

TERMS OF REFERENCE FOR THE PRESIDENT

1.0 INTRODUCTION

1.1 The Terms of Reference for the President outlines the personal and professional characteristics required of the most senior operating officer of ABCRC. The President shall mean the person appointed by the Board to serve as the most senior operating officer of ABCRC. The Terms of Reference are used as the basis for the evaluation of the Senior Operating Officer's performance and also serves as a model for establishing the general attributes and expectations in screening and selecting suitable candidates.

1.2 The President is charged with the leadership and management of ABCRC and is responsible for effectiveness and fiscal wholeness of ABCRC. The President reports to and is answerable to the Board. The President operates within a framework set by the Board and functions as the principal representative of ABCRC to business and industry, the community and various levels of government. The President is the official spokesman for ABCRC. All Board authority delegated to staff is delegated through the President so that all authority and accountability of staff, as far as the Board is concerned, is the authority and accountability of the President.

2.0 DEFINITIONS

In these Terms of Reference the following terms have the meaning ascribed to them:

2.1 "ABCRC" means Alberta Beverage Container Recycling Corporation.

2.2 "Act" means the *Business Corporations Act* (Alberta).

2.3 "Board" means the board of directors of ABCRC.

2.4 "Chairman" means the chairman of the Board as appointed from time to time.

2.5 "Directors" means members of the Board.

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 President, 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.

4.0 GENERAL MATTERS

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

4.1 Honesty and Good Faith

The Board requires the President 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 President must act in the best interests of ABCRC and not in his self-interest. This also means the President 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 President cannot take advantage personally of opportunities that come before him in the course of performing his corporate duties.
- 4.1.3 The President must disclose to the Board any personal interests that he holds that may conflict with the interests of ABCRC.
- 4.1.4 The President must respect ABCRC's confidentiality requirements.

4.2 Skillful Management

The Board requires that the President 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 President will depend upon the particular qualities or characteristics that the Senior Operating Officer brings to ABCRC in relation to the particular matters under consideration.
- 4.2.2 The President 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 President 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
 - 4.2.3.3 being vigilant to ensure ABCRC is being properly managed and is complying with the law.

4.3 **Best Interests**

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

4.3.1 The President 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 **STANDARD OF BEHAVIOUR ESTABLISHED BY THE BOARD**

To execute the President's responsibilities, the incumbent must possess certain characteristics and traits. The Board has established the following standards for the President.

5.1 **Board Activity**

As a resource to the Board, the President will:

5.1.1 demonstrate high ethical standards and integrity in his personal and professional dealings, and be willing to act on, and remain accountable for, the Board's decisions;

5.1.2 provide data that will enable the Board to feel reasonably assured of performance;

5.1.3 provide wise, thoughtful counsel on a broad range of issues and develop the depth of knowledge to understand and question the assumptions upon which the strategic and business plans are based, and to form an independent judgment as to the probability that such plans can be achieved;

5.1.4 possess or acquire financial literacy, know how to read financial statements, and understand the use of financial ratios and other indices for evaluating ABCRC's performance;

5.1.5 respect confidentiality;

5.1.6 advise the Directors or the Chairman in advance of introducing significant and previously unknown information at a Board meeting;

- 5.1.7 as necessary and appropriate, communicate with the Chairman and with the Directors between meetings;
- 5.1.8 demonstrate a willingness and availability for individual consultation and engage in such consultation with the Chairman or the Directors; and
- 5.1.9 be a positive force, using abilities and influence constructively.

5.2 **Preparation and Attendance**

To enhance the effectiveness of Board and committee meetings, the President will:

- 5.2.1 prepare for each Board and committee meeting by reading the reports and background materials provided for the meeting;
- 5.2.2 maintain an excellent Board and committee meeting attendance record; and
- 5.2.3 request information necessary for decision making.

5.3 **Communication**

A President who values Board and team performance over individual performance, and who possesses respect for others, facilitates superior Board performance. Communication is fundamental to Board effectiveness and therefore the President will:

- 5.3.1 participate fully and frankly in the deliberations and discussions of the Board;
- 5.3.2 demonstrate an openness to others' opinions and the willingness to listen; and appreciate that this quality ranks as highly as the ability to communicate persuasively;
- 5.3.3 approach others assertively, responsibly and supportively, and be willing to raise tough questions in a manner that encourages open discussion;
- 5.3.4 establish an effective, independent and respected presence and a collegial relationship with other Directors; and
- 5.3.5 focus inquiries on issues related to strategy, policy, and results rather than issues relating to the day-to-day management of ABCRC.

5.4 **Independence**

Independence is a critical quality of an effective President. The President will:

- 5.4.1 think, speak and act independently with confidence and courage;
- 5.4.2 be responsive to change and new thinking;

- 5.4.3 resist behaving independently merely for the sake of being a revolutionary character; being objective when considering tradeoffs and consequences; and
- 5.4.4 be willing to risk rapport with the Chairman and other Directors in taking a reasoned, independent position.

5.5 **Committee Work**

In order to assist Board committees in being effective and productive, President will:

- 5.5.1 participate on committees and become knowledgeable about the purpose and goals of each committee; and
- 5.5.2 understand the process of committee work, and the role of management and staff supporting the committee.

5.6 **Industry and Corporate Knowledge**

Recognizing that decisions can only be made by being well-informed, the President will:

- 5.6.1 become generally knowledgeable of the business of ABCRC;
- 5.6.2 participate in orientation and development programs developed by ABCRC from time to time; and
- 5.6.3 maintain a current understanding of the legislative, business, social and political environments within which ABCRC operates;

6.0 **SPECIFIC RESPONSIBILITIES**

The President will provide day-to-day management of ABCRC in an efficient, cost-effective and fiscally-responsible manner.

6.1 **Planning**

The President will provide to the Board:

- 6.1.1 annual strategic and operating plans for approval by the Board;
- 6.1.2 quarterly performance updates and evaluation of performance as compared to plan; and
- 6.1.3 recommendations on container recycling fees payable per container sold.

6.2 **Operating**

The President will be responsible for:

- 6.2.1 providing strong leadership in the recruitment and development of qualified resources, including staff, to achieve the objectives of ABCRC;
- 6.2.2 the day-to-day relationship with the bottle depots and their association, as well as other stakeholders;
- 6.2.3 facility management, including the negotiation and management of leases for space and equipment, contract services, utilities, and insurance; and
- 6.2.4 the negotiation and administration of all collective agreements.

6.3 **Government Relations**

The President will, in accordance with Board policy, maintain an effective and productive relation with all levels of government as well as the Beverage Container Management Board.