



Province of Alberta

ALBERTA RESEARCH AND INNOVATION ACT

ALBERTA RESEARCH AND INNOVATION REGULATION

Alberta Regulation 203/2009

With amendments up to and including Alberta Regulation 174/2016

Office Consolidation

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(Consolidated up to 174/2016)

ALBERTA REGULATION 203/2009

Alberta Research and Innovation Act

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Interpretation

1 In this Regulation,

- (a) “Act” means the *Alberta Research and Innovation Act*;
- (b) “board” means the board of directors of a corporation;
- (c) “corporation” means a corporation established in or under the Act or by this Regulation;
- (d) “director” means a director of a board of a corporation.

AR 203/2009 s1;174/2016

2 Repealed AR 174/2016 s1.

Board of directors

3(1) A corporation shall have a board of directors consisting of not more than 12 directors appointed by the Lieutenant Governor in Council.

(2) A director may hold office for one or more terms but in no case may a person serve as a director for more than 10 consecutive years.

(3) A break in service of less than 2 years shall be disregarded in determining the number of consecutive years under subsection (2).

(4) The Lieutenant Governor in Council shall designate one of the directors as Chair and another as Vice-chair.

(5) A director ceases to hold office when

- (a) the director resigns,
- (b) the director's appointment expires or is terminated by the Lieutenant Governor in Council, or
- (c) the director is disqualified under section 4(2).

(6) A director's resignation becomes effective when it is received by the Chair in writing or at the time specified in the resignation, whichever is later.

(7) The Chair shall send a copy of a resignation to the Minister forthwith.

(8) Notwithstanding subsections (2) and (5)(b), where a director's appointment expires, the director continues to hold office until

- (a) the director is reappointed,
- (b) a successor is appointed, or
- (c) 3 months has elapsed since the expiry,

whichever occurs first.

(9) The Lieutenant Governor in Council shall determine the remuneration and traveling expenses payable to directors and to members of committees established by a board.

AR 203/2009 s3;174/2016

Eligibility for appointment

4(1) The following individuals are not eligible to be appointed as a director:

- (a) an individual who is less than 18 years of age;
 - (b) an individual who
 - (i) is a represented adult as defined in the *Adult Guardianship and Trusteeship Act* or is the subject of a certificate of incapacity under the *Public Trustee Act*,
 - (ii) is a formal patient as defined in the *Mental Health Act*, or
 - (iii) has been found to be a person of unsound mind by a court elsewhere than in Alberta;
 - (c) an individual who has the status of bankrupt in Canada or equivalent status in any other jurisdiction;
 - (d) an individual who, within the immediately preceding 5 years, has been convicted of an indictable offence or of an offence of a similar nature in another jurisdiction.
- (2)** A director is disqualified if the person
- (a) was ineligible to become a director under subsection (1),
 - (b) becomes an individual referred to in subsection (1)(b) or (c), or
 - (c) is convicted of an offence referred to in subsection (1)(d).

AR 203/2009 s4;168/2010

5 Repealed AR 174/2016 s1.

Duties and functions of board

6(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 a director, a committee of the board, the Chief Executive Officer, any officer or employee of the corporation or 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 12,

- (c) the power to approve business plans referred to in section 13, and
- (d) the power to approve financial statements and annual reports under section 14.

Chief Executive Officer

7(1) The board may appoint a Chief Executive Officer and shall determine the Chief Executive Officer's powers, duties and functions.

(2) Subject to the Minister's approval, the board shall determine the compensation to be paid to the Chief Executive Officer.

(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.

Powers of corporations

8(1) A corporation has the capacity and, subject to the Act and this Regulation, the rights, powers and privileges of a natural person.

(2) A corporation may, if authorized by a resolution of its board, borrow money

- (a) by credit card, overdraft or unsecured line of credit, if the money is required for operating purposes in the ordinary course of the corporation's business, or
- (b) by other means or for other purposes, with the prior written approval of the Minister.

(3) A corporation shall not acquire shares as defined in section 42(1)(a) of the *Financial Administration Act* unless

- (a) the shares are acquired in the incorporation or acquisition of a subsidiary corporation under section 10(1), or
- (b) the shares were transferred to the corporation under section 6.2 or 7(2)(h) of the Act.

(4) A corporation may only invest its funds as a participant under section 40 of the *Financial Administration Act*.

(5) A corporation shall not enter into a partnership.

(6) For the purposes of section 7(3) of the Act, "loans" does not include a payment in the form of a grant even though there may be

an obligation to repay the amount or a portion of the amount in the event of a breach of a condition or other circumstance.

(7) Repealed AR 174/2016 s1.

AR 203/2009 s8;288/2009;174/2016

Acquisition of real property

9(1) A corporation shall not, without the prior written approval of the Minister, acquire, hold or dispose of real property.

(2) Subsection (1) does not apply to real property donated or bequeathed to a corporation, but the corporation must notify the Minister as soon as is practicable after accepting the donation or bequest.

AR 203/2009 s9;174/2016

Subsidiaries

10(1) A corporation must obtain the prior approval of the Minister to

- (a) incorporate a subsidiary corporation,
- (b) acquire a subsidiary corporation either directly or indirectly, or
- (c) dissolve, liquidate, wind-up or dispose of a subsidiary corporation

prior to seeking Lieutenant Governor in Council approval under section 80 of the *Financial Administration Act*.

(2) Subsection (1) does not apply to an acquisition of a subsidiary corporation under section 6.2 or 7(2)(h) of the Act.

AR 203/2009 s10;174/2016

Indemnification

11(1) A corporation may indemnify

- (a) a present or former director or officer of a corporation,
- (b) a person who acts or acted at the request of a corporation, or as a director or officer of another corporation of which the corporation is or was, directly or indirectly, a shareholder or creditor,
- (c) an employee or former employee of a 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 that is the subject of the action or proceeding was lawful.

(2) A corporation shall not provide an indemnity referred to in subsection (1) unless the indemnity

- (a) is in writing, and
- (b) is authorized by a resolution of its board.

(3) A corporation may provide indemnities in writing of the type that the Crown may provide under section 71(a), (b) or (d) of the *Financial Administration Act*.

(4) A corporation may not provide indemnities except in accordance with this section.

Bylaws

12(1) A board may make bylaws respecting the business and affairs of the corporation.

(2) A board shall, by bylaw, establish a code of conduct, including conflict of interest guidelines, to apply to directors, officers and employees of the corporation.

(3) The board shall, forthwith after the making of a bylaw, provide a copy of the bylaw to the Minister.

(4) A copy of the code of conduct must be made available to the public.

Business plans

13 A corporation shall annually complete and provide to the Minister for the Minister's approval, in a form and at a time determined by the Minister, a multi-year business plan approved by the board, which must include

- (a) the budget for the fiscal years to which the plan applies,
- (b) the goals, desired outcomes and targets for the fiscal years to which the plan applies,

- (b.1) the proposed methods for measuring its performance in respect of the goals, desired outcomes and targets, and
- (c) any additional information requested by the Minister.

AR 203/2009 s13;174/2016

Annual report

14(1) A corporation shall, after the end of each fiscal year, prepare an annual report, in a form and at a time determined by the Minister, summarizing its transactions and affairs during the preceding year and containing audited financial statements and any additional information requested by the Minister in writing.

(2) Without limiting the requirements of subsection (1), a corporation shall report on the corporation's performance in the preceding fiscal year in respect of the goals, desired outcomes and targets outlined in the business plan for that fiscal year in its annual report.

(3) As soon as an annual report prepared under subsection (1) is approved by the board, a corporation shall forward it to the Minister for the Minister's approval.

AR 203/2009 s14;174/2016

Other reports and information

15 A corporation must, at such time as the Minister determines, submit to the Minister any reports or other information required by the Minister, including any information required for the purposes of a review of the corporation.

AR 203/2009 s15;174/2016

Payments from Endowment Funds

16 The Alberta Heritage Foundation for Medical Research Endowment Fund may make payments in excess of 4.5% of the market value of the Endowment Fund if, in the opinion of the Minister, it is required to carry out the purpose of the Endowment Fund.

Dissolution

17 The Lieutenant Governor in Council may by order dissolve or liquidate and dissolve a corporation, including setting out the manner in which the dissolution and any liquidation are to be carried out, and the winding up of the activities of the corporation.

AR 203/2009 s17;174/2016

18 Repealed AR 174/2016 s1.

Coming into force

19 This Regulation comes into force on the coming into force of section 7 of the Act.



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