Mandate and Roles Document  
(the “Document”)  

between  

President of Treasury Board and Minister of Finance  
(the “Minister”)  

and  

Alberta Pensions Services Corporation  
(“APS”)  

A. APS is an entity incorporated under the Alberta Business Corporations Act.  

B. The Minister has delegated certain functions in relation to the administration of the public sector pension plans to APS and those functions are set out in a “Pension Services Agreement.”  

C. The Crown in right of Alberta is the sole shareholder of APS and has entered into a Unanimous Shareholder Agreement (the “USA”) with APS.  

D. APS’ reporting obligation under the Government Accountability Act is to the Minister.  

E. This Document has been jointly developed by the Minister and APS and is consistent with the Alberta Public Agencies Governance Act. Complete details of APS’ mandate, roles, responsibilities, accountability relationships, planning and reporting requirements, and other related matters may be obtained by reference to the applicable legislation, delegations, agreements and other documents.  

F. APS’ budget is approved by the APS Board of Directors. APS has its own expenditure authority and employs its own staff. Employees of APS are not subject to the Public Service Act.  

G. APS is responsible for its activities and for the fulfillment of its mandate, and is accountable to the Minister respecting its activities.  

1. Mandate  

1.1 The Mandate of APS is to:  

1.1.1 provide pension administration and related services pursuant to the Pension Services Agreement; and  

1.1.2 provide any other services that the Minister directs in writing;  

collectively hereafter referred to as the “Pension Services.”
2. LEGISLATIVE AUTHORITY


2.2 APS is also subject to certain other legislation, orders, agreements, directives and policies.

2.3 All documents and reports provided to the Minister are subject to the protection and disclosure provisions of the Freedom of Information and Protection of Privacy Act.

3. CONFLICT

3.1 If in APS’ view there is a contradiction or conflict between this Document and APS’ obligations under the Business Corporations Act, or any other document, APS shall advise the Minister. The Minister and APS will jointly work to resolve any such contradiction or conflict including, if necessary, amending this Document.

4. COMMUNICATIONS

4.1 APS’ and the Minister’s mutual expectations in respect of communication and consultation with each other include the provisions in this Document and the Pension Services Agreement.

4.2 Communications may take place, as appropriate, between the Minister’s representatives and various officials of APS.

5. ROLES and RESPONSIBILITIES

Minister

5.1 The Minister:

5.1.1 is accountable to the Legislature for APS;

5.1.2 may set policies that must be followed by APS in carrying out its powers, duties and functions, pursuant to section 10 of the Alberta Public Agencies Governance Act;

5.1.3 when appropriate, seeks advice or information from the Board Chair and ensures that communication channels are available for the Chair to consult with the Minister;

5.1.4 consults with the Chair or Board, as appropriate, when significant new strategic directions or policies impact the mandate of APS;

5.1.5 will determine the remuneration of each Board member including the Chair in accordance with any applicable legislation and the USA;
5.1.6 monitors whether APS is acting within its mandate and achieving its objectives;

5.1.7 when appropriate, ensures that material developments and significant emergent issues affecting the work of the Board are brought to the Chair’s attention on a timely basis;

5.1.8 conducts a review at least every seven years of APS’ mandate and in the review considers, among other things, whether and the extent to which APS’ mandate continues to be relevant to the goals, priorities and policies of the Government of Alberta and the needs of members of the public sector pension plans;

5.1.9 approves, as required by the USA, any agreement or commitment under which APS will incur a major liability or commitment;

5.1.10 in accordance with the USA, selects the Chief Executive Officer (CEO), and sets the CEO’s remuneration.

The Department of Finance (“the Department”)

5.2 The Department supports the Minister in fulfillment of the Minister’s role and shall, as required by the Minister:

5.2.1 consult APS on all proposed legislative and regulatory changes with respect to the public sector pension plans, and related policy initiatives;

5.2.2 provide banking and financial systems for receipts and disbursements related to the provision of Pension Services;

5.2.3 work in consultation with APS on financial reporting with respect to the public sector pension plans; and

5.2.4 coordinate, as appropriate, with APS on matters related to recruitment and appointment of members of the Board.

APS Board

5.3 The Board:

5.3.1 is responsible for the governance of APS and overseeing the management of its business and affairs and directs and oversees APS operations, subject to constraints by or under applicable legislation or constating documents;

5.3.2 is accountable to the Minister for the performance of APS;

5.3.3 approves and monitors the strategic plan, business plan, budget and performance results of APS;

5.3.4 establishes and administers a code of conduct and ethics governing the conduct of the Board and APS employees, and assures itself on a regular basis that APS has an ongoing, appropriate, and effective process for ensuring adherence to the code;
5.3.5 oversees, on a regular basis, compliance with all relevant policies, procedures, and standards by which APS operates and assures itself that APS operates at all times in compliance with applicable laws and regulations;

5.3.6 assesses any significant risks to which APS is exposed and assures itself on a regular basis that APS has ongoing, appropriate and effective risk management processes and policies;

5.3.7 monitors the financial performance of APS; oversees the effectiveness of internal controls and reporting systems and obtains advice from the Office of the Auditor General, and assures itself that the financial results are reported on a timely and regular basis and in accordance with any legislated requirements and generally accepted accounting principles;

5.3.8 makes recommendations to the Minister regarding the appointment of the CEO;

5.3.9 sets the CEO’s responsibilities, monitors and evaluates the CEO’s performance and recommends to the Minister the CEO’s compensation;

5.3.10 establishes and annually reviews the CEO succession plan, and assures itself, on a regular basis, that the CEO maintains an updated succession plan for key APS staff positions;

5.3.11 identifies appropriate governance policies and processes to assist APS in fulfilling its mandate, including the frequency and structure of meetings;

5.3.12 establishes such committees as it considers necessary to carry out its duties and ensures that a written mandate for each committee is approved and reviewed annually;

5.3.13 when appropriate, ensures that all material developments and significant emergent issues related to APS and the delivery of its Mandate are disclosed to the Minister on a timely basis;

5.3.14 provides an orientation process, training and ongoing development opportunities for Board members;

5.3.15 ensures that the Board, through a process led by the Chair, conducts an annual evaluation and review of the performance of the Board, its committees, the Chair, and individual Board members;

5.3.16 reviews and approves all accountability documents, as described in section 7 of this Document; and

5.3.17 notifies the Minister of a vacancy for the position of CEO.
Chair
5.4 The Chair:

5.4.1 with direction from the Board, represents the Board and its interests, as well as the interests of APS, in dealing with the Minister or Deputy Minister;

5.4.2 provides leadership for the Board, effectively facilitates the work of the Board, and plans and manages the Board meetings;

5.4.3 when appropriate, provides the Minister with updates on APS’ operations and informs the Minister regarding emergent issues;

5.4.4 ensures the Board discharges its oversight of management and that the Board and its committees have opportunities to meet independent of management;

5.4.5 ensures that the Board conducts an annual evaluation of its performance, the work of individual board members and the performance of the CEO;

5.4.6 administers the Code of Conduct for the Board, and ensures that conflict of interest matters are addressed by the Board.

Vice Chair
5.5 The Vice-Chair:

5.5.1 administers the code of conduct in relation to the Chair; and

5.5.2 performs all of the duties of the Chair in the absence or disability of the Chair.

Chief Executive Officer (“CEO”)
5.6 The CEO:

5.6.1 shall take direction from and report to the Board;

5.6.2 is responsible for:

5.6.2.1 the day-today-management of APS, and the development and execution of APS’ strategic and business plans;

5.6.2.2 ensuring that services are being delivered within the mandate, standards, polices and Board-approved budget;

5.6.2.3 monitoring the performance and operations of APS, and taking corrective action when problems are identified;

5.6.2.4 establishing appropriate systems for the management and control of APS, its operations, and the care of assets owned by or under the control of APS;

5.6.2.5 ensuring proper risk management in providing the Pension Services;

5.6.2.6 providing support and reporting, as required, to the Board to allow it to carry out its governance responsibilities;

5.6.2.7 working with the Board to prepare the accountability documents under Section 7; and
5.6.2.8 maintaining, as required, effective communications with the Chair, the Minister’s representatives, and stakeholders, as appropriate.

6. **RECRUITMENT, APPOINTMENT AND EVALUATION OF BOARD DIRECTORS**

6.1 A total of 10 board members will be appointed pursuant to the USA.

6.2 The Board will lead the recruitment and provide recommendations for the appointment of Board members other than those recommended by the Boards of the pension plans or selected solely by the Minister.

6.3 The recruitment process for members of the Board will align with section 13 of the *Alberta Public Agencies Governance Act*.

6.4 The Board will provide the Minister with, and the Minister, when making an appointment, will consider:

   6.4.1 APS Board Competencies;
   6.4.2 APS Board Code of Conduct and Ethics;
   6.4.3 APS Values; and
   6.4.4 the Chair’s recommendations for re-appointment based on Board Member evaluations.

7. **ACCOUNTABILITY DOCUMENTS**

7.1 The Chair will provide the following documents annually to the Minister after approval by the Board:

   7.1.1 A multi-year strategic plan;
   7.1.2 A three year business plan with financial forecast;
   7.1.3 An annual budget;
   7.1.4 An annual report, with financial statements and management discussion and analysis; and
   7.1.5 The auditor’s report prepared by the Office of the Auditor General.

7.2 APS shall make the reports prepared under section 7.1 available to the public within 60 days of being approved by the Board.

8. **REVIEW OF MANDATE AND ROLES DOCUMENT**

8.1 This Document shall be in effect for not more than three years from the latest date this Document is signed by the Minister and Chair. It must be renewed or revised within three years.
9. TRANSPARENCY

9.1 A signed copy of this Document will be filed with the Agency Governance Secretariat. In support of the principle of transparency, this Document is available to the public on APS’ website at http://www.apsc.ca.

10. PERIODIC AGENCY REVIEW

10.1 A review of APS’ mandate and purpose will be carried out by the Minister in accordance with the review process developed in consultation with the Agency Governance Secretariat.

10.2 In conducting the review of APS’ mandate and purpose, the Minister may consider APS’ performance results, cost effectiveness, client satisfaction surveys, and audit or other reports provided by the Chair.

11. LEGAL AND REGULATORY MATTERS

11.1 APS shall not commence any actions or proceedings before any court, government department, agency, board or commission in Canada or elsewhere without the prior approval of the Minister or the Minister’s representatives, other than actions or proceedings in APS’ normal and usual course of business.

11.2 APS shall, in a timely manner, notify the Minister regarding any:

11.2.1 Legal actions brought against APS or, upon APS becoming aware of them, legal actions by third parties in respect of any of the pension plans for which Pension Services are provided.

11.2.2 Other pending or threatened actions or proceedings against APS, or any of the pension plans for which Pension Services are provided, before or by any court, government department, agency, board or commission in Canada or elsewhere.

12. CORPORATE MATTERS

12.1 Having regard to the nature of APS as a corporation incorporated under and governed by the Business Corporations Act (Alberta), APS and the Minister will endeavour to comply with the requirements of that Act governing annual meetings of shareholders in the following manner:

12.1.1 APS will endeavour to provide to the Minister, on or before November 15 in each year, suitable draft annual shareholder resolutions in lieu of an annual meeting; and

12.1.2 the Minister will endeavour to provide to APS, on or before December 15 in each year, annual shareholder resolutions duly signed on behalf of the shareholder.
13. AMENDMENTS

13.1 This Document may be amended from time to time by the written agreement of the Minister and the Chair of the Board or their respective authorized representatives.

14. NOTICE

14.1 Notices under this Document shall be in writing and shall be addressed and delivered as follows:

14.1.1 **To the Minister:**
c/o Deputy Minister
Alberta Treasury Board and Finance
5th Floor Oxbridge Place
9820 – 106 street
Edmonton, Alberta T5K 2J6

14.1.2 **To APS:**
Chair, APS Board of Directors
Alberta Pensions Services Corporation
5103 Windermere Boulevard SW
Edmonton, Alberta T6W 0S9

14.2 Either party may change its address for notice by written notice to the other party.

15. TERMINATION OF MEMORANDUM OF UNDERSTANDING

15.1 The Memorandum of Understanding dated September 8, 2004, is hereby superseded and terminated.

16. TRANSITION

16.1 In this Document, “Minister” means at any time the Minister responsible for APS, and “Department” shall be construed as that Minister’s Department.

SIGNED by:

[Original signed by] [Original signed by]

Al Mondor, FCA Honourable Doug Horner
Chair, Board of Directors President of Treasury Board and
Alberta Pensions Services Corporation Minister of Finance

September 17, 2013 October 28, 2013