SHARE
Shareholder Association
for Research and Education

30 April 2003

Alberta Registries and Consumer Services Division
Alberta Government Services
3rd flr., Brownlee Bldg., 10365 97 St.
Edmonton, AB T5J 3W7

Attn: Maria MacDonald, Business Corporations Act Discussion Paper

Re: Business Corporations Act Review

The Shareholder Association for Research and Education (SHARE) would like to thank the Alberta Government Services for the opportunity to comment on proposed reforms to the Alberta Business Corporation Act ("ABCA").

SHARE is a national, not-for-profit organization working with institutional investors to promote responsible investment practices through research, educational activities, and advocacy. On behalf of our affiliates with total assets exceeding $2 billion, SHARE has been involved with consultations on reforms to the Canada Business Corporations Act in November 2001 and similar legislation in other jurisdictions. Our submissions below reflect SHARE's direct experience working with the CBCA reforms over the past two years.

We applaud Alberta Government Services for the novel structure of their discussion paper and approach to obtaining comments on proposed reforms. However, we wish to point out a number of areas of concern in this novel format. There is an increasing interest amongst the general public about corporate law. We note that the framework of the discussion paper is addressed to corporate lawyers and encourage Alberta Government Services to make the document and consultations available to other members of the Alberta public. The discussion paper also does not provide an opportunity to provide information about the respondent. We believe that such information can assist in the review process and have provided information about SHARE to that end.

The following are detailed comments in response to a number of recommendations in the discussion paper and other proposals for consideration in related to reforming the ABCA.

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I. Part 5

A. Prohibition on dual class share and voting structures

Although the ABCA review does not address the issue of dual class share structures, this issue requires consideration, especially in the context of discussions pertaining to corporate governance practices in Canada.

Democratic institutions are predicated on the concept of one person, one vote. In the context of corporate democracy, this equates to one share, one vote. However, in Canada a majority of publicly traded corporations have at least two classes of shares with different voting rights. Some examples of Alberta companies listed on the S&P/TSX with dual class share structures include Atco Ltd., Boardwalk Equities Inc. and Shaw Communications. Studies have demonstrated that this phenomenon adversely impacts performance by entrenching ownership. It is also prejudicial to minority shareholders whose voting rights are essentially meaningless, and undermines the objective of a healthy corporate democracy.

Proponents of the dual class share model contend that it is designed to allow companies to raise money without losing any control. In our view, this provides insufficient justification for this practice. The original owners of a company can retain control by simply owning a majority of shares in the corporation, rather than creating a separate class of shares with multiple voting rights.

It is also suggested that resolution of this issue should be left to market forces. Investors can show their disapproval for such mechanisms by choosing not to invest in corporations with dual class share structures. Investors do have the choice whether or not to invest in a particular company or not based on a variety of considerations. However, in the reality, the public Canadian equity market is small and the majority of Canadian companies have dual class share structures. It is simply not open to most institutional investors to show their disapproval of companies that authorize multiple voting shares by electing to not invest since this would eliminate a significant portion of the S&P/TSX index.

Institutional investors across Canada have come out publicly in opposition to the use of dual-class structures. The proxy voting guidelines of the Canada Pension Plan Investment Board, Ontario Teachers Pension Plan, as well as SHARE's model proxy voting guidelines used by a number of pension funds and money managers, all oppose dual class share structures.

While the market has some role to play in directing the practices of corporations, the law also has a role to play in addressing this fundamental barrier to meaningful involvement by shareholders in the governance of Canadian corporations. The US Securities Exchange Commission amended regulations in 1994 to prohibit companies from reducing or restricting the rights of current shareholders, although companies can continue to issue shares without voting rights that are less than an existing class, or with no voting rights.

SHARE encourages the Alberta government to lead in this area of policy reform amongst Canadian jurisdictions in order to enhance corporate governance in Canada and make Alberta companies more attractive to investor capital.

II. Part 9

A. Residency Requirements for directors (Section 105(3))

SHARE submits that it is essential for a majority of the directors of Alberta companies to be resident Canadians. The operation of Canadian companies and the direct influence that such institutions have on the Canadian economy necessitate that they be overseen by Canadians in the interest of Canadians. Furthermore, non-resident directors are more apt to be able to evade responsibility by escaping Canadian jurisdiction. This concern would be exacerbated under a proportionate liability regime with shareholders and other stakeholders having less incentive to pursue non-resident directors in some cases.

We firmly believe that concerns about the limited pool of available board candidates are overstated. The corporate sector must begin to look beyond the pool of chief executive officers and current directors to capitalize on the abundant expertise available within Canada and to reflect its existing diversity.

SHARE therefore opposes reducing the current 50% threshold for Canadian resident directors under the ABCA.

B. Directors' liability for wages (Section 119)

The liability of directors to employees for all debts not exceeding six months wages during their tenure as director is sound public policy. While section 119 of the ABCA may appear duplicative of section 112 of the Employment Standards Code (ESC) on its face, we have identified a number of reasons that argue for retaining section 119:

- Corporate law sets out the constitutional framework for the corporate entity, including the responsibilities of directors. The statutory liability of directors for employee wages should be part of this framework. Furthermore, it is arguable that the presence of this responsibility in corporate law assigns it a fiduciary quality.
- A stronger stigma attaches to a breach under corporate law than under employment legislation. This is in part due to the nature in which conflicts under the different regimes are addressed. The general approach for resolving claims of liability under section 112 of the ESC is through negotiation. While this is arguably more expeditious and efficient, there is less weight associated with this process compared to the threat of litigation in a public setting for a breach of corporate law.
- Section 112 of the ESC is somewhat unclear and provides a number of exclusions. Attention should be given as to whether the scope of liability of directors for employee wages is as broad under the ESC as under the ABCA.

- Section 119 of the ABCA refers to director liability *for all debts* not exceeding six months wages. Section 112 refers to unpaid wages. On a first reading, it would appear that section 119 extends liability for any and all debts up to a dollar value equivalent to six months wages, whereas section 112 limits liability strictly to wages. This could be significant in instances where an employee has worked for less than three months, but put in overtime or where the company has incurred other debts to the employee during his/her term of employment.
- While time does not afford a comprehensive review of this issue, concerns also exist over whether the penalties associated with breach under both regimes are at least equivalent.
- Section 112 of the ESC makes reference to several provisions in the ABCA in any event.

Based on these considerations, SHARE does not support the removal of section 119 from the ABCA.

C. Dissent by director (Section 123(3))

At first blush, the provision of a due diligence defence for directors would appear to be a reasonable addition to the existing regime. However, experience with applying this standard of care in other contexts (e.g. pension law) demonstrates the wide degree of subjectivity in interpreting the scope of the prudent person defence absent any clear standards.

Providing a due diligence defense implies that there exists a standard of prudence that is expected of directors. However, current regulation places few requirements on directors with respect to corporate governance. Determining of what constitutes prudent behaviour is left to the courts. Requiring directors to set corporate governance policies and procedures, as suggested in the consultation paper, is insufficient. Directors must also ensure that such policies and procedures are implemented and must provide ongoing monitoring to ensure their effectiveness. Absent mandatory corporate governance requirements, a due diligence defense provides little direction for directors in the execution of their fiduciary responsibilities and eliminates security for shareholders. When challenged, directors may argue that they have satisfied the due diligence requirement by meeting the lowest voluntary standards. Courts have historically deferred to the board of directors in assessing their level of diligence to the detriment of shareholders.

Accordingly, SHARE does not support the recommendation to introduce an express due diligence defense in the absence of clear, mandatory corporate governance standards for directors.

D. Proportionate Liability

SHARE opposes the introduction of proportionate liability in the ABCA on several grounds.

First, it reduces the incentive for those responsible for the preparation of financial information to be attentive to their duties. Under a proportionate liability regime, parties have less concern for losses resulting from an error, omission or misstatement in corporate financial information because their degree of liability is limited to their contribution to the loss. Those involved with preparation of corporate information are handsomely compensated for their efforts by shareholders and should feel individually responsible for any errors, omissions or misstatements made in that regard. In an era where accountability of management and corporate agents is undermining the health of global markets, policy should serve to reassure investors, not generate greater uncertainty.

Second, it places a significant burden on shareholders and other stakeholders to obtain full restitution for any harm suffered. It should not be the responsibility of those harmed as a result of corporate wrongdoing to have to seek out all those responsible in order to obtain full compensation. The burden should rest on those found responsible to pursue indemnification from each other. In any event, directors are already indemnified by the corporation for actions taken in good faith that may result in harm to others.

Third, professional guidelines within the accounting, actuarial and auditing professions, while of an increasingly high caliber, are not mandatory and certainly do not serve to replace an enforceable liability regime as a means of engendering integrity and objectivity in the financial reporting process.

Finally, the Alberta government should not be concerned about harmonizing regimes in this context. The CBCA remains the only corporate statute in Canada to have adopted a proportionate liability regime. Every indication suggests that this controversial decision will be reviewed in 2007 as part of the mandatory five-year review of the CBCA. The Department of Finance has recently recommended against its inclusion into legislation governing financial institutions.

III. Part 11 – Shareholders

A. Place of shareholders' meetings (Section 131(3))

SHARE opposes removing the second exception for holding shareholder meetings outside of Alberta. While shareholders should have the right to unanimously agree to hold a meeting outside of the province of Alberta on a case-by-case basis (i.e. the first exception), no blanket agreement for extraprovincial meetings should be permitted without notification in the company articles for the benefit of future shareholders. Without indicating this in the corporation's articles, future shareholders, in assessing whether or not to invest, have no way of knowing this information. An increasing number of shareholders, especially institutional shareholders, are taking an increasing interest in shareholder meetings as an opportunity to engage corporate management regarding the business and affairs of the corporation. This opportunity has value to shareholders and any provision that permits Alberta corporations to hold such meetings outside of the Province must be able to be readily known by current and prospective shareholders.

Accordingly, SHARE opposes the elimination of the need to specify the location of non-Alberta meetings in a corporation's articles.

B. Method of participation in shareholders' meetings

The amendments to the CBCA introduced in November 2001 allow for corporations to hold shareholders meetings by electronic means. Since the reforms came into force, many corporations have put forward bylaw resolutions in 2002 that included a provision allowing the corporation to hold a shareholder meeting *entirely* by electronic means.

The annual general meeting of shareholders is an important opportunity for shareowners to meet with each other and management to discuss governance issues. Holding such meetings solely by electronic means is prejudicial to shareholders because it eliminates face-to-face interaction that is essential to efficient and effective dialogue. Supplemental electronic communication is a positive innovation allowing shareholders who are interested but otherwise unable to attend to participate in the shareholders meeting.

The recommendation to provide for electronic participation at shareholders' meetings in the ABCA should therefore ensure that corporations continue to be required to convene shareholder meetings in a physical location with the *option* to involve shareholders by electronic communication.

C. Parameters for shareholder proposals (Section 136)

SHARE strongly supports the recommendations in the discussion paper respecting shareholder proposals, specifically the ability for beneficial shareholders to file shareholder proposals and replacement of the grounds for excluding a proposal under section 136(5)(b) of the ABCA with the new CBCA provision requiring shareholder proposals to clearly relate to the business or affairs of the corporation. The exclusion standard is in accord with the American standard under the US Securities Exchange Commission rules and has been subject to significant interpretation by the SEC over the past decade.

With respect to expanding the definition of shareholder to include beneficial shareholders under s.136, SHARE strongly recommends that the ABCA adopt a clearer and more exhaustive definition of "beneficial shareholder", such as the definition under Rule 13d-3 of the US Securities Exchange Commission (see http://www.law.uc.edu/CCL/34ActRls/rule13d-3.html). The existing definition under the CBCA has caused some confusion amongst stakeholders and disagreement over who is the beneficial shareholder in some instances involving institutional investors and their intermediaries.

In addition, SHARE recommends that the following additional reforms be introduced to the shareholder proposal regime under the ABCA to bring it into line with the CBCA and to address operational problems that have arisen in applying the new CBCA regime since its coming into force in November 2001.

Word limits for shareholder proposals

SHARE recommends increasing the word limit for shareholder proposals under section 136(3) from 200 words to 500 words, inclusive of the proposal and supporting statement. The CBCA permits dissident shareholder proposals to be up to 500 words in length. This represents a positive change and will benefit shareholders by providing them with more information upon which to base their voting decisions on what are often complex issues. In addition, and in accordance with the federal government's Regulatory Impact Analysis Statement of the CBCA, in the interest of fairness and a healthy corporate democracy, the corporation's response should also be limited to 500 words.

Administrative system for resolving disputes regarding circulation of shareholder proposals

An efficient and effective mechanism for dealing with shareholder proposals requires a quick and inexpensive arbitral mechanism to mediate disputes between shareholders and management in cases where management refuses to circulate a shareholder proposal. Presently, a shareholder must resort to the courts and bear the associated financial burden in order to dispute a company's refusal to circulate a dissident shareholder proposal. In practice, this has limited the ability of shareholders to exercise their rights and to participate fully in corporate governance.

SHARE recommends the inclusion of an ad-hoc administrative review system in the ABCA to deal with such disputes at minimal cost and with maximum effectiveness. This should be done in coordination with the federal government and other provinces. The federal government is presently considering the introduction of such a regime. One of the ongoing concerns is providing such a dispute resolution system in a cost-effective manner. By working cooperatively to develop an ad-hoc panel to adjudicate disputes, we believe that a nationally harmonized framework can be implemented.

One possible model to apply in this context is based on the existing dispute resolution system under the *North American Free Trade Agreement*, which is familiar to investors throughout North America. It is recommended that the system be structured as follows:

- The dispute resolution system will operate through ad-hoc panels constituted to deal with disputes as they arise on a case-by-case basis.
- The Minister will maintain a roster of twenty individuals to sit on such panels who are independent, impartial and qualified.
- Each panel will be compromised of three individuals.
- When management refuses a shareholder proposal, the shareholder will immediately submit a request to Industry Canada for a panel.
- The shareholder and management will be given 7 days to each appoint an individual of their choice to the panel. These two individuals may but do not need to be selected from the Minister's roster.
- The two panelists selected by the respective parties will then be required to select the third individual within 7 days who will also chair the panel. Again, this

individual does not need to be selected from the Minister's roster. In the event that a third individual cannot be agreed upon, the Minister will assign a third individual from the Minister's roster.
- The panel will be authorized to receive written and/or oral submissions from the parties and provide a written decision within 15 days from the date on which the panel is fully constituted. In the event the panel is not unanimous in its decision, the written report may include a written dissent.
- The onus will first rest on management to prove why the proposal should be excluded.
- Parties must comply with the ruling subject to a right of appeal to a court in the appropriate jurisdiction.

Burden of proof

The law also remains unclear about who carries the burden to prove that a shareholder proposal does or does not fall under one of the grounds for exclusion under s.136 of the ABCA. In the absence of an administrative arbitral mechanism, it is critical that legislation explicitly state that the burden rests on management to prove why a shareholder proposal should be excluded. Imposing a reverse onus on shareholders is unfair because it requires that the shareholder anticipate the reasons of the corporation for excluding the shareholder proposal. While management is required to provide reasons at the time they refuse to circulate the shareholder proposals, this does not prevent management from raising additional reasons once they get to court. Putting the burden of proof on the shareholder requires that the shareholder satisfy the court that the proposal does not fall under a ground of exclusion before having full knowledge of management's case. Placing the burden on management is also consistent with the position taken by the United States under question 7 of Rule 14a-8 (Proposals of Security Holders) contained in the *General Rules and Regulations promulgated under the Securities Exchange Act of 1934* (see http://www.law.uc.edu/CCL/34ActRls/rule14a-8.html).

D. Voting, Resolution instead of meetings (Section 140, 141)

SHARE supports the amendment to permit voting by telephonic, electronic, or other means, if the corporation makes such facilities available and if it is not in contravention of the corporation's bylaws. We believe that this reform will increase greater shareholder participation in corporate governance and ultimately improve the performance of Alberta corporations.

However, SHARE opposes the addition of a provision that allows for an entry in the minutes of a meeting to the effect that the chairperson declared a resolution to be carried or defeated to be proof of this fact without a requirement that any record be kept as to the number or proportion of votes for or against the resolution.

In the wake of the crisis in corporate governance that has undermined global markets, shareholders are seeking to take a more active role in their responsibilities as firm owners. Traditionally, investors have taken a far more passive approach reinforced, to some extent, by legislated rules that restrict their involvement. Passive behaviour is also

attributable in part to the fact that shareholders view voting at annual shareholder meetings to be meaningless exercise. Recording actual vote totals will go some way to demonstrating the importance of voting and discouraging shareholder apathy.

A healthy corporate democracy requires full disclosure of information relating to voting procedures and practices, including disclosure of vote totals. Accordingly, meeting minutes should disclose vote totals and not permit the chairperson to simply indicate that a proposal was carried or defeated. The recommended proposal represents bad public policy and undermines current efforts to stimulate investor confidence and establish a credible corporate governance regime for Canadian companies.

IV. Part 12 – Proxies

The ability of shareholders to communicate with one another has been severally limited by the current definition of "solicitation" under section 147 of the ABCA. While actions taken to obtain proxies of more than a requisite number shareholders should require production of a dissident proxy circular, the law should permit shareholders to communicate about proposals put forward for their consideration and other issues related to the business and affairs of the corporation without such a requirement. The current definition of "solicitation" in the ABCA, which mirrors the old CBCA definition, has left shareholders concerned that any communication could be deemed a solicitation for the purposes of the act triggering the requirement to circulate a dissident proxy circular.

The CBCA was reformed in November 2001 to provide a clearer definition of what constitutes soliciting for the purposes of the Act. The US Securities Exchange Commission also provides a much clearer definition of solicition under Rule 14a-1 of the Rules and Regulations promulgated under the Securities Exchange Act of 1934 (see http://www.law.uc.edu/CCL/34ActRls/rule14a-1.html). SHARE recommends that the ABCA adopt the changes made to the CBCA. This reform is complimentary to other proposed reforms that serve to enhance corporate democracy and strengthen corporate governance practices.

V. Part 13 – Financial Disclosure

A. Copies to shareholders (Section 159)

SHARE strongly endorses policy reforms that enhance the disclosure of information to shareholders. At the same time, shareholders should have the ability to waive the requirement of receiving corporate documentation. In that respect, the proposal to adopt a provision providing shareholders of a corporation with the capacity to waive the requirement to receive documents would appear at first to be a reasonable one. However, the recommendation is too simplistic, ignoring the complexities of disclosure to beneficial shareholders and the potential impact of the new regime introduced by the Canadian Securities Regulators under National Instrument 54-101.

NI54-101 was intended to create an equitable and efficient framework for access to corporate information by non-registered and registered shareholders, however many

problems have been identified with the new rule. SHARE is concerned about any attempts to make changes to corporate legislation without first addressing the problems with NI54-101 and the Instrument's interaction with corporate policy.

NI54-101 makes three significant changes to the existing regime under NP41 with respect to accessing corporate documentation:

1) As of September 1, 2002, lists of the names, addresses and shareholdings of beneficial owners of the reporting issuer's securities that do not object to this disclosure (non objecting beneficial owners or NOBOs) are to be made available to issuers and third parties on request.
2) Issuers no longer are responsible for the costs of delivery of proxy-related materials to beneficial owners of the issuer's securities that do object to disclosure of their names, addresses and shareholders (objecting beneficial owners or OBOs). (Under NP41, issuers paid for delivery to all shareholders, whether they were registered shareholders or held their securities through an intermediary.)
3) Unless implementation is delayed (an advisory committee is to consider this issue), for meetings after September 1, 2004, issuers may choose to send proxy-related materials to their Canadian NOBOs directly. Material will continue to go to OBOs and US-based NOBOs indirectly through intermediaries, as under the old regime.

Among the many concerns identified, the following are the most problematic from our perspective:

- In order to obtain corporate information from the issuer, NOBO's give up their right to refuse consent for the disclosure of information to issuers or third parties.
- Intermediaries are not required to deliver materials to beneficial owners unless either the issuer or the beneficial owner agrees to pay for the delivery.
- There is no deeming provision in NP54-101. Beneficial shareholders that do not declare their status as a NOBO or an OBO in response to an intermediaries' request for instructions required by NI54-101 will likely be deemed OBOs given that privacy legislation prevents and intermediary from disclosing personal information about the beneficial shareholder absent express consent from the client. Many beneficial shareholders are likely to be unaware of the implications of not responding, including not receiving corporate information or having to pay for such information.
- OBOs who are not willing to pay for the receipt of proxy-related materials are disenfranchised from exercising their rights which undermines corporate democracy and reduces the ability of the market to discipline corporate governance practices. As has been observed, proxy returns in Canada are low and already and the new instrument as currently drafted will only exacerbate this problem.
- After September 1, 2004, voting confidentiality will be lost because issuers may choose to have NOBO votes go directly, on a disclosed basis, to the issuer.

- The requirement to inform beneficial owners of take-over bids and other events where notices were required to be delivered to registered holders has been dropped. Beneficial owners are left to rely on a possible common law fiduciary duty on the part of the intermediary to inform its clients of these corporate events. However, a fiduciary relationship does not exist in all cases and may not extend this far.
- Increasing disharmony with other regimes in Canada and the United States. For example, NI54-101 defers to provincial securities legislation that varies across the country. The instrument also disrupts the existing integrated cross-border delivery system where SEC rules require issuers to pay for delivery of proxy-related materials to both NOBOs and OBOs, and could potentially lead to a dismantling of other cross-border arrangements such as the Multi-Jurisdictional Disclosure System.

In the context of the ABCA provisions, NI54-101 coupled with the proposed recommendation under the ABCA could effectively relieve intermediaries from the fiduciary responsibility of receiving information (and voting proxies) on behalf of OBOs. Where an intermediary waives the requirement to receive corporate documentation, a beneficial owner (i.e. an OBO) would presumably not receive the documentation. Unless otherwise stipulated in the agreement between the intermediary and beneficial owner, the intermediary would presumably be under no legal obligation to send the information to the OBO. Without receipt of the information, the OBO would not provide written consent and the intermediary would not vote the shares. For these reasons, no changes should be made to the ABCA that could inadvertently result in a reduction in disclosure to beneficial owners without their express consent. If anything, the provisions in the ABCA should be strengthened to require intermediaries to obtain and disseminate corporate information to beneficial shareholders.

Furthermore, amending the ABCA to accommodate NI54-101 would also result in further discord between corporate and securities policies across the country. Intermediaries could elect to treat corporate information received from Alberta corporations differently than those for other corporations incorporated in other jurisdictions, subject to securities disclosure requirements for public issuers. Different regimes could also result in complications with respect to the current system for delivery of the corporate information through ADP Investor Communications – ADP IC.

Therefore, SHARE recommends that the Alberta government refrain from making changes to section 159 of the ABCA until there is greater clarity on the implication of NI54-101. SHARE urges the Alberta government to consult with the CSA to make changes necessary to NP54-101 to ensure consistency with its stated purpose. Appropriate changes to NP54-101 will create a compatible and seamless regime with existing Canadian corporate legislation that ensures disclosure to those who desire it and maximum efficiencies for corporations.

B. Auditor's right to information (Section 170)

It is reasonable to protect individuals from liability arising for communications made in good faith whether to an auditor or otherwise. However, combining this principle with the concept of proportionate liability could result in shareholders suffering a loss from having any recourse. Under a proportionate liability regime, the individual that made a communication in good faith resulting in a loss would not be liable by virtue of the proposed amendment to section 170. The auditor would then only be liable to the extent that they contributed to the loss. Assuming that they relied on the information provided in good faith, a court might be inclined to absolve them of responsibility. In that case, no liability would attach to anyone.

The question to consider is who should be responsible for losses sustained by shareholders resulting from actions taken by the firm and its agents in good faith? Certainly, no just response could include the possibility of leaving shareholders holding the ball, especially when they have the burden of pursuing the firm and its agents in court to obtain restitution.

Accordingly, SHARE disagrees with the recommendation to adopt a provision protecting those who provide information to the auditor resulting in civil proceedings.

VI. Other Governance Proposals

While the discussion paper does not address the firm-related aspects of corporate governance, we believe that these areas merit some attention, especially in light of the global attention to the issue and consultations recently initiated by Industry Canada with regards to the CBCA. With the federal government considering bringing forward amendments to the CBCA on issues such as standards of independence for directors, board committees and auditors, it would seem appropriate for the Alberta government to address these issues at this time in the context of its other proposed reforms to the ABCA.

We also encourage the Alberta government to expand this discussion of corporate governance to address a number of additional issues, namely stakeholder relations provisions that were debated during the CBCA consultations leading up to the 2001 amendments, and that are under further consideration as part of the legislation's five-year review in 2007. The OECD *Principles on Corporate Governance* issued in 1999 (now under fast-track review) state that a

> "…corporate governance framework should recognize the rights of stakeholders as established by law and encourage active co-operation between corporations and stakeholders in creating wealth, jobs, and the sustainability of financially sound enterprises. … The corporate governance framework should permit performance-enhancing mechanisms for stakeholder participation. … Where stakeholders participate in the corporate governance process, they should have access to relevant information."

A review of the ABCA offers a timely opportunity to address these internationally-endorsed principles with respect to corporate-stakeholder relations. SHARE encourages the Alberta government to seize this opportunity to incorporate a broader discussion of corporate governance reforms into the present consultation process.

Thank you for the opportunity to provide comments on the review of the Alberta Business Corporations Act. We look forward to further participation in this process as your review proceeds.

Yours very truly,

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