

MEMORANDUM OF UNDERSTANDING

Between:

HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA,
as represented by the Minister of Environment and Parks

and

Beverage Container Management Board
(the "Board")

The Memorandum of Understanding for the Beverage Container Management Board (BCMB) was developed collaboratively between the Minister of Environment and Parks and the Board to reflect a common understanding of their respective roles and responsibilities.

Nothing in this Memorandum of Understanding document is intended to or shall interfere with the organization's proper exercise of any statutory powers of decision. BCMB is an independent body that functions as a management board under EPEA that carries out delegated functions and is accountable to the Minister for those activities.

1. Board Mandate

The Board is a not-for-profit organization incorporated under the *Society's Act* that operates at arm's-length from government and manages the provincially regulated recycling program for beverage containers. The Board has been delegated certain functions and authority pursuant to the Beverage Container Management Regulation, Alberta Regulation 101/97 as amended (the "Regulation") under the *Environmental Protection and Enhancement Act*.

2. Duties and Responsibilities

The Government is responsible for the legislative, regulatory and policy framework in which the Board operates.

The Minister

The Minister is charged with responsibility for the *Environmental Protection and Enhancement Act*. The Minister is accountable to the Legislature for the Board. The Minister reports to the Legislature on the affairs of the Board and answers questions about the Board.

The Minister:

- a) communicates to the Board the Minister's expectations, the objectives that are expected of the Board and to which the Board will be held accountable;
- b) communicates the mandate and purpose of the delegation to the Directors of the Board and the public;
- c) communicates government policies to the Board;
- d) informs all government appointed Board Directors of their role and responsibility;
- e) appoints or dismisses government representatives to the Board;
- f) approves the business plan of the Board;

- g) communicates to the Board of Directors the need to declare any conflicts of interest and to address potential conflicts in accordance with the Conflict of Interest Policy;
- h) monitors the activities of the Board to ensure that its mandate is being fulfilled in compliance with good governance practices and the Regulation, taking appropriate action where necessary;
- i) consults with the Chair, as appropriate, when significant new strategic directions impact the mandate of the Board or when initiatives are undertaken to amend any legislation, regulations or policies which may affect the operations of the Board; and
- j) reviews on an on-going basis the achievements of the Board, the Board's ability to achieve its outcomes, the Board's mandate, whether the mandate should be altered in any way, and whether there is any need to alter or discontinue the delegation of the Board.

The framework the Minister could use in assessing whether the Board's mandate is being fulfilled includes: progress towards achieving stated outcomes, outcome focused performance measures and indicators including cost effectiveness measures, client satisfaction surveys, audit reports, and this Memorandum of Understanding, including the Delegated Administrative Organizations Monitoring and Evaluation Workbook (as amended from time to time), and anything else the Minister deems necessary.

The Board

The Board is responsible for the governance of the organization and overseeing the management of the organization's business and affairs. The Board guides the organization's strategic direction, evaluates the performance of the organization's Chief Executive Officer, approves, monitors, and reports on the organization's business plan and financial results, and is ultimately accountable to the Minister. Board members must act honestly, in good faith, leaving aside personal interests to advance the public interest and the mandate of the organization.

The Board:

- a) sets out in the Board business plan the Board's processes and how the Board intends to meet its mandate, objectives and the obligations created by this Memorandum of Understanding;
- b) establishes short and long-range business outcomes and objectives, in accordance with the Board's obligations under the Regulation;
- c) prepares and provides the following accountability documents in accordance with the Regulation and provides them to the Minister annually for each fiscal year in a form and at a time acceptable to the Minister for review and approval:
 - Annual Business Plan with described links to the Ministry Business Plan and Performance Measures for the Board.
 - Annual Report with described links to the Ministry Annual Report and reporting of the Performance Measure Results for the Board.
- d) makes publically available the Business Plan and Annual Report through the Beverage Container Management Board website;
- e) with the advice of an external auditor, monitors and reports financial performance of the organization to ensure financial results are reported in a complete, comparable, reliable and timely manner, in accordance with any legislated requirements, Generally Accepted Accounting Principles and within the mandate

- and policies respecting its delegated functions as set out in the Regulation and as otherwise approved by the Minister and Government;
- f) is mindful of Government of Alberta best practices when developing policies, procedures and products for the organization;
 - g) keeps the Minister informed of issues or events that concern or can reasonably be expected to be important in the exercise of the Minister's responsibilities;
 - h) oversee, investigate, and enforce compliance with all relevant by-laws, policies, procedures and standards by which the Organization operates and ensuring that the Organization operates at all times in compliance with all applicable laws and regulations and to the highest ethical standard;
 - i) approves all matters, which require Board approval as prescribed by applicable legislation and regulations, and ensures that such matters are brought to the attention of the Minister if necessary;
 - j) provides an orientation to the particular practices of their organization, including their governance practices;
 - k) ensures that all Director's comply with the organization's Code of Conduct;
 - l) reviews its own performance and solicits as appropriate the views of its employees, management, stakeholders, the Department of Environment and Parks and the Minister; and
 - m) engages in a strategic planning process that includes consideration of the principal strategic risks associated with the organization's business.
 - The management/mitigation of these risks is assigned to the CEO and the status is periodically reviewed by the Board. The CEO is charged with the responsibility to assure that the Board and its committees are kept well informed of changing risks on a timely basis.

The Directors of the Board

The Directors of the Board individually make a commitment to serve the Board and the best interests of the Board.

A Director:

- a) acts honestly and in good faith, leaving aside personal interests, to advance the public interest and the mandate of the Board;
- b) exercises the care, diligence and skill a reasonable and prudent person would exercise in comparable circumstances;
- c) in any case where the Director has a conflict of interest in a matter under consideration by the Board, discloses the nature of that conflict and refrains from participation in the discussion and decision-making on the matter; and
- d) provides written reasons for resigning to the Minister and the Board where a Director resigns because of a disagreement with the Board of Directors because that Director perceives the Board to be in violation of legislation or a circumstance that would have a material adverse impact on the Board.

Board Chair

With direction from the Board, the Chair represents the Board and its interests as well as the interests of the organization in dealing with the Minister, the Department, the CEO, stakeholders and the community. The Chair is responsible for providing leadership for the Board and for effectively facilitating the work of the Board.

The Board Chair:

- a) is accountable, on behalf of the Board, and reports directly to the Minister or designate on functions delegated by the Regulation;
- b) maintains effective communication with the Minister and Deputy Minister;
- c) ensures the Minister is apprised of issues or events that concern or can reasonably be expected to concern the Minister and ensure that the Minister is provided with timely, relevant, accurate and complete reports that will enable the Minister to assess whether the Board is fulfilling its mandate and to enable him or her to carry out his or her responsibilities;
- d) leads (or delegates to a committee) an annual evaluation and review of the performance of the Board, its committees, the Chair of the Board and individual Directors;
- e) examines and discusses the results of the evaluation conducted in accordance with (section d above) in order to identify opportunities to improve the effectiveness of the Board;
- f) meets yearly with the Minister and his or her officials to review the performance and results of the Board; and
- g) is responsible for planning and managing Board meetings, ensuring that the Board has opportunities to meet independent of management, administering the Code of Conduct, and ensuring that the Board addresses conflicts of interest matters.

4. Administration

Review of the Memorandum of Understanding

This Memorandum of Understanding can be amended by mutual consent at any time at the request of the Minister or the Chair of the Board.

Any amendment of this Memorandum of Understanding shall be made in writing and signed by the Minister and the Chair or their authorized designates.

The Minister and the Chair of the Board will review this Memorandum of Understanding every three years. This Memorandum of Understanding takes effect on the date of execution and shall remain in force as it may be amended from time to time.

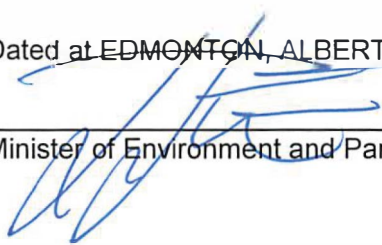
Transparency

Copies of the Memorandum of Understanding will be filed with the Minister of Environment and Parks, the Agency Governance Secretariat, and the Beverage Container Management Board.

In support of the principle of transparency, this document will also be available to the public on the Beverage Container Management Board website.

All documents and reports provided to the Minister become the property of the Minister and are subject to the protection and disclosure provisions of the *Alberta Freedom of Information and Protection of Privacy Act*. Under this Act, the Minister is required to protect certain third-party business information and personal information and will consult with the Board, as necessary, to determine if those provisions apply.

Dated at EDMONTON, ALBERTA this 12 day of NOV, 2019



Minister of Environment and Parks



Beverage Container Management
Board