directors.

(4) No officer of the Corporation other than the chairman, any vice-chairman of the board of directors, the President and any honorary officers referred to in subsection (2), shall be a director or member of the Corporation.

7 Section 9 is amended by striking out "and chief administrative officer".

5 Section 7(2), (3) and (4) presently read:

7(2) The directors shall be elected by the members yearly in such manner as they by-laws of the Corporation provide.

(3) The directors of the Corporation in office immediately before this Act comes into force shall be deemed to be the directors elected under subsection (2) and shall remain in office until the first annual meeting of the Corporation held after this Act comes into force.

(4) The President shall be appointed in accordance with this Act within three months after this Act comes into force.

6 Section 8 presently reads:

8(1) All officers of the Corporation other than the chairman of the board of directors, the vice-chairman of the board of directors, the President, the secretary and the treasurer shall be appointed by the board of directors with the approval of the President.

(2) No officers of the corporation other than the chairman of the board of directors, the vice-chairman of the board of directors, the secretary and the treasurer shall be members or directors of the Corporation.

7 Section 9 presently reads:

9 The President shall be the chief executive officer and chief administrative officer of the Corporation.

8 Section 10 is amended

(a) in subsection (1), by repealing everything after clause (c) and by substituting the following:

- (d) the business conduct of former employees, agents and persons associated with them in the conduct of business, in respect of their business conduct while employed or engaged by or associated with a member or person authorized to trade on the exchange;**
- (e) the business conduct of former members and other persons formerly authorized to trade on the exchange and their employees, agents and persons associated with them in the conduct of business and their former employees, agents and persons associated with them in the conduct of business, in respect of the business conduct of any of them while the former members and other persons formerly authorized to trade on the exchange were members or were persons authorized to trade on the exchange;**

and in the exercise of such powers, the board of directors may pass, amend and repeal such by-laws and make such rules and regulations and issue such orders and directions pursuant to such by-laws as it considers necessary for the purpose, including the means of effecting service of documents upon persons referred to in clauses (c), (d) and (e), whether by personal service or otherwise, and the imposition of penalties and forfeitures for the breach of any such by-law, rule regulation, direction or order.

(b) by renumbering subsection (2) as (3) and by adding the following after subsection (1):

- (2) The board of directors may delegate to one or more persons or committees of the Corporation the power of the board of directors**
 - (a) to consider, hold hearings and make determinations regarding applications for any acceptance, approval, registration or authorization and to impose terms and conditions on any such acceptance, approval,**

8 Section 10 presently reads:

10(1) For the purpose of the object of the Corporation, the board of directors has the power to govern and regulate,

- (a) the exchange;*
- (b) the partnership and corporate arrangements of the members and other persons authorized to trade on the exchange, including requirements as to financial condition;*
- (c) the business conduct of members and other persons authorized to trade on the exchange and of their employees and agents and other persons associated with them in the conduct of business,*

and, in the exercise of such powers, the board of directors may pass such by-laws and make such rules and regulations and issue such orders and directions pursuant to such by-laws as it considers necessary for the purpose, including the imposition of penalties and forfeitures for the breach of any such by-law, rule, regulation, direction or order.

(2) The by-laws of the Corporation existing immediately before this Act comes into force continue in full force and effect after this Act comes into force until they are re-enacted or repealed.

registration or authorization,

(b) to investigate and examine the business conduct of members, former members and all other persons referred to in clauses (b), (c), (d) and (e) of subsection (1), and

(c) to hold hearings, make determinations and impose discipline on members, former members and all other persons referred to in clause (b) in matters related to business conduct,

subject to such limitations, restrictions, conditions and requirements as the board of directors may impose.

9 The following is added after section 10:

10.1 A meeting of the board of directors or of any committee established by the board of directors may be held by means of telephone, electronic or other communication facilities if

(a) the telephone, electronic or other communication facilities permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and

(b) all of the directors or committee members, as the case may be, participating in the meeting consent,

and a person participating in such a meeting by such means shall be deemed to be present at the meeting.

10.2(1) The Corporation may apply to the Court of Queen's Bench for the appointment of a trustee, liquidator, receiver or receiver-manager over the whole or part of the undertaking and affairs of a member.

(2) The Court may make an order on an application under subsection (1) where the Court is satisfied that it would be in the best interests of

(a) the Corporation,

- (b) the public,
- (c) persons, any of whose property is in the possession or under the control of a member,
- (d) the shareholders or partners of a member, or
- (e) the creditors of the member.

(3) An application made under subsection (1) may be made ex parte, in which case the Court may make a temporary order under subsection (2) appointing a trustee, liquidator, receiver or receiver-manager for a period not exceeding 15 days.

(4) Notwithstanding subsection (3), prior written notice of any application referred to in this section shall be given by the Corporation to the Board of the Alberta Securities Commission.

(5) Service of a notice referred to in subsection (4) may be affected in the manner provided in the *Securities Act* for service of documents on the Board of the Alberta Securities Commission.