

# **Alberta Enterprise Corporation Mandate and Roles Document**

The Mandate and Roles Document for *Alberta Enterprise Corporation* (“Agency”) has been developed collaboratively between the Minister of Advanced Education and Technology and the Agency to reflect a common understanding of their respective roles and responsibilities.

## **1. Agency Mandate**

The Government of Alberta has given the Agency the following responsibilities:

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

as stated in the Alberta Enterprise Corporation Act and Regulations.

## **Mission**

The mission of the Agency is to promote the development of knowledge-based industries and a venture capital industry supporting them, making venture capital available to knowledge-based companies.

## **Applicable Legislation and Regulations**

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

- Alberta Enterprise Corporation Act
- Financial Administration Act (FAA)
- Freedom of Information and Protection of Privacy Act (FOIP)
- Alberta Public Agencies Governance Act

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

- Public Service Act

- Trade, Investment and Labour Mobility Agreement between Alberta and British Columbia and the Agreement on Internal Trade
- Lobbyist Act

## **2. Duties and Responsibilities**

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

### **The Minister**

The Minister is accountable to the Legislature for the Agency. The Minister reports to the Legislature on the affairs of the Agency and answers questions about the Agency.

The Minister:

- appoints, or 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 Agency in achieving its objectives and performing its functions;
- reviews and approves the Agency's strategic business plan;

### **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 Agency mission and mandate; and
- monitors the operations and performance of the Agency to ensure that it is fulfilling its mandate in compliance with Government policies;
- informs the Agency of Government policies and direction affecting the work of the Agency; and
- conducts regular (at least every seven years) reviews of the Agency's mandate and purpose to determine if the work of the Agency 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.

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

- Funding for Agency Operations
- Finance and Administration Support
- Board Orientation

## **The Board**

**The Board has overall responsibility for the governance of the Agency, and oversees management of the Agency's business and affairs. The Board guides the Agency's strategic direction, evaluates the performance of the Agency's Chief Executive Officer ("CEO"), approves and monitors the Agency'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 Agency.**

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 Directors and Officers;
- establishing the Agency's Code of Conduct, ensuring that all Directors, 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 and approving the CEO's compensation;
- 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 Agency, ensuring that, with the advice of the external auditors, the financial results are reported on a timely and regular basis and in accordance with any legislated requirements and the Generally Accepted Accounting Principles (GAAP);
- monitoring the performance of the agency, and ensuring that all material developments and significant emergent issues of the Agency are disclosed to the Minister on a timely basis;
- overseeing compliance with all relevant policies, procedures and standards by which the Agency operates and ensuring that the Agency operates at all times in compliance with all applicable laws and regulations, and to the highest ethical standards;

- approving all matters which 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;
- providing ongoing development opportunities for their Directors; and
- engaging in a strategic planning process which includes the consideration of the principal risks associated with the Agency'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 Agency website.

### **Board Chair**

With direction from the Board, the Chair represents the Board and its interests, as well as the interests of the Agency, 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;
- providing the Minister with regular updates on the Agency's operations and informing the Minister regarding emergent issues;
- ensuring that the Board, and its committees, have opportunities to meet independent of management;
- 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; and
- monitoring the effectiveness of the Board, and where necessary, recommending to the Minister the removal of a Board member where cause exists.

## **The CEO**

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

The CEO is responsible for:

- the day-to-day management of the Agency;
- ensuring that programs and services are being delivered within the standards and polices of the Agency and the Government of Alberta;
- establishing appropriate systems for the general administration and financial management and control of the Agency;
- monitoring performance and taking corrective action when problems are identified;
- ensuring the proper management of the Agency'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;
- addressing how the Agency interacts with the public and establishing policies that clearly identify roles and responsibilities in the area of communication with the public;
- working with the Board to prepare an annual Business Plan and Annual Report in accordance with the guidelines provided by the Minister;
- maintaining effective communications with the Board Chair, the Deputy Minister, developing mechanisms to communicate with the Minister and the Department on items of mutual concern; and
- maintaining effective communications with other Ministries, stakeholders and other business partners as required; and
- operating within the mandate, policies, standards and budget approved by the Board of the Agency and the Government of Alberta.

### **3. Recruitment and Appointment of Directors**

In this Mandate and Roles document, a Director means a Board member.

Directors are appointed by the Government of Alberta and collectively constitute the Board. The Board will identify a competency matrix for the Board as a whole and the values and competencies required for individual Directors.

Competencies will include but are not limited to:

- track record in fund management or early stage capital investment;
- experience in knowledge-based industries in areas of focus;
- experience in board governance, governing either private sector or crown corporations; and
- strong listening, communication and consensus building skills.

The recruitment process will be led by the Agency. When a vacancy occurs, the Board will identify the competencies that need to be replaced and will provide that profile to the individual/team responsible for leading the recruitment process.

A public posting of all vacancies, including the required competencies, will be the responsibility of the Agency.

Applications will be reviewed by the Agency. The interview panel will consist of representatives from the Agency and an independent third party.

Candidates will be assessed on the basis of the applicable competencies and values identified by the Board.

Prior to the appointment of a Director, there will be appropriate screening that will include determining potential conflicts of interest.

A list of suitable candidates for the vacancy will be provided to the Minister, who will appoint a replacement to the Board from the short list provided.

The Department will coordinate the appointment process by Order in Council (OC).

The results of the recruitment process will be posted publicly on the Agency website.

Appointment under the Alberta Enterprise Corporation Act is for a fixed term of up to [3] years, with the potential for re-appointment, based on satisfactory performance, to a maximum of nine (9) years of continuous service.

#### **4. Interaction Between Agency and Department**

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

- quarterly 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.

Key contacts within the Department are as follows:

On matters relating to venture capital and/or knowledge-based industry development:

Assistant Deputy Minister  
Technology Commercialization  
500 Phipps McKinnon Building  
10020 – 101A Avenue  
Edmonton, AB T5J 3G2

On matters relating to monitoring, governance, reporting and accountability:

Assistant Deputy Minister  
Research and Innovation  
500 Phipps McKinnon Building  
10020 – 101A Avenue  
Edmonton, AB T5J 3G2

The Department is responsible for providing strategic direction and leadership to the research and innovation system, and responsibilities below are to be interpreted in that broad context.

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

The Department and the Agency will consult with each other and collaborate on the development of policy and program direction as follows:

**Agency Responsibility**

Invest as a limited partner in venture capital funds that meet investment criteria in compliance with policy and the AEC Act.

Provide feedback and advice on technology venture capital industry development milestones.

Work with the Department on an ongoing basis, on issues of mutual concern such as:

- creation of new venture capital funds operating in Alberta;
- improvement of deal flow through the networking and education of entrepreneurs, engineers, scientists, founders, angels and institutional venture capital funds;
- making institutional pension, endowment, funds of funds managers and high net worth individuals aware of the Alberta venture opportunity; and

**Department Responsibility**

Provides strategic leadership for the development of the next generation economy through the provision of accessible, affordable and quality learning for all Albertans and support for a dynamic and integrated innovation system.

Informs Albertans on the outcomes of the level of innovation occurring within the research and innovation system.

Develops collaborative relationships, facilitates communication and ensures alignment across the innovation system, and between government departments.

Provides strategic leadership for research and innovation policy and research capacity planning including cross-ministry initiatives.

Develops business cases and strategies for investments in new

- development of the venture capital industry in Alberta.

Lead targeted venture capital industry development activities to build a stronger venture environment in Alberta.

Encourage stakeholder cooperation and collaboration in targeted areas.

priority areas.

Promotes increased federal funding in basic and applied scientific research and innovation support.

Provides concierge and connector services between organizations and across system.

Engages with Research & Innovation Corporations and other Ministries in targeted MNE attraction and other brand building and marketing activities outside of Alberta.

Monitors system-wide performance and encourages areas of improvement (oversight).

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

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

## **5. Administration**

### **Review of the Mandate and Roles Document**

The 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 must be affirmed annually by the Minister and the Board Chair, or on a change in either the Minister or Board Chair.

### **Transparency**

Copies of the Mandate and Roles document will be filed with the Minister of Advanced Education & Technology, the Agency and the Agency Governance Secretariat. In support of the principle of transparency, this document will also be easily available to the public on the Agency's website and through the Department's website.

## **Periodic Agency Review**

A review of the Agency's mandate and purpose will be carried out by the Department in accordance with the review process developed in consultation with the Agency Governance Secretariat.

The next review for the Agency is scheduled after March 31, 2012.

*Original Signed* \_\_\_\_\_

Paul G. Haggis

Alberta Enterprise Corporation

November 27, 2009 \_\_\_\_\_

Date:

*Original Signed* \_\_\_\_\_

Honourable Doug Horner

Ministry of Advanced Education  
& Technology

December 17, 2009 \_\_\_\_\_

Date

cc: Dr. Annette Trimbee, Deputy Minister, Advanced Education & Technology  
Dr. Ron Dyck, Assistant Deputy Minister, Advanced Education & Technology  
Mr. Mel Wong, Assistant Deputy Minister, Advanced Education & Technology