

# ALBERTA PENSIONS SERVICES CORPORATION

## MANDATE AND ROLES DOCUMENT

Made March 27, 2020

This Mandate and Roles Document has been developed jointly by Alberta Pensions Services Corporation and the President of Treasury Board and Minister of Finance, pursuant to the *Alberta Public Agencies Governance Act*.

### 1. INTRODUCTION

#### 1.1 Definitions:

In this document:

- “APAGA” means the *Alberta Public Agencies Governance Act* (Alberta), including any amendments;
- “APS” means Alberta Pensions Services Corporation;
- “BCA” means the *Business Corporations Act* (Alberta), including any amendments;
- “Board” means the board of directors of APS;
- “Chair” means the chair of the Board;
- “CEO” means the chief executive officer of APS, who currently has the title “President & Chief Executive Officer”;
- “Department” means the Department of the Minister, currently established as the Department of Treasury Board and Finance of the Government of Alberta;
- “Deputy Minister” means the Deputy of the Minister or, if the Minister has more than one Deputy, the Deputy whose responsibilities include the *Public Sector Pension Plans Act* (or successor legislation);
- “Director” means a member of the Board;
- “FAA” means the *Financial Administration Act* (Alberta);
- “Government of Alberta” means Her Majesty the Queen in right of Alberta;
- “Minister” means the Minister, currently the President of Treasury Board and Minister of Finance, who is responsible for legislation pertinent to the operations of APS;
- “MRD” means this Mandate and Roles Document; and

- “USA” means the Unanimous Shareholder Agreement described in section 2.2, as may be amended or replaced from time to time.

## **1.2 Nature of this Document:**

This MRD is made by APS and the Minister pursuant to and in accordance with the requirements of section 3 of APAGA. This MRD is not a contract, nor does it establish or create legal obligations. Rather, it describes and reflects the mandate of APS, its relationship with the Minister and the Department, its governance and operational structure, and respective roles and responsibilities.

APAGA requires that this MRD be reviewed and renewed, amended or replaced within three years after it was made or most recently amended.

## **2. GOVERNING LAW**

### **2.1 Governing Statute:**

APS was incorporated under the *Business Corporations Act* (Alberta) on August 10, 1995, and continues to be governed by the BCA. Pursuant to the BCA, APS is also governed by by-laws made by the Board and approved by the sole shareholder.

### **2.2 Shareholder:**

The Government of Alberta is the sole shareholder of APS. As sole shareholder, the Government of Alberta has by declaration established a “Unanimous Shareholder Agreement” (the “USA”) pursuant to the BCA. The USA provides for, among other things, the following:

- election and terms of Directors;
- designation by the shareholder of the Chair;
- establishment by the Board of a “stakeholder advisory committee”;
- selection by the shareholder of the CEO;
- shareholder pre-approval of major financial commitments;
- shareholder pre-approval in relation to providing contractual services; and
- a prohibition on the establishment of subsidiaries.

### **2.3 Provincial corporation, public agency, and Crown agent:**

Because the Government of Alberta is the sole shareholder of APS, APS is a “Provincial corporation” for purposes of the FAA, and a “public agency” for purposes of APAGA.

## **2.4 Other Governing Legislation:**

In addition to obligations under the BCA, the FAA, and APAGA, APS has duties and obligations under various other Alberta statutes (and the regulations made under those statutes), most significantly the following:

- the *Joint Governance of Public Sector Pension Plans Act*, including amendments enacted in November 2019 that require APS to agree to amend certain pension services agreements;
- the *Fiscal Planning and Transparency Act*, which requires APS, as an “accountable organization” that is part of the Minister’s “ministry”, to provide a business plan and annual report for each fiscal year;
- the *Freedom of Information and Protection of Privacy Act*, which applies to APS as a “public body” under that Act;
- the *Conflicts of Interest Act*, which requires APS to implement a code of conduct in accordance with the requirements of that Act;
- the *Lobbyists Act*, which applies to APS as a “Provincial entity” and may require entities lobbying APS’ directors, officers or employees to register under that Act;
- the *Public Interest Disclosure (Whistleblower Protection) Act*, which applies to APS as a “public entity” under that Act;
- the *Public Sector Compensation Transparency Act*, which applies to APS as a “public sector body” under that Act; and
- the *Reform of Agencies, Boards and Commissions Compensation Act*, which includes obligations to provide the Minister with information on APS’ compensation policies, plans, guidelines, programs and studies, and pursuant to which a “compensation framework” has been prescribed in relation to APS.

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

APS’ procurement practices are subject to the New West Partnership Trade Agreement and the Canadian Free Trade Agreement that have been entered into by the Government of Alberta.

## **3. APS OPERATIONS**

### **3.1 Corporate Business:**

APS has its own employees, and subject to the FAA and APAGA is operationally independent of the Department and the Government of Alberta.

The sole business of APS is providing services in relation to the administration of public sector pension

plans, currently seven registered pension plans and two supplementary retirement plans. The USA requires shareholder approval before APS provides services in respect of any other pension plans, or provides services other than on a cost recovery basis.

### **3.2 Contracts for Services:**

The business of APS consists solely of providing services under the following four contracts for services:

- “Pension Administration Services Agreement” with the Government of Alberta
- “Pension Services Agreement” with LAPP Corporation
- “Pension Services Agreement” with PSPP Corporation
- “Pension Services Agreement” with SFPP Corporation

In addition, APS has entered into, on a transitional basis, a “Financial Administration Support and Transition Services Agreement” with the Government of Alberta.

### **3.3 Budget, Planning, and Fiscal Year:**

The fiscal plan, business plan, and ministry annual report that is required to be prepared annually by the Minister pursuant to the *Fiscal Planning and Transparency Act* must include APS as a Provincial corporation that is part of the ministry of the Minister. As an “accountable organization” under that Act, APS will, in consultation and collaboration with the Department, prepare an annual budget and annual report.

The fiscal year end of APS is December 31.

### **3.4 Subsidiaries:**

APS has no subsidiaries, and is prohibited by the USA from acquiring or incorporating a subsidiary.

## **4. GOVERNANCE**

### **4.1 The Board:**

Under the USA, the Board is to consist of seven Directors elected by the Government of Alberta as shareholder.

### **4.2 Recruitment and appointment:**

The recruitment and appointment process for Directors is guided by the provisions of APAGA and is subject to generally applicable policies established by the Government of Alberta.

#### **4.4 Responsibilities of the Board:**

Under the BCA, the Board has general authority for managing the business and affairs of APS.

#### **4.5 The Chair:**

The Chair represents the Board and APS in interacting with the Minister, the CEO, stakeholders and the community. The Chair is responsible for providing leadership to the Board and for guiding the work of the Board.

#### **4.6 Committees of the Board:**

The Board has established the following committees:

- Audit Committee
- Human Resources Committee
- Governance Committee

#### **4.7 The CEO:**

The CEO has the usual authority of a chief executive officer, and is authorized by the by-laws of APS to sign any agreements or instruments on behalf of APS, subject to any restrictions or limitations established from time to time by the Board.

#### **4.8 Code of Conduct:**

APS has, in accordance with APAGA and the *Conflicts of Interest Act*, implemented codes of conduct (including the process for administering the code of conduct and ethics) governing:

- the conduct of members of the Board; and
- the conduct of employees of APS.

The Chair is responsible for administering the Board Code of Conduct and Ethics, and the CEO is responsible for administering the employee Code of Conduct and Ethics. The Board Code of Conduct and Ethics is reviewed and signed annually by each Board Member.

Both the Board and employee Code of Conduct and Ethics are available on APS' website.

#### **4.9 Respective Roles and Responsibilities:**

The respective roles and responsibilities in relation to APS are summarized as follows:

- APS is responsible for complying with all applicable enactments as well as the USA and its by-laws, and for performing its contractual obligations;

- the Chair is responsible for representing the Board and APS, and for providing leadership to the Board;
- the Directors are collectively responsible for the governance of APS and for overseeing the management of APS' business affairs. The Board guides the strategic direction of APS and approves and monitors its business plan, budget, and financial results.
- the CEO is responsible for recommending and implementing the strategic direction, and for the day-to-day operations of APS;
- the Minister is responsible for overseeing the overall governance and operations of APS as a Provincial corporation under the FAA and a public body under APAGA; and
- the Department is responsible for supporting the Minister in the above functions.

Further, pursuant to APAGA, the Minister must:

- participate in setting the long-term objectives and short-term targets of APS, if any;
- monitor whether APS is acting within its mandate and achieving its long-term objectives and short-term targets, if any; and
- advise APS of any applicable government policies with respect to its activities or operations.

#### **4.10 Accountability and Evaluation:**

APS, the members of the Board, and the Chair are ultimately accountable to the Minister and the Government of Alberta.

The CEO is accountable to the Board.

The Board conducts an annual evaluation process that assesses the effectiveness of the Board, any committees of the Board, the Chair, and the CEO.

#### **4.11 Annual Shareholder Resolution:**

The Department and APS cooperate and collaborate to ensure that an annual shareholder resolution is signed each year that meets the requirements of the BCA relating to an annual meeting of shareholders.

### **5. REPORTING AND COMMUNICATIONS:**

#### **5.1 Reporting and Accounting:**

APS is part of the consolidated reporting entity for purposes of the financial statements of the Government of Alberta, and pursuant to the *Fiscal Planning and Transparency Act* must provide an annual report in a form and containing information as directed by the Department on behalf of the Minister.

The Minister may from time to time request from APS additional reporting, which may be either specific or general, and either periodic or one-time.

## 5.2 Communications:

APS and the Department jointly believe that regular and open communications between them are foundational to an effective working relationship. To that end, multiple avenues of communication are employed, including the following:

- between the Chair and the Minister;
- between the CEO and the Deputy Minister;
- between various officials of APS and the Department; and
- between the respective internal legal counsel of APS and the Department.

In particular, it is expected that APS and the Department will provide timely notice to each other of any of the following:

- any lawsuits (and any other judicial or quasi-judicial proceedings) threatened or commenced:
  - in respect of activities carried out by APS; or
  - against any Board member or officer of APS in such capacities; and
- any involvement in a judicial or quasi-judicial proceeding concerning or having an impact upon APS and referencing a constitutional issue or a Charter of Rights and Freedoms issue.

The CEO is responsible for establishing APS' internal, external, and crisis communication programs. The CEO is further responsible for coordinating communications with the pertinent office of the Government of Alberta and for observing any applicable communications protocols established by the Government of Alberta.

## 5.3 Publication of this MRD:

APS will ensure that this MRD is easily findable on APS' website.

Signed and dated by the Chair of APS and by the President of Treasury Board and Minister of Finance:

“Colin P. MacDonald”

Chair

Date: March 27, 2020

“Honourable Travis Toews”

President of Treasury Board and Minister of Finance

Date: March 20, 2020