

VOTING THE SHARE AT CALGARY TECHNOLOGIES INC. 2016 ANNUAL MEETING AND SHAREHOLDER RESOLUTION

EXECUTIVE SUMMARY

This report recommends that Council authorize the Manager, Partnership Manager, Community Services to represent The City of Calgary ("The City") at the Calgary Technologies Inc. (CTI) 2016 annual meeting of shareholders and exercise all the powers and voting rights of The City as a shareholder of CTI. It also seeks Council's approval of a CTI Shareholder Resolution to extend the term of Michael Whitt, board chair, and Simon Vincent, vice chair, by one year past defined term limits, and to amend the bylaws to permanently exempt the Vice-President Research of the University of Calgary from term limits.

ADMINISTRATION RECOMMENDATIONS

That Council:

1. Authorize the Manager, Partnership Management, Community Services on behalf of The City of Calgary, to represent The City of Calgary and exercise all the powers and voting rights of The City of Calgary as a shareholder of Calgary Technologies Inc. at the 2016 July 26 annual meeting of shareholders.
2. Authorize the Mayor to execute the Shareholder Resolution to approve the extension of the terms of Michael Whitt, board chair, and Simon Vincent, vice chair, by one year past the term limits defined in Calgary Technology Inc.'s bylaws, and to amend the bylaws to permanently exempt the Vice-President Research of the University of Calgary from term limits.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2014 July 20, Council approved the recommendation in C2016-0633 appointing The City Solicitor, Glenda Cole, to represent The City of Calgary and exercise all the powers and voting rights of The City of Calgary as a shareholder of Calgary Technologies Inc. at the 2015 annual general meeting of shareholders.

On 2014 October 20, at Council's Organizational Meeting, Council appointed three citizens, Michael Whitt, Gord Follett and Henry Jung, to serve on CTI's Board of Directors until Council's 2015 Organizational Meeting. Prior to 2014, Council typically appointed two citizens and The City's Chief Technology Officer to the Board and the latter voted The City's share at CTI annual general meetings.

On 2014 October 6, Council approved the recommendation in C2014-0788 appointing Mr. Doug Hodgson, The City of Calgary's Chief Information Technology Officer to represent the City at CTI's 2014 annual meeting of shareholders.

On 2013 October 28, Council approved the recommendation in C2013-0588 appointing Doug Hodgson, The City's Chief Information Technology Officer, Mr. Michael R. Whitt and Mr. Henry Jung to the Board of CTI.

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BACKGROUND

Calgary Technologies (CTI), operating as Innovate Calgary, is one of The City's Civic Partners. CTI is a non-profit corporation incorporated under the *Business Corporations Act* (Alberta). CTI is owned equally by three shareholders – The City, the University of Calgary and the Calgary Chamber of Commerce. In accordance with CTI's bylaws, The City is entitled to appoint up to a maximum of three representatives to the board of directors. Under the current bylaws, directors can serve no more than six years on the board.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

CTI's annual meeting of shareholders is scheduled for 2016 July 26 by telephone conference. Regular business to be conducted at the meeting will include: consent to holding the meeting by telephone conference; approval of CTI's audited financial statements; election of directors; and appointment of auditors.

It is necessary for Council to authorize a representative to vote The City's share at the annual meeting of shareholders. Given the familiarity with The City's involvement with CTI, Administration recommends that Council authorize the Manager, Partnership Management, Community Services, to represent The City and exercise all the powers and voting rights of The City as a shareholder of CTI at the annual meeting of shareholders.

Shareholder Resolution

On 2016 July 21, CTI's chair and vice chair will reach their six year term limits as they were appointed on 2010 July 21. Terms for these two positions would normally be staggered by three years, however, a reconfiguration of the board in 2010 led to these positions being filled at the same time. The loss of these two key positions at one time without candidates to step in would significantly impact the organization's governance.

The shareholder resolution proposes that subject to their election at the 2016 annual meeting, the terms of both Michael Whitt, board chair, and Simon Vincent, vice chair, be extended for one year, expiring on 2017 July 21.

If the resolution is approved, CTI's current chair Michael Whitt will remain chair for one additional year. CTI's Governance and Compensation Committee will lead a recruitment process for a new vice-chair who will step in as chair after one year of board membership. The Governance and Compensation Committee will review recruitment processes to ensure key roles are staggered in the future.

The resolution also proposes an amendment to CTI's bylaws that will permanently exempt the University of Calgary's Vice President of Research from term limits. Due to the nature of its work, CTI has a high level of interaction with the Vice President of Research's office and it is critical that this position be represented on the board and not be replaced at the six year term limit.

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Stakeholder Engagement, Research and Communication

N/A

Strategic Alignment

N/A

Social, Environmental, Economic (External)

No implications were identified.

Financial Capacity

Current and Future Operating Budget:

No implications were identified.

Current and Future Capital Budget:

No implications were identified.

Risk Assessment

There are no risks associated with this report.

REASONS FOR RECOMMENDATIONS:

Council authorization is required to authorize the Manager, Partnership Management, Community Services to represent The City of Calgary and exercise all the powers and voting rights as a shareholder at Calgary Technologies Inc.'s 2016 annual meeting of shareholders. Proposed amendment to CTI's bylaws and the extension of two key director positions will ensure continuity and good governance practices.

ATTACHMENT(S)

N/A