

TERMS OF REFERENCE FOR COMMITTEE MEMBERS

1.0 INTRODUCTION

1.1 The Terms of Reference for Committee Members outlines 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 in one.

1.2.1 Honesty and Good Faith

A Committee Member shall act honestly and in good faith with a view to the best interests of ABCRC. The key elements of this standard of behaviour are:

1.2.1.1 This means a Committee Member should not be acting in his or her best interest or the best interests of some special interest group or constituency.

1.2.1.2 A Committee Member cannot take advantage personally of opportunities that come before them in the course of performing his/her corporate duties.

1.2.1.3 A Committee Member must disclose to the Board any personal interests that they hold that may conflict with the interests of ABCRC.

1.2.1.4 A Committee Member must respect ABCRC's confidentiality requirements.

1.2.2 Skillful Management

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

1.2.3 General Principles

Each Committee Member will make decisions so as to:

1.2.3.1 ensure excellent transparency and accountability;

1.2.3.2 minimize the cost of operating the system;

1.2.3.3 promote and encourage effective environmental stewardship of beverage container recovery;

1.2.3.4 strive for continuous improvement in operations;

1.2.3.5 maintain a safe and healthy environment for employees;

1.2.3.6 provide a culture of honesty and integrity; and

1.2.3.7 ensure each container type (material/size) is self-funding.

2.0 DEFINITIONS

In this 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 "Committee Chair" means the chair of one of the Governance, Audit or Public Affairs Committees".
- 2.4 "Committee Member" means a member of a Committee, whether or not they are also Directors.
- 2.5 "Committees" means committees of the Board, whether standing or ad hoc, which committees now include the Governance Committee, the Audit Committee and the Public Affairs and Communications Committee.
- 2.6 "Directors" means members of the Board.

3.0 INTERPRETATION

In this 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 STANDARD ESTABLISHED BY THE BOARD

The Board has established the following expectations for Committee Members.

4.1 Committee Activity

Generally, each Committee Member will:

- 4.1.1 demonstrate high ethical standards and integrity in their personal and professional dealings, and be willing to act on, and remain accountable for, their Committee decisions;
- 4.1.2 comply with ABCRC's Code of Conduct and Ethics and sign an annual acknowledgement;
- 4.1.3 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;
- 4.1.4 possess or acquire financial literacy and know how to read financial statements, and understand the use of financial ratios and other indices for evaluating ABCRC's performance;
- 4.1.5 respect confidentiality; and
- 4.1.6 be a positive force, using abilities and influence constructively.

4.2 **Preparation and Attendance**

All Committee members should make every effort to attend all Board meetings. In those few exceptional circumstances where a Committee member finds it impossible to be present in person at a Board meeting, that Committee member may, with the consent of the Committee Chair, participate by telephone conference. However, for many reasons, participation by telephone conference is far less effective than in-person attendance. Committee members are expected to come prepared to the meetings, having read the materials.

To enhance the effectiveness of Board and Committee meetings, each Committee member will:

- 4.2.1 maintain an excellent Committee meeting attendance record;
- 4.2.2 prepare for each Committee meeting by reading the reports and background materials provided for the meeting; and
- 4.2.3 request information necessary for decision making.

4.3 **Communication**

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

- 4.3.1 participate fully and frankly in the deliberations and discussions of the Committee;
- 4.3.2 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;
- 4.3.3 approach others assertively, responsibly and supportively, and be willing to raise tough questions in a manner that encourages open discussion;
- 4.3.4 establish an effective, independent and respected presence and a collegial relationship with other Committee Members; and
- 4.3.5 focus inquiries on issues related to strategy, policy, and results rather than issues relating to the day-to-day management of ABCRC.

4.4 **Independence**

Independence is a critical quality of an effective Committee Member and therefore each Committee Member will:

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

4.5 **Industry and Corporate Knowledge**

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

- 4.5.1 become generally knowledgeable of the business of ABCRC;
- 4.5.2 participate in Committee orientation and development programs developed by ABCRC from time to time;
- 4.5.3 maintain a current understanding of the legislative, business, social and political environments within which ABCRC operates; and
- 4.5.4 become acquainted with the senior managers of ABCRC.

5.0 TIME COMMITMENT

5.1 Committee Meetings and Preparation

Committee meetings are held quarterly and usually last for two to three hours. Committee members may participate in these meetings by telephone conference. Committee members receive their meeting materials approximately one week before each meeting date.