

## **Alberta Business Corporations Act consultation – input (December 17, 2010)**

### **Section 11**

Thank you for initiating this public consultation on ABCA. As the representative of an investment institution with holdings in companies registered under ABCA, I recommend that you clarify the provisions in Section 136 (1) and the associated regulation regarding the level of ownership or support required to file shareholder proposals, and bring the prescribed ownership and support requirements in line with the Canadian Business Corporations Act and most other Canadian provinces.

The number of investment institutions in Canada and internationally that consider engagement with the companies in which they are invested to be part of their fiduciary responsibility is increasing, as evidenced by the rapid growth of initiatives such as the Principles for Responsible Investment. The right to file a shareholder resolution is an important element within the range of dialogue and engagement options open to responsible investors.

Under ABCA and the associated Business Corporation Regulation, a company may refuse to circulate a shareholder proposal if the filer or co-filers hold less than 5% of the company's shares. The other Canadian jurisdictions that set out shareholding thresholds for filing have established a requirement of 1% or C\$2,000. The effect of the ABCA requirement is to prevent the overwhelming majority of non-management shareholders from filing a proposal.



### **Final comments**

The opportunity to participate in this consultation is welcome. In the interests of transparency and accountability, however, Alberta should consider making consultation input public and not anonymous.