

# TERMS OF REFERENCE FOR THE BOARD CHAIR

## 1.0 INTRODUCTION

The terms of reference for the Board Chair outlines 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. 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 this description of the role of the Board Chair 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 "Board Chair" means the Board Chair of the Board of ABCRC as appointed from time to time.
- 2.4 "Committee Chair" means the chair of one of the Governance, Audit or Public Affairs Committees".
- 2.5 "Directors" means members of the Board.
- 2.6 "President" means the person appointed by the Board to serve as the most senior operating officer of ABCRC.
- 2.7 "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 Board Chair, 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**

4.1.1 The Board requires the Board Chair 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: The Board Chair must act in the best interests of ABCRC and not in his self-interest. This also means the Board Chair 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 Board Chair cannot take advantage personally of opportunities that come before him in the course of performing his corporate duties.

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

4.1.4 The Board Chair must respect ABCRC's confidentiality requirements and the privacy policy.

#### 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 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 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 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 Board Chair must always act in the best interests of ABCRC, as he sees those best interests.

4.3.1 The Board Chair will make decisions so as to:

4.3.1.1 ensure excellent transparency and accountability;

4.3.1.2 minimize the cost of operating the system;

4.3.1.3 promote and encourage effective environmental stewardship of beverage containers;

4.3.1.4 strive for continuous improvement in operations;

4.3.1.5 maintain a safe and healthy environment for employees;

4.3.1.6 provide a culture of honesty and integrity; and

4.3.1.7 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 effectiveness of meetings and the Board's adherence to its own rules. Specifically, the Board Chair shall:

- 5.1 preside as Board Chair 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 Board Chair;
- 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;
- 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 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;
- 5.8 initiate the appointment of Directors to committees of the Board;
- 5.9 together with the President advise the Board of the business and affairs of ABCRC;
- 5.10 sign reports, recommendations and proposals of the Board to be presented to the Shareholders;
- 5.11 attend at and report to meetings of the Shareholders and the Board;
- 5.12 manage the Board to ensure the Board performs effectively;
- 5.13 be the spokesman for ABCRC on certain occasions when it is preferable to the Board that the President not be the spokesman;
- 5.14 appoint the Committee Chair for each of the Governance, Audit and Public Affairs and Communications Committee;
- 5.15 follow up with the various Directors and Committee Chairs concerning the discharge of their duties; and
- 5.16 ensure appropriate communication among the Directors both in and out of Board meetings.