

2011 Bill 12

Fourth Session, 27th Legislature, 60 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 12

**ALBERTA INVESTMENT
MANAGEMENT CORPORATION
AMENDMENT ACT, 2011**

MR. DALLAS

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

Bill 12
Mr. Dallas

BILL 12

2011

ALBERTA INVESTMENT MANAGEMENT CORPORATION AMENDMENT ACT, 2011

(Assented to _____, 2011)

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

Amends SA 2007 cA-26.5

1 The *Alberta Investment Management Corporation Act* is amended by this Act.

2 Section 2 is amended

(a) **in subsection (1) by striking out** “consisting of the board of directors under section 4”;

(b) **by adding the following after subsection (2):**

(2.1) In providing investment management services to designated entities, the Corporation shall act in the best interests of the designated entities.

3 Section 11 is repealed and the following is substituted:

Responsibility of directors and officers

11 Every director and officer, in exercising powers and discharging duties,

(a) shall act honestly and in good faith and with a view to the best interests of the Corporation, and

Explanatory Notes

1 Amends chapter A-26.5 of the Statutes of Alberta, 2007.

2 Section 2(1) presently reads:

2(1) A corporation to be known as the “Alberta Investment Management Corporation” is established consisting of the board of directors under section 4.

3 Section 11 presently reads:

11(1) Every director and officer, in exercising powers and discharging duties,

(a) shall act honestly and in good faith and with a view to the best interests of the Corporation as an agent of the Crown, and

- (b) shall exercise the care, diligence and skill that a reasonable and prudent person would exercise in comparable circumstances.

4 The following is added after section 11:

Disclosure by directors and officers

11.1 Section 120 of the *Business Corporations Act* applies to the directors or officers of the Corporation except that a reference in that section to a contract or transaction with a corporation includes both a contract or transaction with the Corporation and a contract or transaction with, or on behalf of, any designated entity to which the Corporation provides investment management services.

5 Section 12(1) is amended

(a) by repealing clause (b) and substituting the following:

- (b) an individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, whether incorporated or unincorporated, of which the Corporation, the Crown or a designated entity is or was a direct or indirect security holder or creditor,

- (b) **by adding** "or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request" **after** "best interests of the Corporation,".

(b) shall exercise the care, diligence and skill that a reasonable and prudent person would exercise in comparable circumstances.

(2) In considering whether the exercise of a power or the discharge of a duty is in the best interests of the Corporation as an agent of the Crown, a director or officer, as the case may be, shall have due regard to the interests of the Crown and the designated entities.

4 Disclosure by directors and officers.

5 Section 12 presently reads:

12(1) The Corporation may, subject to the regulations, indemnify

- (a) a present or former director or officer of the Corporation,*
- (b) a person who acts or acted at the request of the Corporation as a director or officer of a corporation of which the Corporation or the Crown is or was a shareholder or creditor,*
- (c) an employee or former employee of the Corporation, and*
- (d) the heirs and legal representatives of a person referred to in clause (a), (b) or (c),*

against costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by that person with respect to a civil, criminal or administrative action or proceeding to which that person is made a party by reason of holding such a position if that person acted honestly, in good faith and with a view to the best interests of the Corporation, and in the

6 The following is added after section 19:

Complying with directives

19.1(1) In this section, “directive” means

- (a) a directive issued under section 19,
- (b) a directive issued by Treasury Board pursuant to section 7 of the *Financial Administration Act*, and
- (c) any other directive or direction issued under another enactment.

(2) The board shall ensure that any directive issued to the board, and the Corporation shall ensure that any directive issued to the Corporation, is implemented in a prompt and efficient manner and in accordance with section 11(b), and compliance by the board or the Corporation, as the case may be, with any directive is deemed to be in compliance with section 11(a).

7 The *Alberta Public Agencies Governance Act* is amended in section 27 by adding the following after clause (b):

(c) in section 19.1(1) by striking out “and” at the end of clause (b) and adding the following after clause (b):

- (b.1) a policy set pursuant to section 10 of the *Alberta Public Agencies Governance Act*, and

case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, if that person had reasonable grounds for believing that the conduct was lawful.

(2) Except as authorized under subsection (1), the Corporation may provide indemnities only in accordance with the regulations.

6 Complying with directives.

7 Amends section 27 of chapter A-31.5 of the Statutes of Alberta, 2009.

RECORD OF DEBATE

Stage	Date	Member	From	To
		Questions and Comments	From	To
Stage	Date	Member	From	To
		Questions and Comments	From	To
Stage	Date	Member	From	To
		Questions and Comments	From	To
Stage	Date	Member	From	To
		Questions and Comments	From	To