

TERMS OF REFERENCE FOR COMMITTEE MEMBERS

1.0 INTRODUCTION

- 1.1 These Terms of Reference outline the personal and professional characteristics of persons who serve on a Committee, regardless of whether they are also Directors.
- 1.2 Each Committee will deliberate in many voices but govern with one voice.

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 “Board” means the board of directors of ABCRC.
- 2.3 “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.
- 2.4 “Committee Chairs” means all chairs of the Committees, and “Committee Chair” refers to any one of them, as applicable.
- 2.5 “Committee Member” means a member of a Committee.
- 2.6 “Common Collection System” means the Alberta collection system that collects and processes all non-refillable beverage containers.
- 2.7 “Directors” mean members of the Board.

3.0 INTERPRETATION

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

- 3.1 words importing the singular include the plural and vice versa; and
- 3.2 words importing gender include masculine, feminine and neuter genders.

4.0 GENERAL MATTERS

Broadly speaking, a Committee Member has three fundamental elements to keep in mind:

4.1 Honesty and Good Faith

A Committee Member shall act honestly and in good faith with a view to the best interests of ABCRC. To meet this standard of care, Committee Members 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 their own self-interest;
- 4.1.2 Not take advantage personally of opportunities that come before them in the course of performing their corporate duties;
- 4.1.3 Disclose to the Board any personal interests that they hold 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

Each Committee Member will exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

4.3 Decisions in the Best Interests of ABCRC

Each Committee Member will make decisions so as to:

- 4.3.1 ensure transparency and accountability;
- 4.3.2 minimize the cost operating the Common Collection System;
- 4.3.3 promote and encourage effective stewardship of the Common Collection System;
- 4.3.4 strive for continuous improvement in operations;
- 4.3.5 maintain a safe and healthy environment for employees;
- 4.3.6 provide a culture of honesty and integrity; and
- 4.3.7 ensure each container type (material/size) is self-funding.

5.0 STANDARD ESTABLISHED BY THE BOARD

The Board has established the following expectations for Committee Members:

5.1 Committee Activity

As a member of a Committee, each Committee Member will:

- 5.1.1 demonstrate high ethical standards and integrity in their personal and professional dealings, and be willing to act on – and remain accountable for – Committee decisions;
- 5.1.2 comply with ABCRC's Code of Conduct and Ethics and sign an annual acknowledgement;
- 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; and
- 5.1.6 be a positive force, using their abilities and influence constructively.

5.2 Committee Service & Attendance

- 5.2.1 All Committee Members should strive for 100% attendance at Committee meetings while recognizing that from time to time there may be compelling reasons for a Committee Member to miss a meeting. While attendance in person at Committee meetings is preferred, particularly for individuals residing in Calgary, Alberta, participation via telephone or other telecommunication device is acceptable. Committee Members are expected to come prepared to meetings, having read the materials.
- 5.2.2 To enhance the effectiveness of Committee meetings, each Committee Member will:
 - 5.2.2.1 maintain an excellent Committee meeting attendance record;
 - 5.2.2.2 prepare for each Committee meeting by reading the reports and background materials provided for the meeting; and
 - 5.2.2.3 request any additional information necessary for decision making.

5.3 Communication

Communication is fundamental to Committee effectiveness and therefore each Committee Member will:

- 5.3.1 participate fully and frankly in the deliberations and discussions of the Committee;
- 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 Committee Members; 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 Committee Member. Each Committee Member will:

- 5.4.1 think, speak and act independently with confidence and courage;
- 5.4.2 be critical and responsive to change and new thinking; and
- 5.4.3 resist behaving independently merely for the sake of being a revolutionary character; being objective when considering tradeoffs and consequences.

5.5 Industry and Corporate Knowledge

Recognizing that decisions can only be made by well-informed Committee Members, each Committee Member will:

- 5.5.1 participate in Committee orientation and development programs developed by ABCRC from time to time;
- 5.5.2 maintain a current understanding of the legislative, business, social and political environments within which ABCRC operates;
- 5.5.3 become generally knowledgeable about the Common Collection System; and
- 5.5.4 establish an effective, independent and respected presence and a collegial relationship with the senior managers of ABCRC.

6.0 TIME COMMITMENT

6.1 Committee Meetings and Preparation

Committee meetings are held quarterly and usually last for two to three hours. Committee Members receive their meeting materials approximately one week before each meeting date.

6.2 **Additional Duties**

6.2.1 Committee Members are sometimes asked to assist ABCRC and/or the Board by attending other meetings or events, depending upon their expertise and availability.

6.2.2 At the discretion of the Board, Committee Members may be invited to Board meetings, which are held quarterly and usually last about six hours. Once per year, ABCRC holds a Board retreat for the spring quarterly Board meeting. The retreat is normally two evenings plus a day and a half of meetings which include the regular Board meeting, the annual general meeting and strategic planning/generative discussions.