

2007 Bill 22

Third Session, 26th Legislature, 56 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 22

ALBERTA INVESTMENT MANAGEMENT CORPORATION ACT

THE MINISTER OF FINANCE

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 22

2007

ALBERTA INVESTMENT MANAGEMENT CORPORATION ACT

(Assented to , 2007)

Table of Contents

1	Definitions
2	Alberta Investment Management Corporation
3	Crown agent
4	Appointment of board
5	Board powers
6	Designated entities
7	Chief Executive Officer
8	Employees
9	Bylaws
10	Audit committee
11	Responsibility of directors and officers
12	Indemnification
13	Records and information
14	Reserve funds
15	Pooled and other funds
16	Corporation funding
17	Investment of Corporation's funds
18	Borrowing and guarantees
19	Directives
20	Regulations
21-22	Consequential amendments
23	Coming into force

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

Definitions

1 In this Act,

- (a) “board” means the board of directors appointed under section 4;
- (b) “Corporation” means the Alberta Investment Management Corporation established under section 2;
- (c) “designated entity” means a person, including the Crown, designated by the Minister under section 6(3);
- (d) “investment management agreement” means an agreement between the Corporation and a designated entity made in accordance with the regulations;
- (e) “Minister” means the Minister determined under section 16 of the *Government Organization Act* as the Minister responsible for this Act.

Alberta Investment Management Corporation

2(1) A corporation to be known as the “Alberta Investment Management Corporation” is established consisting of the board of directors under section 4.

(2) The purpose of the Corporation is to provide investment management services in accordance with this Act and the regulations and to carry out any other powers, duties and functions authorized under subsection (8).

(3) The Corporation has the capacity and, subject to this Act and the regulations, the rights, powers and privileges of a natural person.

(4) The share capital of the Corporation consists of one share owned by the Crown.

(5) The Corporation must maintain its head office and principal place of business in Alberta.

(6) The fiscal year of the Corporation is April 1 to the following March 31.

(7) The Auditor General is the auditor for the Corporation.

(8) The Lieutenant Governor in Council may make regulations

- (a) expanding or clarifying the powers, duties or functions to be exercised or performed by the Corporation;
- (b) imposing limits on the powers, duties or functions to be exercised or performed by the Corporation.

Crown agent

3(1) The Corporation is for all purposes an agent of the Crown in right of Alberta and may exercise its powers and perform its duties and functions only as an agent of the Crown in right of Alberta.

(2) An action or other legal proceeding in respect of a right or obligation acquired or incurred by the Corporation on behalf of the Crown in right of Alberta, whether in the name of the Corporation or in the name of the Crown in right of Alberta, may be brought or taken by or against the Corporation in the name of the Corporation.

Appointment of board

4(1) Subject to this section and the regulations, there shall be a board of directors consisting of

- (a) not more than 11 members appointed by the Lieutenant Governor in Council, and
- (b) the Deputy Minister of the Minister.

(2) The Lieutenant Governor in Council shall designate one of the members as chair.

(3) The Lieutenant Governor in Council may make regulations respecting the remuneration of members of the board.

Board powers

5(1) The board shall manage or supervise the management of the business and affairs of the Corporation.

(2) The board may delegate, on terms and conditions the board considers advisable, to any director, to a committee of the board, to any officer or employee of the Corporation or to any other person any of the board's powers, duties and functions except

- (a) the power to appoint the Chief Executive Officer under section 7,
- (b) the power to make bylaws under section 9, and
- (c) the power to approve the financial statements referred to in section 10.

Designated entities

6(1) The Corporation shall provide investment management services to designated entities but shall not provide investment management services to any other person or entity or in respect of any fund not designated under subsection (3).

(2) The investment management services must be provided to the designated entities in accordance with an investment management agreement or terms and conditions provided for in the regulations, or both.

(3) The Minister may by order designate persons and the funds administered by them in respect of which the Corporation is to provide investment management services.

Chief Executive Officer

7(1) The board shall appoint an employee of the Corporation as Chief Executive Officer and shall determine the Chief Executive Officer's powers, duties and functions.

(2) The board shall set the compensation to be paid to the Chief Executive Officer subject to the Minister's approval.

(3) The Chief Executive Officer may, on terms and conditions the Chief Executive Officer considers advisable, delegate to any employee of the Corporation or any other person any of the Chief Executive Officer's powers or duties.

Employees

8 The Corporation may engage employees for the purpose of carrying on the business of the Corporation and may determine their conditions of service.

Bylaws

9(1) Subject to this Act and the regulations, 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.

(2) The *Regulations Act* does not apply to bylaws made under this section.

(3) A bylaw made under this section does not have effect until it is approved by the Minister.

Audit committee

10(1) The board shall appoint from its members an audit committee

- (a) to review financial statements and the auditor's report and to report and provide recommendations to the board prior to its approval of the financial statements,
- (b) to review the Corporation's internal audit and financial control policies and to determine whether they are being complied with, and to report to the board on its findings, and
- (c) to carry out any other powers, duties and functions determined by the board.

(2) The Auditor General is entitled to attend and be heard at all meetings of the audit committee, and the Auditor General or a member of the audit committee may call a meeting of the audit committee at any time.

Responsibility of directors and officers

11(1) Every director and officer, in exercising powers and discharging duties,

- (a) shall act honestly and in good faith and with a view to the best interests of the Corporation as an agent of the Crown, and
- (b) shall exercise the care, diligence and skill that a reasonable and prudent person would exercise in comparable circumstances.

(2) In considering whether the exercise of a power or the discharge of a duty is in the best interests of the Corporation as an agent of the Crown, a director or officer, as the case may be, shall have due regard to the interests of the Crown and the designated entities.

Indemnification

12(1) The Corporation may, subject to the regulations, indemnify

- (a) a present or former director or officer of the Corporation,
- (b) a person who acts or acted at the request of the Corporation as a director or officer of a corporation of which the Corporation or the Crown is or was a shareholder or creditor,
- (c) an employee or former employee of the Corporation, and
- (d) the heirs and legal representatives of a person referred to in clause (a), (b) or (c),

against costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by that person with respect to a civil, criminal or administrative action or proceeding to which that person is made a party by reason of holding such a position if that person acted honestly, in good faith and with a view to the best interests of the Corporation, and in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, if that person had reasonable grounds for believing that the conduct was lawful.

(2) Except as authorized under subsection (1), the Corporation may provide indemnities only in accordance with the regulations.

Records and information

13(1) Subject to the regulations, the Corporation shall prepare records and accounts.

(2) The Minister may request from the Corporation any information, including personal information, the Minister considers necessary and the Corporation shall disclose the information in the form and manner determined by the Minister.

(3) The Minister may, or the Corporation at the direction of the Minister shall, disclose information requested by the Minister under subsection (2) to a designated entity.

(4) The Corporation shall allow the Minister or the Minister's representative to inspect and make copies of all records, accounts, reports and other documents of the Corporation and, in the case of an electronic document, make a print-out of the electronic document, and otherwise review the operations of the Corporation.

(5) If the information disclosed under subsection (2) or contained in records, accounts, reports and other documents of the Corporation under subsection (4) is personal information as defined in the *Freedom of Information and Protection of Privacy Act*, the Minister may collect and use that personal information for the purposes of

- (a) reviewing and monitoring the operations of the Corporation,
- (b) administering this Act and the regulations, and
- (c) ensuring the Corporation is carrying out the purpose and intent of this Act and the regulations.

Reserve funds

14 In accordance with the regulations and for the purposes provided for in the regulations, the Corporation may establish and maintain one or more reserve funds.

Pooled and other funds

15 For the purposes of this Act, the Corporation may, in accordance with the regulations, establish and maintain pooled funds or other funds.

Corporation funding

16(1) In this section, “fund” means a fund of a designated entity or a pooled fund or other fund established and maintained under this Act or the *Financial Administration Act*.

(2) Subject to the regulations, the Corporation may charge against a fund or a designated entity

- (a) its costs and expenses associated with carrying out its powers, duties and functions, and
- (b) amounts for the funding of a reserve fund referred to in section 14.

(3) Subject to the regulations, a charge under subsection (2)(a) may be imposed before the costs or expenses are incurred.

Investment of Corporation’s funds

17 The Corporation may invest its funds, including reserve funds, only in accordance with the regulations.

Borrowing and guarantees

18(1) If authorized by the Minister, the Corporation may borrow money in accordance with the regulations.

(2) The Corporation may give guarantees only in accordance with the regulations.

Directives

19 The Treasury Board may issue directives that must be followed by the Corporation, the board, or both, in carrying out their powers and duties under this Act and the regulations.

Regulations

20 The Lieutenant Governor in Council may make regulations

- (a) respecting the form and contents of investment management agreements;
- (b) respecting appointments to the board, including eligibility and qualifications for appointment;

- (c) respecting conflict of interest guidelines, codes of conduct and any other guidelines and policies in respect of the board and employees of the Corporation;
- (d) respecting terms and conditions for the purpose of section 6(2);
- (e) respecting the standard of care required of persons providing investment management services under this Act;
- (f) respecting any terms and conditions of an indemnity given under section 12;
- (g) respecting the preparation of records and accounts under section 13(1);
- (h) respecting the establishment and maintenance of reserve funds, including the maximum amounts that can be held in a reserve fund;
- (i) respecting the establishment and maintenance of pooled funds and other funds;
- (j) respecting the charging of costs and expenses of the Corporation and for amounts for funding reserve funds against designated entities or their funds;
- (k) defining terms that are used but not defined in this Act;
- (l) respecting the investment of the Corporation's funds and reserve funds;
- (m) respecting the borrowing of money by the Corporation when authorized under section 18(1);
- (n) respecting the giving of guarantees by the Corporation under section 18(2);
- (o) respecting the collection, use and disclosure of information, including personal information, under section 13;
- (p) respecting the application of this Act and the regulations to subsidiaries of the Corporation;
- (q) respecting generally the operation of the Corporation;

(r) generally to carry out the intent and purposes of this Act.

Amends RSA 2000 cF-12

21(1) The *Financial Administration Act* is amended by this section.

(2) Section 43 is amended by adding the following after subsection (4):

(4.1) For the purposes of subsection (4), the Lieutenant Governor in Council may make regulations respecting any terms and conditions respecting the charging of costs and expenses against a fund.

(3) Section 45 is repealed and the following is substituted:

Pooled and other funds

45(1) For the purpose of this Part, the Minister responsible may, subject to the regulations under subsection (3), establish and maintain pooled funds or other funds.

(2) Where the Minister responsible is the trustee of funds, or has the duties of a trustee for investment purposes, that Minister may invest those funds in pooled funds or other funds.

(3) The Lieutenant Governor in Council may make regulations respecting the establishment and maintenance of pooled funds or other funds.

Amends RSA 2000 cG-10

22(1) The *Government Organization Act* is amended by this section.

(2) Section 10 is amended by adding the following after subsection (2):

(3) The Crown, Ministers of the Crown and agents of the Crown have and have always had the capacity to enter into agreements with each other or themselves in the same or different capacities.

Coming into force

23 This Act comes into force on Proclamation.

Explanatory Notes

21 Consequential amendment.

22 Consequential amendment.

23 Coming into force.

