

Alberta Enterprise Corporation

Mandate and Roles Document

1. Introduction

The Mandate and Roles Document for Alberta Enterprise Corporation has been developed collaboratively between the Minister of Jobs, Economy and Innovation and the Alberta Enterprise Corporation, in accordance with the *Alberta Public Agencies Governance Act*, to reflect a common understanding of their respective roles and responsibilities.

Although the Alberta Enterprise Corporation operates at arm's length from the Government of Alberta, there is strategic cooperation and collaboration between the Alberta Enterprise Corporation and the Government of Alberta.

Each of the Alberta Enterprise Corporation and the Government of Alberta consider it necessary and advisable to define and communicate the respective responsibilities and accountabilities of the Alberta Enterprise Corporation and the Government of Alberta relative to the execution of the Alberta Enterprise Corporation's mandate.

1.1 Definitions

In this document:

- a) "AEC" or "Corporation" means the Alberta Enterprise Corporation;
- b) "Assistant Deputy Minister" means the Assistant Deputy Minister of the Ministry responsible for the Corporation;
- c) "Board" or "Board Members" mean the board of directors of the Alberta Enterprise Corporation as appointed by the Lieutenant Governor in Council;
- d) "Board Chair" or "Chair" mean the Director designated as the chair of the Board;
- e) "CEO" means the Chief Executive Officer, the highest-ranking executive who has primary responsibility for managing the operations of the Corporation, or by whatever title;
- f) "Department" means the department administered by the Minister responsible for the Corporation;
- g) "Deputy Minister" means the Deputy Minister of the Minister responsible for the Corporation or, if the Minister has more than one Deputy, the Deputy whose responsibilities include the Corporation;
- h) "Director" means a board member of the Alberta Enterprise Corporation;
- i) "Government" has the same meaning as "Her Majesty the Queen in right of Alberta" and "Crown in right of Alberta";

- j) “Lieutenant Governor in Council” means the Lieutenant Governor acting on and with the advice of the Executive Council or Cabinet;
- k) “Minister” means the Minister determined under section 16 of the *Government Organization Act* as the Minister responsible for the Corporation. “Ministry” includes the department administered by the Minister;
- l) “MRD” means this Mandate and Roles Document;
- m) “Stakeholder” means any individual, group or organization with an interest in the business and operations of the Corporation.

1.2. Nature of this Document

This MRD is jointly developed by the Corporation and the Minister pursuant to and in accordance with the requirements of Section 3 of the *Alberta Public Agencies Governance Act*. This MRD is not a contract, nor does it establish or create legal obligations. Rather, it describes and reflects the mandate of the Corporation, its relationship with the Minister, its governance and operational structure, and respective roles, accountabilities and responsibilities.

The *Alberta Public Agencies Governance Act* requires that this MRD be reviewed and renewed, amended or replaced within three years after it was made or most recently amended. Furthermore, under Section 3(2) of the *Alberta Public Agencies Governance Act*, the MRD can be amended at any time by the Minister and AEC.

2. Governing Law

2.1 Statutory Mandate of the Alberta Enterprise Corporation

The *Alberta Enterprise Corporation Act* establishes AEC as a corporation. It operates at arm’s length from the Government of Alberta. It is governed by a professional Board that is independent of the Government of Alberta and AEC management. A CEO leads the management of the Corporation, reporting to the Board.

The Government of Alberta has given the Corporation the following responsibilities as stated in the *Alberta Enterprise Corporation Act* and the *Alberta Enterprise Corporation Regulation*

- Make investments as a limited partner in venture capital funds focused on knowledge-based industry sectors, including industries such as:
 - information technology;
 - communications technology;
 - life sciences technology;
 - nanotechnology; and
 - environmental technology.
- Promote the development of knowledge-based industries and a venture capital industry in Alberta to support them, and make venture capital available to knowledge-based industries.

2.2 Mission

The mission of the Corporation is to foster a thriving venture capital industry in Alberta, one that provides access to venture capital and other resources needed to create successful Alberta technology companies.

2.3 AEC Status

The Corporation is not an agent of the Crown in right of Alberta.

AEC is a “Provincial corporation” as that term is defined in the *Financial Administration Act* (Alberta).

2.4 Applicable Legislation and Regulations

The *Alberta Enterprise Corporation Act* establishes Alberta Enterprise Corporation as a corporation.

The Corporation has responsibilities under, and is subject to, a number of statutes and regulations including:

- *Alberta Enterprise Corporation Act* and Regulation;
- Electronic Transactions Act Designation Regulation;
- *Financial Administration Act*;
- *Fiscal Planning and Transparency Act*;
- *Freedom of Information and Protection of Privacy Act*;
- *Alberta Public Agencies Governance Act*;
- *Conflicts of Interest Act*;
- *Reform of Agencies, Boards and Commissions Compensation Act*;
- *Public Sector Compensation Transparency Act*; and
- *Lobbyists Act*.

The Corporation may be required to comply with certain provisions of additional pieces of legislation, directives or agreements relating to finance, human resource, and administrative matters:

- *Public Service Act*;
- Treasury Board Directives and ministerial policies and procedures;
- *Public Interest Disclosure (Whistleblower Protection) Act*, which applies to the Corporation as a “public entity” under that Act;
- the New West Partnership Trade Agreement and the Canadian Free Trade Agreement, entered into by the Government of Alberta.

Because the Corporation is a “Provincial corporation”, the Auditor General of Alberta is the auditor of the Corporation.

2.5 Decision-Making

AEC has the authority and discretion to make decisions about financial support, contracting, capacity building services, and operations, provided they are not in contravention of any Act, Regulation, or Order-in-Council to which AEC is subject.

The *Alberta Enterprise Corporation Act* defines the financial instruments that AEC can deploy. Authorization to use a specific instrument must be requested by AEC through the Ministry of Jobs, Economy, and Innovation by means of an Order-in-Council. This authorization is a requirement under the *Financial Administration Act*. Requirements outlined in the Order-in-Council relating to the financial mechanism must be adhered to by AEC.

Decisions requested by AEC from Cabinet, the Minister, or other government bodies, including appointments and authorization of financial mechanisms, will be coordinated with the Ministry. This process may include the Ministry developing decision documents, providing advice to AEC, and coordinating decision packages.

3. Governance

3.1 Bylaws and Sub-Committees

Section 11 of the *Alberta Enterprise Corporation Act* provides that the Board may make bylaws governing

- (a) the business and affairs of the Corporation, and
- (b) the calling and conduct of Board and committee meetings and the conduct of the business of the Board and committees generally.

3.2 Duties and Responsibilities

The Government of Alberta is responsible for the legislative, regulatory and policy frameworks in which the Corporation operates.

3.2.1. The Minister

The Minister is responsible for the *Alberta Enterprise Corporation Act* and accountable to the Legislative Assembly for the Corporation. The Minister reports to the Legislative Assembly on the affairs of the Corporation and answers questions about the Corporation.

The Minister:

- recommends the appointment of the Board Members and the Chair based on her/his assessment that the appointees have the appropriate knowledge, skills, experience and values to assist the Corporation in achieving its objectives and performing its functions;
- reviews and accepts the Corporation's annual strategic/business plan and significant variations from the plan;
- evaluates of the Chair's performance; and

- conducts regular (at least every seven years) reviews of the Corporation's mandate and purpose to determine if the work of the Corporation is still relevant to the needs of Albertans, if it is aligned with government priorities and if the operations and functions are being carried out in a manner that can achieve government objectives.

3.2.2 The Deputy Minister

The Deputy Minister, with the support of the Department, supports and acts under the general direction of the Minister. The Deputy Minister is responsible for the following activities, which have been delegated by the Minister:

- maintains regular contact and communication with the Board Chair and Chief Executive Officer on matters relating to the Corporation mission and mandate;
- monitors the operations and performance of the Corporation to ensure that it is fulfilling its mandate in compliance with government policies; and
- informs the Corporation of government policies and direction affecting the work of the Corporation.

In order to meet the responsibilities delegated to the Corporation, the Government and the Department are responsible for supporting the Corporation in the following areas:

- Funding for Corporation Operations;
- Finance and Administration Support; and
- Board Orientation.

3.2.3 The Department

The Department will:

- inform Albertans on the outcomes of the level of innovation occurring within the economic development and technology system;
- develop collaborative relationships, facilitate communication and ensure alignment across the innovation system, and between government departments;
- provide strategic leadership for economic development policy, investment policy, and capital policy including cross-ministry initiatives;
- develop business cases and strategies for investments in new priority areas;
- provide concierge and connector services between organizations and across system;
- engage with research and innovation corporations and other Ministries in targeted multinational enterprises attraction and other brand building and marketing activities outside of Alberta; and
- monitor system-wide performance and encourage areas of improvement (oversight).

3.2.4 The Board

The Board has overall responsibility for the governance of the Corporation, and oversees management of the Corporation's business and affairs. The Board guides the Corporation's strategic direction, evaluates the performance of the Corporation's CEO, approves and monitors the Corporation's business plan, operational plan and financial results, and is ultimately accountable to the Minister. Board members must act honestly and in good faith, leaving aside personal interests to advance the public interest and the mandate of the Corporation.

The Board is responsible for:

- identifying appropriate Board governance processes to assist in fulfilling its mandate including the development of bylaws governing roles and responsibilities of Board members and officers;
- establishing the Corporation's Code of Conduct, and ensuring that all Board members, employees and contractors comply;
- establishing committees as it deems necessary to carry out its duties and, for any committee established, ensuring that a written mandate of each committee is reviewed and approved annually;
- appointing the CEO, monitoring and evaluating the CEO's performance, establishing and maintaining a CEO succession plan and approving the CEO's compensation, subject to the *Reform of Agencies, Boards, and Commissions Compensation Regulation*;
- ensuring that adequate plans are in place for management development and succession and conducting an annual review of such plans;
- monitoring the financial performance of the Corporation, and ensuring that, with the advice of the external auditors, the financial results are reported on in a timely and regular basis and in accordance with any legislated requirements and the Canadian Public Sector Accounting Standards;
- monitoring the performance of the Corporation, and ensuring that all material developments and significant emergent issues of the Corporation are disclosed to the Minister on a timely basis;
- overseeing compliance with all relevant policies, procedures and standards by which the Corporation operates and ensuring that the Corporation operates at all times in compliance with all applicable laws and regulations, and to the highest ethical standards;
- approving all matters that require Board approval as prescribed by applicable legislation and regulations. The Board ensures that such matters are brought to the attention of the Minister if necessary;
- providing an orientation to new Board members on the particular practices of the organization, including their governance practices;
- establishing and maintaining a Board succession plan;
- providing ongoing development opportunities for their Board members; and
- engaging in a strategic planning process which includes the consideration of the principal risks associated with the Corporation's business. This planning process will inform the preparation of a Strategic Business Plan and Annual Report,

which will be provided to the Minister for each fiscal year in the form and at a time acceptable to the Minister. The Annual Report will be made available to the public through the Corporation website.

3.2.5 The Chair

With direction from the Board, the Chair represents the Board and its interests, as well as the interests of the Corporation, in dealing with the Minister, the Department, the CEO, stakeholders and the community. The Chair is responsible for providing leadership for the Board and for effectively facilitating the work of the Board.

The Chair is responsible for:

- planning and managing Board meetings;
- facilitating the work of the Corporation to achieve its mandate;
- providing the Minister with regular updates on the Corporation's operations and informing the Minister regarding emergent issues;
- ensuring that the Board, and its committees, have opportunities to meet independent of management;
- acting as the spokesperson for the Board;
- administering the Code of Conduct and ensuring that conflict of interest matters are addressed by the Board;
- ensuring that the Board conducts an annual evaluation of its performance, the work of individual Board members and the performance of the CEO. The Chair brings forward results of the evaluations for Board review, and discusses opportunities to improve Board effectiveness, and may use findings to recommend Board renewal through recruitment of new members, or replacement of existing members;
- monitoring the effectiveness of the Board, and where necessary, recommending to the Minister the removal of a Board member where cause exists;
- meeting with the Minister on a quarterly basis or as required to address emerging issues and priorities;
- ensuring that all Board members have completed appropriate governance training;
- administering and ensuring that the Corporation activities align with its mandate and bylaws;
- ensuring the Corporation complies with government financial, human resource, administrative and internal control policies; and
- ensuring that:
 - Board members are aware of their obligations in the Code of Conduct;
 - Appropriate procedures are implemented to foster compliance with the Code of Conduct; and
 - Procedures are in place for the Board to address conflict of interest matters.

3.2.6 The CEO

The Chief Executive Officer serves as the main contact between the Corporation, the Department, and the Deputy Minister.

The CEO is responsible for leading the management, developing recommendations for and implementing the organization's strategy and reporting to the Board. The CEO takes direction from the Board through the Board Chair.

The CEO is responsible for:

- the day-to-day management of the Corporation;
- ensuring that programs and services are being delivered within the standards and policies of the Corporation and the Government;
- establishing appropriate systems for the general administration and financial management and control of the Corporation;
- monitoring performance and taking corrective action when problems are identified;
- ensuring the proper management of the Corporation's risk in providing services and care of the organization's assets;
- providing support to the Board to allow it to carry out its governance responsibilities;
- ensuring that the Corporation's priorities and results are accurately represented in the Ministry's Business Plan and Annual Report;
- working with the Board to prepare an annual Business Plan and Annual Report in accordance with the guidelines provided by the Minister;
- addressing how the Corporation interacts with the public and establishing policies that clearly identify roles and responsibilities in the area of communication with the public;
- maintaining effective communications with the Board Chair and the Deputy Minister, and developing mechanisms to communicate with the Minister and the Department on items of mutual concern;
- maintaining effective communications with other Ministries, stakeholders and other business partners as required; and
- operating within the mandate, policies, standards, approval authorities, and budget as approved by the Board of the Corporation and the Government.

3.2.7 The Staff

- The Chief Executive Officer is an employee of the Corporation. The Board of the Corporation confirms the CEO's terms and conditions of employment;
- The Corporation may directly employ staff based on business needs; and
- The Corporation will align with and follow any Treasury Board or Ministerial direction related to employees and terms/conditions of employment (e.g. hiring restraint, compensation freezes, no bonuses, etc.).

4. Recruitment and Appointment of Directors

The Government uses a competency-based process for the appointment of Directors to public agencies. The four major competency areas are: relevant professional experience; board governance experience; industry and sector knowledge; and leadership and advisory experience. These competencies are intended to balance professional experience, specialized knowledge, personal attributes and skills, and the financial expertise required in aggregate to oversee the Corporation.

The Public Agency Secretariat is responsible for leading the coordination of centralized recruitment for public agencies through collaboration with departments across the Government. This also includes working with the Premier's Office, Ministers' offices, departments, and public agencies throughout the process.

Board appointments are approved by Cabinet through an Order-in-Council, which is signed by the Lieutenant Governor and published on the Queen's Printer website.

5. Remuneration

The remuneration of Board members appointed to the public agency is set in accordance with Ministerial Order No. 105/2018. The remuneration to be paid to the Chief Executive Officer is determined in accordance with the *Reform of Agencies, Boards and Commissions Compensation Act* and any applicable regulations under that Act or the *Alberta Enterprise Corporation Act*. Remuneration rates and payments will be disclosed by the Corporation on its website to the public on an annual basis in accordance with the *Public Sector Compensation Transparency Act*, which applies to agencies, boards and commissions governed by the *Alberta Public Agencies Governance Act*.

6. Interaction Between the Corporation and Department

The Corporation will provide the Department with updates and advice as follows:

- semi-annually (mid-year update and annual report) accountability reporting as required, including updates on progress towards key strategic priorities related to its mandate and emerging issues and trends in industry development; and
- ongoing advice and dialogue on emerging issues impacting progress towards mandate, and future policy direction.

The Department is responsible for providing strategic direction and leadership to the economic development and technology system, and responsibilities are to be interpreted in that broad context.

The Corporation has been given a focused mandate within the context of the technology commercialization agenda within the economic development, technology and innovation system. Responsibilities assigned below are to be pursued within that context.

6.1 Corporation Responsibility

Further to the direction set out in the *Alberta Enterprise Corporation Act*, the Corporation is responsible for:

- investing as a limited partner in venture capital funds that meet investment criteria in compliance with policy and the *Alberta Enterprise Corporation Act* and Regulation;
- providing feedback and advice on technology venture capital industry development milestones;
- working with the Department on an ongoing basis, on issues of mutual concern such as:
 - creation of new venture capital funds operating in Alberta
 - gathering and analyzing information about deal flow and facilitation of venture capital investment in Alberta knowledge-based companies
 - making institutional pension, endowment, funds of funds managers and high net worth individuals aware of the Alberta venture opportunity;
 - development of the venture capital industry in Alberta;
- leading targeted venture capital industry development activities to build a stronger venture environment in Alberta; and
- encouraging stakeholder cooperation and collaboration in targeted areas.

The Department and Corporation are accountable for collaborating on communications, in alignment with Communications protocols established between the Department and its agencies.

The CEO, and the Deputy Minister, will work together to address issues that may arise relating to Corporation and Department roles and responsibilities.

6.2 Meetings

Meetings of the Board will be held as required, but at least four times a year.

6.3 Corporation Evaluation

The Corporation, through a process led by the Chair, conducts an annual evaluation and review of the performance of the Corporation, Board, committees, and individual Board members of the Corporation. The Chair reviews the results of such evaluations and leads discussion on potential ways to improve Corporation effectiveness with Board members. Board members discuss the results of the evaluation of the Corporation, Board, its committees and adopt agreed upon improvements. The Chair and each individual Board member discuss the results of the Board member's annual evaluation.

6.4 Corporation Structure and Committees

The Corporation may establish Committees that support the mandate of the Corporation and are accountable to the Corporation.

Terms of Reference shall be developed for each Committee and approved by the Board. The Terms of Reference shall be reviewed periodically.

7. REPORTING AND COMMUNICATIONS

7.1 Reporting

Respecting the Minister's responsibilities identified in Section 6 of the *Alberta Public Agencies Governance Act*, each year, the Corporation shall provide its business plan and budget to the Minister for acceptance and participate with the Minister in setting its long-term objectives and short-term targets, if any. The business plan shall be reviewed annually and cover, at a minimum, the next fiscal period and shall include strategic priorities, objectives and strategies to achieve those objectives and a system of performance measures.

The Corporation shall maintain records of its affairs including the conduct of the independent audit. The Corporation must submit that statement, together with the summary of the Corporation's activities, to the Minister on an annual end of fiscal year basis, and other reports as requested, to the Minister.

The Minister may from time to time request additional reasonable reporting from the Corporation, and this may be for either periodic or one-time reports. As examples, the Minister could request briefings on the Corporation's activities, results of operations, or confirmation of compliance with regulations and directives.

7.2 Financial Reporting Timelines

In addition to and subject to the reporting requirements set out in the *Alberta Enterprise Act* and Regulation, the Corporation must comply with all reporting requirements as requested by the Minister or as set out in agreements between the Corporation and the Government.

7.3 Communications

Regular and open communications are foundational to productive working relationships. To this end, multiple channels of communication are employed, including, without limitation, the following:

- (a) Between the Board Chair and the Minister;
- (b) Between the Board Chair and the CEO;
- (c) Among the Board and Board Committees;
- (d) Between the CEO and the Deputy Minister;
- (e) Among various staff within the Corporation and the Department or other departments in the Government;
- (f) Between the Corporation's legal counsel and the Department's legal counsel;
- (g) With investors; and
- (h) With stakeholders.

In particular, the Corporation is required to provide timely notice to the Department of any of the following:

- (a) Any lawsuits brought or threatened against the Corporation, any Board member, the CEO or other member of the Corporation's management;
- (b) Any lawsuits threatened or commenced against the Government in respect of investment activities carried out by the Corporation; and
- (c) Any lawsuits proposed to be initiated by the Corporation in the name of the Government.

The Minister and the Department will use reasonable efforts to consult with the Board Chair and CEO of the Corporation prior to amendments of the *Alberta Enterprise Corporation Act* or Regulations thereunder, as well as any other law, regulation or government policy that could materially affect the Corporation.

8. Administration

8.1 Review of the Mandate and Roles Document

This Mandate and Roles document shall be in effect for not more than three years. It must be renewed or revised by the expiry date.

The Mandate and Roles document may be amended at any time. Any amendment must be signed by the Chair, on behalf of the Board, and by the Minister designated with the responsibility of the Corporation under the Designation and Responsibility Regulation of the *Government Organization Act*.

The next review for the Mandate and Roles Document of the Corporation is scheduled for December 2023.

8.2 Transparency

Copies of the Mandate and Roles document will be filed with the Minister of Jobs, Economy and Innovation, the Corporation and the Public Agency Secretariat. In support of the principle of transparency, this document will also be easily available to the public on the Corporation's website and through the Government's website.

8.3 Mandate and Roles Version

This Mandate and Roles document replaces all previous versions.

8.4 Review of Alberta Public Agencies

As outlined in section 19 of the *Alberta Public Agencies Governance Act*, the Minister must, at least every seven years, conduct a review of the Corporation and report the results of the review to Executive Council. The Minister's review will examine whether:

- the Corporation's mandate continues to be relevant to the goals, priorities and policies of the Government;
- the functions performed by the Corporation are best performed by the Corporation, by another public agency or by a ministry;

