



January 11, 2018

The Honourable Rachel Notley
Premier of Alberta
Executive Branch
307 Legislature Building
10800 - 97 Avenue
Edmonton, AB T5K 2B6
premier@gov.ab.ca

Dear Premier,

As a Canadian investor investing in Alberta-registered companies, we recommend your government change specific elements of the Alberta Business Corporations Act (ABCA) that hinder shareholders of Alberta corporations from filing shareholder proposals.

Addenda Capital Inc. is a privately-owned investment management firm responsible for investing more than \$28 billion in assets for pension funds, insurance companies, foundations, endowment funds, and third party mutual funds of major financial institutions. Addenda Capital supports the integrity and sustainability of financial markets through collaborative investor initiatives and public policy, regulatory and standards submissions.

We request that your government revise the Regulations under the Alberta Business Corporations Act (ABCA) to create a shareholder proposal filing threshold that is fundamentally equivalent to that set out in the federal Canada Business Corporations Act (CBCA) and associated Regulations. The CBCA regulations require a filer of a shareholder proposal to hold i) voting shares equal to 1% of all such shares, or ii) voting shares with a market value of \$2,000, without the additional requirement of support from shareholders owning 5% of issued voting shares.

Under the current ABCA and the associated Regulations (section 18.1), to file a shareholder proposal an investor must hold at least 1% of the issued voting shares or voting shares with a market value of at least \$2000 and have support from holders of 5% or more of voting shares.

This is a significantly higher threshold than that which applies under the corporation acts of any other Canadian province, under the federal Canadian Business Corporations Act (CBCA), and under United States law. This requirement stops many shareholders of



Alberta corporations from filing a proposal. As an example, a shareholder would have to own more than \$500 million worth of shares to file a proposal at Canadian Natural Resources Limited and have the support of shareholders owning a further \$2 billion worth of shares, only because it is incorporated in Alberta. In other jurisdictions in North America, a shareholder would hold that right when owning \$2,000 worth of shares.

Responsible investors are increasingly using shareholder proposals to address important environmental, social or governance (“ESG”) concerns relating to the companies they own. Shareholder proposals are part of the process of constructive dialogue between a company and its investors. They allow investors to raise concerns regarding corporate ESG practices that have impacts on shareholder value. Shareholder proposals have been used to request improved gender diversity on boards of directors, better oversight of executive compensation, and disclosure of climate-change risks.

Thank you for taking the time to consider this matter, please do not hesitate to contact me if you have any questions regarding this submission.

Sincerely,

Brian Minns
Manager, Sustainable Investing

Cc:

Joe Ceci
Minister of Finance, Alberta Treasury Board and Finance

Stephanie McLean
Minister of Service Alberta and Status of Women