

TERMS OF REFERENCE FOR THE BOARD CHAIR

1.0 INTRODUCTION

These Terms of Reference outline the personal and professional characteristics required of the Board Chair. The Board Chair leads the Board in all aspects of its work and is responsible to effectively manage the affairs of the Board and ensure that the Board is properly organized and functions efficiently. The Board Chair 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. The Board Chair is an ex-officio member of all Committees, with full voting rights. Generally, the Board Chair 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 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 “Board Chair” means the board chair of ABCRC appointed by the Board.
- 2.5 “Committees” mean all committees of the Board, including the Governance Committee, the Audit Committee, the Public Affairs and Communications Committee and ad-hoc committees established by the Board from time to time, and “Committee” refers to any one of them, as applicable.
- 2.6 “Committee Chairs” means all chairs of the Committees, and “Committee Chair” refers to any one of them, as applicable.
- 2.7 “Common Collection System” means the Alberta collection system that collects and processes all non-refillable beverage containers.
- 2.8 “Directors” mean members of the Board.
- 2.9 “President” means the person appointed by the Board to serve as the most senior operating officer of ABCRC.
- 2.10 “Shareholders” mean the beneficial holders of all of the issued and outstanding shares in the capital of ABCRC.

3.0 INTERPRETATION

In these Terms of Reference, 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 Board Chair has three fundamental elements to keep in mind:

4.1 Honesty and Good Faith

The Board requires the Board Chair to act honestly and in good faith with a view to the best interests of ABCRC. To meet this standard of care, the Board Chair must:

- 4.1.1 Act in the best interests of ABCRC and not in the best interests of some special interest group or constituency or in his own self-interest;
- 4.1.2 Not take advantage personally of opportunities that come before the Board Chair in the course of performing his corporate duties;
- 4.1.3 Disclose to the Board any personal interests that he holds that may conflict with the interests of ABCRC; and
- 4.1.4 Be mindful of the confidential nature of information disclosed and respect ABCRC's privacy policies.

4.2 Skillful Management

The Board requires that the Board Chair 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 Board Chair will depend upon the particular qualities or characteristics that the Board Chair brings to ABCRC in relation to the particular matters under consideration;
- 4.2.2 The Board Chair is accountable to the Board for ABCRC's achievement of the approved ABCRC objectives, plans and actions (goals and objectives) and non-violation of executive limitations, as defined by the Board; and
- 4.2.3 The Board Chair must be proactive in the performance of his duties by:
 - 4.2.3.1 attending and leading Board meetings;

- 4.2.3.2 attending Committee meetings as and when he deems it appropriate;
- 4.2.3.3 attending meetings among leaders of the beverage container recycling industry in Alberta, particularly where the attendance of the respective board chairs of ABCRC, the Beverage Container Management Board and the Alberta Bottle Depot Association has been requested;
- 4.2.3.4 participating in the stewardship of the Common Collection System in a meaningful way; and
- 4.2.3.5 being vigilant to ensure ABCRC is being properly managed and is complying with all applicable laws and regulations, bylaws approved by the Beverage Container Management Board and ABCRC's bylaws and policies.

4.3 **Best Interests**

- 4.3.1 The Board Chair must always act in the best interests of ABCRC, as he sees those best interests.
- 4.3.2 The Board Chair will make decisions so as to:
 - 4.3.2.1 ensure transparency and accountability;
 - 4.3.2.2 minimize the cost of operating the Common Collection System;
 - 4.3.2.3 promote and encourage effective stewardship of the Common Collection System;
 - 4.3.2.4 strive for continuous improvement in operations;
 - 4.3.2.5 maintain a safe and healthy environment for employees;
 - 4.3.2.6 provide a culture of honesty and integrity; and
 - 4.3.2.7 ensure each container type (material/size) is self-funding.

5.0 **DUTIES AND POWERS**

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

- 5.1 except as otherwise provided in ABCRC's bylaws, call all meetings of the Board and all meetings of the Shareholders;
- 5.2 preside as Board Chair of all meetings of the Board and all meetings of the Shareholders;
- 5.3 set or approve the agenda of all meetings of the Board and the Shareholders pursuant to these Terms of Reference and the rules of procedure and rules of order to be followed at meetings of the Board and the Shareholders;

- 5.4 confer with the President regarding all items of business which the President wishes to present to the Board or the Shareholders for its or their consideration;
- 5.5 take reasonable measures to ensure that all Directors are active and contributing members of the Board;
- 5.6 with respect to the succession of Directors, advise the Shareholders before they nominate Directors, of the expectations placed upon Directors and the skills that the Board is hoping for a new director to bring;
- 5.7 together with the President advise the Board of the business and affairs of ABCRC and the Common Collection System;
- 5.8 be the spokesman for ABCRC on certain occasions when it is preferable to the Board that the President not be the spokesman;
- 5.9 initiate the appointment of Directors to be members of Committees, in consultation with the Governance Committee;
- 5.10 appoint the Committee Chair for each Committee;
- 5.11 follow up with Directors, Committee Chairs and Committee members concerning the discharge of their duties; and
- 5.12 ensure appropriate communication among Directors both in and out of Board meetings with respect to ABCRC and industry matters.