

**TERMS OF REFERENCE
FOR THE CHAIRMAN**

1.0 INTRODUCTION

The terms of reference for the Chairman outlines the personal and professional characteristics required of the Chairman. The Chairman allocates responsibility within the Board, provides leadership and direction for the decision making process and accountability and generally sets the manner and tone for the Board. Generally the Chairman serves as a bridge between the Board and management and supervises the development and implementation of a clear vision and strategic agenda.

2.0 DEFINITIONS

In this description of the role of the Chairman the following terms have the meanings ascribed to them:

- 2.1 "ABCRC" means Alberta Beverage Container Recycling Corporation.
- 2.2 "Board" means the board of directors of ABCRC.
- 2.3 "Chairman" means the chairman of the Board of ABCRC as appointed from time to time.
- 2.4 "Directors" means members of the Board.
- 2.5 "President" means the person appointed by the Board to serve as the most senior operating officer of ABCRC.
- 2.6 "Shareholders" means the beneficial holders of all of the issued and outstanding shares in the capital of ABCRC.

3.0 INTERPRETATION

In the Terms of Reference for the Chairman, except if defined in Section 2.0 or the context does not permit:

- 3.1 words and expressions defined in the Act have the meaning given to them in the Act;
- 3.2 words importing the singular include the plural and vice versa; and
- 3.3 words importing gender include masculine, feminine and neuter genders.

**TERMS OF REFERENCE
FOR THE CHAIRMAN**

4.0 GENERAL MATTERS

Broadly speaking, the Chairman has three fundamental elements to keep in mind:

4.1 Honesty and Good Faith

The Board requires the Chairman to act honestly and in good faith with a view to the best interests of ABCRC. The key elements of this standard of care are:

4.1.1 The Chairman must act in the best interests of ABCRC and not in his self-interest. This also means the Chairman should not be acting in the best interests of some special interest group or constituency or in his own self-interest.

4.1.2 The Chairman cannot take advantage personally of opportunities that come before him in the course of performing his corporate duties.

4.1.3 The Chairman must disclose to the Board any personal interests that he holds that may conflict with the interests of ABCRC.

4.1.4 The Chairman must respect ABCRC's confidentiality requirements.

4.2 Skillful Management

The Board requires that the Chairman will exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances. This means:

4.2.1 The standard of behavior expected of the Chairman will depend upon the particular qualities or characteristics that the Chairman brings to ABCRC in relation to the particular matters under consideration.

4.2.2 The Chairman must be accountable to the Board for ABCRC's achievement of ends policies (goals and objectives) and non-violation of executive limitations, as defined by the Board.

4.2.3 The Chairman must be proactive in the performance of his duties by:

4.2.3.1 attending meetings;

4.2.3.2 participating in a meaningful way; and

**TERMS OF REFERENCE
FOR THE CHAIRMAN**

4.2.3.3 being vigilant to ensure ABCRC is being properly managed and is complying with the law.

4.3 Best Interests

The Chairman must always act in the best interests of ABCRC, as he sees those best interests.

4.3.1 The Chairman will make decisions so as to:

4.3.1.1 ensure high standards of transparency and accountability.

4.3.1.2 minimize the cost of beverage container recycling;

4.3.1.3 promote and encourage beverage container recovery;

4.3.1.4 ensure each container type (material/size) is self-funding;

4.3.1.5 strive for continuous improvement in operations;

4.3.1.6 maintain a safe and healthy environment for employees; and

4.3.1.7 provide a culture of honesty and integrity.

5.0 DUTIES AND POWERS

Generally the Chairman shall assure the integrity of the Board process including effectiveness of meetings and the Board's adherence to its own rules. Specifically the Chairman shall:

5.1 preside as chairman of all meetings of the Board and all meetings of the Shareholders;

5.2 set or approve the agenda of all meetings of the Board or of the Shareholders called by the Chairman;

5.3 except as otherwise provided in the bylaws, call all meetings of the Board and all meetings of the Shareholders;

5.4 establish the rules of procedure and rules of order to be followed at meetings of the Board and meetings of the Shareholders;

**TERMS OF REFERENCE
FOR THE CHAIRMAN**

- 5.5 confer with the President regarding all items of business which the President wishes to bring before the Board;
- 5.6 take reasonable measures to ensure that all Directors are active and contributing members of the Board;
- 5.7 take recommendations to the Shareholders with respect to the succession of Directors;
- 5.8 ensure the appointment of Directors to committees of the Board;
- 5.9 together with the President:
- 5.10 advise the Board of the business and affairs of ABCRC;
- 5.11 sign reports, recommendations and proposals of the Board to be presented to the Shareholders;
- 5.12 attend at and report to meetings of the Shareholders and the Board;
- 5.13 manage the Board to ensure the Board performs effectively;
- 5.14 be the spokesman for ABCRC on certain occasions when it is preferable that the President not be the spokesman;
- 5.15 follow up with the various Directors and committees concerning the discharge of their duties;
- 5.16 ensure appropriate communication among the Directors.