

I TERMS OF REFERENCE

A TERMS OF REFERENCE - BOARD OF DIRECTORS

Date of Approval: September 24, 2008

1.0 BACKGROUND

- 1.1 The Board meets regularly to set the policy and direction for Tire Stewardship BC (TSBC). Management and Administration (Management) oversees and carries out the day-to-day activities of Tire Stewardship BC under the general direction and policy of the Board.
- 1.2 Tire Stewardship BC has developed a corporate governance structure that fosters a high level of accountability, which includes periodic reviews of Tire Stewardship BC's accountability framework.
- 1.3 These terms of reference help ensure and promote a corporate culture of accountability and good governance

2.0 BOARD DUTIES AND RESPONSIBILITIES

2.1 General

- a) The Board is responsible for the stewardship of Tire Stewardship BC, providing effective leadership to supervise the management of Tire Stewardship BC's business and affairs and to ensure the continued accountability of Tire Stewardship BC to its stakeholders.
- b) The Board is responsible for promoting a corporate culture of accountability, transparency and good governance.

2.2 Board Mandate and Meetings

- a) The Board periodically reviews and confirms or updates its mandate as described in these terms of reference. The Board mandate will be made publicly available.
- b) The Board meets regularly and as often as needed to carry out its roles and responsibilities, and in any event shall meet no less than four (4) times per year. All Directors strive to attend all Board meetings.

2.3 Planning and Reporting

- a) The Board shall annually adopt an annual calendar that reflects all legislative, regulatory and corporate requirements, and which reflects the planning and reporting requirements.
- b) The Board shall adopt and annually implement a strategic planning process for the Association.
- c) The Board shall develop administrative goals for Management that are consistent with Tire Stewardship BC's organizational goals.
- d) The Board shall monitor its performance against its business plan strategies and performance measures and direct corrective action, if necessary, prior to year-end.
- e) The Board shall adopt a communications policy to ensure ongoing accountability to stakeholders, and shall have a process for responding to, and measuring stakeholder feedback

2.4 Human Resources

- a) The Board shall approve Terms of Reference for each of:
 - i. the Board;
 - ii. the Board Chair; and
 - iii. the Executive Director
- b) The Board shall set its performance expectations and performance expectations of each of the Board Chair, Board Committees, and Management.
- c) Subject to the Bylaws, the Board shall set the remuneration for the Directors.
- d) The Board shall develop a plan for Management succession.
- e) The Board shall ensure there is a plan in place for comprehensive orientation and on-going Director Development.
- f) The Board shall adopt Director criteria based on a skills and needs assessment for Directors.

2.5 Financial and Operational Oversight

- a) The Board shall identify principal risks and ensure the integrity of the internal control systems.
- b) The Board shall ensure that the financial performance of Tire Stewardship BC is adequately reported as required under its Bylaws and under any applicable regulation or contract on a timely basis.
- c) The Board shall ensure that appropriate policies are in place to ensure the timely disclosure of any other developments that have a significant and material impact on Tire Stewardship BC.

2.6 Legal Requirements

- a) The Board will monitor and ensure compliance with all applicable laws and regulations.
- b) The Board will strive to ensure that all corporate documents and records have been properly prepared, approved and maintained.
- c) The Board will monitor compliance with all significant policies and procedures by which Tire Stewardship BC operates.

2.7 Delegation and Committee Oversight

- a) The Board, through the Chair or other Officer, is responsible for communicating its directions to Management or others as required, and is responsible for ensuring the directions of the Board are implemented and reported upon.
- b) The Board may delegate or assign to a Committee of the Board or to Management matters related to the above, but in any event, the Board remains accountable for ensuring compliance with its mandate. The Board may not delegate any matter which is required under its Bylaws or any applicable regulation to be decided by the Board as a whole.
- c) The Board will approve all Committee mandates and membership on all Committees.

B TERMS OF REFERENCE – DIRECTORS

Date of Approval: September 24, 2008

1.0 BACKGROUND

Each Director has legal requirements and obligations to understand and carry out fiduciary and statutory duties. As a member of the Board, each Director is responsible for managing and directing the affairs of Tire Stewardship BC, and for ensuring the powers, duties and functions delegated to Tire Stewardship BC are carried out in accordance with the legislative framework governing Tire Stewardship BC.

2.0 DIRECTOR'S DUTIES AND RESPONSIBILITIES

2.1 Fiduciary Responsibilities - Honesty and Good Faith

- a) Common law requires that a Director act honestly and in good faith with a view to the best interests of Tire Stewardship BC. The key elements of this standard of behavior are:
 - i. a Director must act in the best interest of Tire Stewardship BC and not in his or herself interest. This also means a Director should not be acting in the best interest of some special interest group, or constituency;
 - ii. a Director cannot take personal advantage of opportunities that come before him or her in the course of performing his or her duties as a Director;
 - iii. a Director must disclose to the Board any personal interest that may conflict with the interest of Tire Stewardship BC, and respect all other requirements of Tire Stewardship BC's Conflict of Interest Policy; and
 - iv. each Director must keep information relating to Tire Stewardship BC confidential, unless disclosure is authorized. This duty of confidence extends beyond the end of the Director's relationship with Tire Stewardship BC.

2.2 Fiduciary Responsibilities - Skillful Management

- a) Each Director shall exercise the degree of care, diligence, and skill that a reasonably prudent person would exercise in similar circumstances. This means, each Director must be proactive in their performance of his or her duties by:
 - i. attending meetings;
 - ii. participating in meetings in a meaningful way; and
 - iii. being vigilant to ensure that Tire Stewardship BC is being properly managed and is complying with the laws affecting Tire Stewardship BC.

2.3 General Standards for Directors

As a member of the Board, each Director will:

- i. attend meetings;
- ii. demonstrate a solid understanding of the roles, responsibilities, and the legal duties of a Director, and the governance structure of Tire Stewardship BC as outlined in the

Governance Manual;

- iii. demonstrate high ethical standards in personal and professional dealings; and
- iv. understand the difference between governing and managing, and have respect for Management's area of responsibility.

2.4 Strategies and Plan

As a member of the Board each Director will:

- a) demonstrate an understanding of Tire Stewardship BC's strategic directions;
- b) contribute and add value to discussions regarding Tire Stewardship BC's strategic direction; and;
- c) participate in monitoring and evaluating the success of Tire Stewardship BC and Management in achieving established goals and objectives.

2.5 Preparation, Attendance and Availability

As a member of the Board, each Director will:

- a) prepare for Board and Committee meetings by reading reports and background material distributed in advance;
- b) maintain an excellent Board and Committee attendance record; and
- c) participate in Committees and contribute to their purpose.

2.6 Communication and Interaction

As a member of the Board, each Director will

- a) interact appropriately with the Board Chair and Management of Tire Stewardship BC;
- b) be a positive and constructive force within the Board;
- c) demonstrate an openness to others' opinions and the willingness to listen;
- d) have the confidence and strength to challenge the majority views; and
- e) maintain collaborative relationships with colleagues of the Board.

2.7 Training and Education

Recognizing that decisions can only be made by well-informed Directors, each Director will

- a) become generally knowledgeable about the industries relating to Tire Stewardship BC's programs, issues affecting Tire Stewardship BC's programs and stakeholders;
- b) participate in Director orientation and development programs offered from time to time by Tire Stewardship BC;
- c) maintain an understanding of the regulatory, legislative, and political environments within which Tire Stewardship BC operates; and
- d) participate in seminars and educational meetings provided by, or offered through, Tire Stewardship BC.

2.8 Committee Work

To assist Board Committees in being effective and productive, each Director will:

- a) become knowledgeable about the purpose and goals of the Board Committees; and
- b) understand the role of management and staff supporting Board Committees.

C TERMS OF REFERENCE - BOARD CHAIR

Date of Approval: September 24, 2008

1.0 BACKGROUND

The Board Chair plays a critical role on Tire Stewardship BC's Board, leading the Board in its management and stewardship of the business and affairs of Tire Stewardship BC and its oversight of Management. In performing this role, the Board Chair must work with Management, manage the Board, and promote effective relations with stakeholders, including the Ministry of Environment and the public

2.0 BOARD CHAIR'S RELATIONSHIP WITH MANAGEMENT AND ADMINISTRATION

The positions of the Board Chair and the Executive Director will be separate. The Board Chair will:

- a) communicate to senior management the concerns of the Board and other stakeholders;
- b) work with Management to prepare meeting agendas to ensure major planning requirements and issues are included and considered;
- c) act as a resource and sounding board for the Executive Director;
- d) meet with Management as required on operational matters;
- e) communicate to the Board Management's strategy, plans and performance;
- f) facilitate the Board's interaction with key management as appropriate;
- g) review internal administrative and financial reports prior to Board meetings;
- h) review expenditures and make recommendations to the Board for revisions of the budget and otherwise advise Management as appropriate; and
- i) establish with Management, a procedure for dealing with complaints regarding accounting matters.

3.0 MANAGING THE BOARD

The Board Chair will:

- a) facilitate the effective operation and management of, and provide strong leadership, to the Board;
- b) chair Board meetings and ensure that they are conducted in an efficient and effective manner;
- c) assist in the review of the composition of the Committees and the appointment of new Directors prior to each Annual General Meeting; and
- d) participate on, and assist, any Committees to which the Board Chair has been appointed

4.0 RELATIONS WITH STAKEHOLDERS

The Board Chair will

- a) chair meetings of members; and

- b) facilitate the Board's efforts to accommodate feedback from stakeholders.

5.0 RELATIONS WITH COMMITTEE

The Board Chair will:

- a) recommend individuals to be appointed to Committees and as Chairs of Committees
- b) facilitate the effective operation and management of Committees; and
- c) assist Committees as necessary regarding planning, and reporting to the Board.

D TERMS OF REFERENCE-SECRETARY

Date of Approval-September 24, 2008

1.0 BACKGROUND

Management oversees and carries out the day-to-day activities of Tire Stewardship BC under the general direction and policy of the Board. The responsibilities of the Secretary are noted below. Although the Secretary ensures that these responsibilities are met, much of the work may be delegated to staff.

2.0 RESPONSIBILITIES OF THE SECRETARY

The Secretary will:

- a) conduct the correspondence of the society;
- b) issue notices of meetings of the society and directors;
- c) keep minutes of all meetings of the society and directors;
- d) have custody of all records and documents of the society except those required to be kept by the treasurer; and
- e) maintain the register of members.

E TERMS OF REFERENCE – TREASURER

Date of Approval: September 24, 2008

1.0 BACKGROUND

Management oversees and carries out the day-to-day activities of Tire Stewardship BC under the general direction and policy of the Board. The Treasurer works closely with the Executive Committee and Management to safeguard the organization's finances, with a watchdog role over all aspects of financial management. Although the Treasurer ensures that the specific responsibilities noted below are met, much of the work may be delegated to staff.

2.0 RESPONSIBILITIES OF THE TREASURER

The Treasurer will:

- a) keep the financial records, including books of account, necessary to comply with the Society Act; and
- b) render financial statements to the directors, members and others when required.

F TERMS OF REFERENCE – EXECUTIVE DIRECTOR

Date of Approval: September 24, 2008

1.0 BACKGROUND

Management oversees and carries out the day-to-day activities of Tire Stewardship BC under the general direction and policy of the Board. The Executive Director helps ensure Tire Stewardship BC's work environment is healthy and productive, and contributes to Tire Stewardship BC's success in fulfilling its mandate.

2.0 RESPONSIBILITIES OF THE EXECUTIVE DIRECTOR

The Executive Director will:

- a) provide leadership and manage the business affairs of Tire Stewardship BC;
- b) report to the Board;
- c) keep the Board current on major developments and provide the Board with sufficient information on a timely basis to enable the Board to discuss potential issues, make decisions and fulfill its mandate, including the provision of Board packages prior to Board meetings;
- d) recommend to the Board strategic directions to fulfill Tire Stewardship BC's legislated mandate and, when approved, implement the corresponding strategic, business and operational plans;
- e) direct and monitor the activities of Tire Stewardship BC to achieve its objectives and goals, having regard to the interests of the stakeholders of Tire Stewardship BC;
- f) develop and implement operational policies to guide Tire Stewardship BC within the limits prescribed by applicable laws and regulations, and the framework and strategy approved by the Board;
- g) oversee the relationships between Tire Stewardship BC and the stakeholders;
- h) facilitate interaction between the Board and other key members of Management, as appropriate;
- i) participate in meetings of the Board as required by the Board, maintaining the Board Minute Book;
- j) attend at all Committee meetings as required and ensure that the Directors and Committees of the Board have all necessary administrative support; and
- k) fulfill all reporting requirements under Tire Stewardship BC's Stewardship Plan with the Ministry of Environment, including periodic status report

II BOARD OPERATING POLICIES AND PROCESSES

A OPERATING GUIDELINES FOR THE BOARD

Date of Approval: September 24, 2008

1.0 BACKGROUND

The Board meets regularly to set policy and direction for Tire Stewardship BC. Management oversees and carries out the day-to-day activities of the Association under the general direction and policy of the Board.

Tire Stewardship BC has developed a corporate governance structure that fosters a high level of accountability, which includes periodic reviews of Tire Stewardship BC's accountability framework (i.e. the Governance Manual).

Tire Stewardship BC has developed terms of reference for the Board, which outlines the responsibilities of the Board. These operating Guidelines outline how the Board will carry out its duties of stewardship and accountability.

2.0 BOARD OPERATING GUIDELINES

2.1 Board Packages

- a) Prior to each meeting, the Board Chair, in conjunction with the Executive Director, sets the agenda for the Board meeting, and Management assembles Board packages which are distributed to all Directors one business week in advance of the Board meeting.
- b) The Board packages contain all current financial information and reports, Board Committee reports, and other relevant reports and materials.
- c) The Board members read all management reports and financial reports in advance of the meeting and are prepared to discuss same at each meeting.

2.2 Board Decisions

- a) The Board ensures minutes are kept which accurately and fully record Board decisions, and that the minutes of each Board meeting are reviewed and approved as accurate.
- b) The Board, through its Board Chair or other Officer of the Board, communicates Board decisions to Management, also is responsible for ensuring that decisions recorded in the minutes are implemented.
- c) Board members will strive for attendance at all Board and Board Committee meetings. Attendance of each Director is recorded as part of the minutes.

2.3 Independence from Management

- a) The Board may meet without Management at every regularly scheduled meeting.

2.4 Planning and Reporting

- a) In addition to regularly scheduled meetings, the Board meets annually for the purpose of strategic planning and setting short and long-term goals. As part of the strategic planning process, the Board examines and sets organizational goals and administrative goals for

Management that are consistent with Tire Stewardship BC's organizational goals. As part of its annual reporting process, the Board evaluates performance against the goals.

- b) As part of its regular Board meetings, the Board approves an Annual Business Plan and Annual Report.
- c) As part of its regular Board meetings, the Board monitors its performance against its business plan performance measures and budgets and directs corrective action, if necessary, prior to year-end.

2.5 Management and Administration Succession

Through ongoing discussion with the Board Chair, the Executive Director provides reports on current issues being dealt with by Management, possible future issues and next steps, and possible succession issues. To assist with succession, the Board requires all policies and procedures, including administrative, to be in writing and current versions of policies and procedures to be maintained in the Tire Stewardship BC office. At all times, more than one staff member is aware of the current policies and procedure and all documents or files are centrally maintained

2.6 Orientation

Tire Stewardship BC has established and maintains an orientation program for new Directors which include: information on the role of the Board and each of its Committees, information specific to Tire Stewardship BC's activities, and the contribution individual Directors are expected to make. Each new Director receives a binder with up-to-date information on Tire Stewardship BC's corporate and organizational structure, governance documents and important policies and procedures. Each new Director will attend an orientation session detailing the values and strategy of Tire Stewardship BC and reviewing its operations, internal structure and processes. As well, regardless of which Committees a new Director is on or will be appointed to, each new Director will be invited to attend a full set of Committee meetings.

2.7 Continuing Education

- a) Presentations are made regularly to the Board and Committees to educate and keep them informed of changes within Tire Stewardship BC and in legal, regulatory and other requirements. Special presentations on operations and issues specific to each designated material are provided to all Directors as often as necessary. Trips to various material storage or recycling facilities are also arranged for Directors.
- b) The Executive Director reviews information on available external educational opportunities and ensures Directors are aware of the opportunities. Tire Stewardship BC pays fees and expenses for Directors to attend relevant external education sessions.

2.8 Compensation

- a) Subject to the Bylaws, Tire Stewardship BC reviews the compensation of Directors, the Board Chair and the Committee Chairs regularly. The Executive Committee makes recommendations to the Board with respect to compensation of Directors, the Board Chair and Committee Chairs.

2.9 Financial Oversight

- a) The Board receives current financial reports in advance of every Board meeting Board meetings by email or mail, if necessary.

B ANNUAL CALENDAR

A twelve-month calendar of events will be created and updated for distribution at each Board meeting.

C BOARD COMPOSITION AND SUCCESSION PLANNING PROCESS

Date of Approval: September 24, 2008

1.0 BACKGROUND

The Board has the responsibility for ensuring productive working relationships and smooth and orderly transitions of Directors. Tire Stewardship BC's Bylaws generally allows the Board to manage, oversee and direct the affairs of Tire Stewardship BC, and, subject to the Societies Act and the Bylaws themselves, the Board has the authority to exercise all powers of Tire Stewardship BC. Subject to the requirements of the Bylaws, the Board may set criteria for the selection and appointment or nomination of Board members.

2.0 CRITERIA FOR DIRECTORS OF TIRE STEWARDSHIP BC

- 2.1 Criteria for Directors of Tire Stewardship BC In addition to the requirements of the Bylaws relating to the nomination or appointment of Directors, Tire Stewardship BC will benefit from a diverse group of Directors who at a minimum, possess the background, skills, expertise and time to make a significant contribution to the Board, to Tire Stewardship BC and its stakeholders.
- 2.2 Tire Stewardship BC will make these criteria known to prospective Directors.
- 2.3 The following are specific criteria against which candidates and potential candidates will be assessed.

3.0 PERSONAL ATTRIBUTES

- 3.1 Potential candidates must be at least 21 years of age.
- 3.2 Potential candidates should have significant connection to BC, demonstrate an understanding of BC industry and policies, and be available to meet at or in BC on short notice as may be required.
- 3.3 Potential candidates should demonstrate an appreciation of fiduciary duties and responsibilities.
- 3.4 While it is recognized that conflicts may arise from time to time, potential candidates should be free from direct or indirect financial, structural or inherent conflicts of interest.
- 3.5 Potential candidates should have a willingness to act on, and remain accountable for, their boardroom decisions.
- 3.6 Potential candidates should provide references who are able to recommend the member and who have personal knowledge of the member's skills and qualities.

4.0 HIGH PERFORMANCE STANDARDS

- 4.1 Potential candidates should have a personal history of achievements that reflect high standards for themselves and others.

5.0 EDUCATION AND EXPERIENCE

- 5.1 Potential candidates should have demonstrated education, experience or understanding of a recycling industry, the tire industry, extended producer responsibility issues, or related knowledge and experience.

- 5.2 Potential candidates should have demonstrated experience and understanding on issues of governance and accountability.
- 5.3 Potential candidates should demonstrate leadership experience.
- 5.4 Potential candidates should have experience at the policy making and decision-making levels in business, government, education or recycling technology.
- 5.5 Previous board governance experience would be an asset and favorably considered.
- 5.6 Financial accounting and management literacy would be an asset and favorably considered.

6.0 COMMITMENT AND CAPACITY TO CONTRIBUTE

- 6.1 In addition to possessing personal attributes and education and experience, Tire Stewardship BC Directors are expected to:
 - a) commit the time that is required to fulfill his or her responsibilities;
 - b) maintain an excellent attendance record at scheduled Board and Committee meetings, attend occasional special meetings and be adequately prepared for all meetings;
 - c) travel, as required, to participate in Board and Committee meetings;
 - d) demonstrate a willingness to serve in the best interests of Tire Stewardship BC and objectively appraise Management's performance; and
 - e) perform his or her duties consistent with Tire Stewardship BC's mandate, objects, Bylaws and policies.

7.0 SUCCESSION

- 7.1 Regular and controlled turnover of Directors will allow for:
 - a) smooth transitions;
 - b) fresh perspectives from new Directors; and
 - c) consistency and long-term vision
- 7.2 Where a vacancy occurs on the Board, the Directors shall exercise its replacement and selection powers under the Bylaws consistent with these policies and processes.

D STRATEGIC / BUSINESS PLAN REVIEW PROCESS

Date of Approval: September 24, 2008

1.0 BACKGROUND

Every five (5) years, not later than five (5) years after the date the approved plan was originally approved, Tire Stewardship BC is required to review its approved Stewardship Plan (Five Year Strategic Plan) and submit to the designated director at the Ministry of Environment any proposed amendments to the approved plan, or advise a director in writing that no amendments to the approved plan are necessary. In addition, on or before July 1st, TSBC must provide an annual report respecting the one-year period ending December 31st of the previous year, and post the report on the Internet.

In support of the above requirements, Tire Stewardship BC will also prepare an Annual Business Plan that sets out how Management will achieve the original or revised performance objectives set out in the Stewardship Plan.

2.0 CONTENT OF ANNUAL BUSINESS PLAN

The TSBC business plans will contain, at a minimum;

- a) activities that are meaningful, and are consistent with Tire Stewardship BC's vision and mission;
- b) performance measure that are measurable and that support Tire Stewardship BC's goals; and
- c) an annual financial budget.

3.0 PROCESS – ANNUAL BUSINESS PLAN

- 3.1 At least annually, the Board and Management will meet and update the Business Plan for Tire Stewardship BC.
- 3.2 Management will develop goals and performance measures that are program-specific and will recommend these to the Board in a written report. The performance measures will identify the outcomes that are to be measured.
- 3.3 The Board is responsible for approving and adopting Tire Stewardship BC's Annual Business Plan, and this responsibility shall not be delegated.

4.0 PROCESS – ANNUAL REPORT

- 4.1 Prior to Tire Stewardship BC's fiscal year end, the Board will start a process to review and analyze the results of the previous year.
- 4.2 The results will be reviewed with a view to:
 - a) reporting against the plan and stated performance measures;
 - b) determining which strategies were effective and which were not; and
 - c) developing or modifying goals, strategies, and performance measures for the next planning cycle.

E FINANCIAL AUTHORITY POLICY

Date of Approval: September 24, 2008

1.0 BACKGROUND

This policy sets out the levels of financial authority for both spending and acquisitions and signing of cheques and other negotiable instruments. Tire Stewardship BC shall endeavour to acquire goods, materials, supplies and services at competitive prices while maximizing benefit to Tire Stewardship BC. All processes for the acquisition of goods and services shall comply with and be conducted in a manner that is consistent with Tire Stewardship BC policies and guidelines. Signing of negotiable instruments requires the proper procedures have been followed to check and confirm backup documentation; including approvals for the payment are in place.

2.0 SPENDING AND PAYMENT AUTHORITY

- 2.1 Purchase requests must have proper authorization based on estimated total value of the purchase or acquisition before purchase commitments can be made.
- 2.2 Within an approved purchase, values of individual purchases will be used to determine the appropriate signing level of each individual acquisition. All acquisitions that are part of a larger purchase or acquisition will be accumulated to determine if the total value of the purchase or acquisition requires further approval.
- 2.3 Multi-year contracts and multi-part purchase orders will be treated as a single purchase for purposes of this policy.
- 2.4 Within approved budgets, the following are persons who may authorize expenditures or within the expenditure level as indicated on the following chart:

Spending Approval Limits on a per transaction basis:			
Expense Type	Executive Director	Operations Mgr	Board Chair
Program Incentives			
Ti,PI,MI & other approved subsidies	All Policy Compliant		
Program Management			
Payroll (TSBC staff)			up to budget
Operational expenses*	up to \$20,000	up to \$10,000	over \$20,000
Compliance Reviews			up to budget
Communications	up to \$20,000		over \$20,000
Professional Fees			
External Audit			up to budget
Legal	up to \$20,000		over \$20,000
Accounting	up to \$20,000		over \$20,000
Consulting	up to \$20,000		over \$20,000
Board Expenses and Travel			
Insurance			up to budget
Meetings	up to \$20,000		over \$20,000
Travel and misc Director expenses			up to budget
Board remuneration	up to \$20,000		over \$20,000
Other Stewardship Programs			
Community Grant Program	up to \$30,000		over \$30,000
Special Projects	up to \$20,000		over \$20,000
R&D grants	Requires full Board approval		
* fax, print, postage, travel, meetings, misc			
Procurement policy includes provision for 3 quotes over an amount - currently suggested at \$5,000			
Executive Director can execute 3rd party contracts up to the pre approved budget amount			
Executive Director and Board Chair will meet monthly to review progress and plans affecting budget			
Amounts over budget will be directed to the Board for approval.			
Invoice Submission and Payment Process			
All approved invoices submitted by approver to Management for payment			
All approved invoices entered in accounting system by Management			
All cheques signed, Electronic Funds Transfer & Bill Payment Services approved by Executive Director & Board Directors per TSBC / BMO designated signing authorities			
All cheques disbursed & Electronic Funds Transfer & Bill Payment Services released by Management			
Any suppliers set up for payment by direct debit must be approved and documentation signed by two of the TSBC BMO signing authorities			

- 2.5 For items not approved as part of Tire Stewardship BC budget, or any approval not covered by any of the above categories, all such expenditures shall be approved by the Board Chair.
- 2.6 Delegations beyond the limits outlined above may be made in cases where the designated signing authority will temporarily be absent from Tire Stewardship BC, or other reasonable circumstances. Individuals appointed to an acting position may be granted signing authority to the limits of that position. This temporary delegation may be made a higher signing authority.
- 2.7 Travel expenditures shall be governed by Tire Stewardship BC's Expense Policy.
- 2.8 When an emergency exists and supplies, services or equipment must be obtained to permit essential emergency work to proceed, the requisitioner shall contact the Executive Director with the details.
- 2.9 Upon notification of an emergency situation, the Executive Director will act immediately to obtain verbal budget and other approvals as are required and place the order by telephone or arrange for hand deliver as the circumstances may warrant.

3.0 BANKING AND ADMINISTRATIVE PROCEDURES

- 3.1 Communication with the bank on banking administrative procedures, such as stop payment orders or cash orders, will be authorized by one of the following:
 - a) Executive Director; or
 - b) Operations Manager.
- 3.2 Passwords or bank FOBs required for Internet access to bank accounts will be in the possession of the Board Chair, Operations Manager and Executive Director and these will be kept in a secure location at all times. Use of passwords or bank FOBs may be delegated, on approval of the Executive Director.
- 3.3 Cheques will be in the possession of the Operations Manager and these will be kept in a secure location at all times.

F INVESTMENT POLICY

Date of Approval: September 24, 2008

1.0 BACKGROUND

This document sets out the policy governing the investment and management of Tire Stewardship BC's funds in excess of funds required for day to day operations.

2.0 INVESTMENT OBJECTIVE

The key investment objective is capital preservation i.e. to minimize the risk of loss of capital while optimizing the level of return.

3.0 INVESTMENT POLICY

3.1 Funds surplus to operational needs will be invested in securities of the following types:

- a) Interest bearing accounts of Canadian chartered banks or approved credit unions;
- b) Government of Canada treasury bills; or
- c) Other investments which are specifically authorized by the Board of Directors as defined in its Investment Policy Statement(s) in Appendix 2. It outlines the specific investment strategy that will be applied in the management of TSBC's portfolio.

3.2 Investment Management

- a) *Investment Authority* – on authority of the Board of Directors a current Director or the Executive Director may arrange placement of investment funds directly with TSBC's banker. The Board of Directors may authorize the appointment of a professional investment manager.
- b) *Currency Denomination* – Investments must be placed in Canadian dollars. Foreign Currency transactions must have prior authorization from the Board of Directors.
- c) *Independent Documentation* – All investment transactions must be supported by a confirmation transaction, generated independently by the financial institution. The Executive Director has the responsibility of confirming to the investment institution that documentation is current and complete in every respect.
- d) *Reporting on a Current Basis* – A report of the current investments portfolio will be provided by the Treasurer at each regular meeting of the Board of Directors.
- e) *Rate of Return*-All investments will be made based on the protection of the initial capital investment and the securing of a reasonable return to compensate for the negative effect of inflation [Conservative to moderate investment portfolio].
- f) *Reviewing on a Current Basis* –To monitor the portfolio's performance, a quarterly statement of account will be provided by the investment manager to an investment monitoring committee (the Committee) comprised of the Executive Director and at least one Director. At the earliest opportunity upon receipt of the statements, the Committee will assess the portfolio's performance and risk profile in light of current economic conditions. As issues, concerns or circumstances warrant, the Committee will meet with the investment manager to review the portfolio and suggest actions to improve portfolio performance or reduce risk. In any case, the Committee will brief the Treasurer for preparation of his/her report of the current investments portfolio in advance of each regular meeting of the Board of Directors.

4.0 TERM & MATURITY

Investments in 3.1.a and b shall not exceed 5 years without Board authorization.

5.0 REVIEW

The Investment Policy will be reviewed annually and updated as required. Investment programs and practices should be subject to periodic external review to ensure that they contribute effectively to the achievement of Tire Stewardship BC's objectives.

G CONFLICT OF INTEREST POLICY

Date of Approval: September 24, 2008

1.0 BACKGROUND

Tire Stewardship BC has the authority and obligation to impose conflict of interest guidelines and policies on its Directors and Officers. Pursuant to its Bylaws, the affairs of Tire Stewardship BC are managed and directed by the Directors of Tire Stewardship BC. The Directors, by virtue of their position of control over the affairs of Tire Stewardship BC, stand in a fiduciary relationship to Tire Stewardship BC. Consequently, the Directors must have regard to the requirements of the law governing fiduciary relationships where conflicts of interest arise.

The Directors of Tire Stewardship BC are mindful that their actions shall be subject to public scrutiny. Tire Stewardship BC has been delegated certain powers, duties and responsibilities under the BC Recycling Regulation. The Directors of Tire Stewardship BC discharge these powers, duties, and responsibilities in a manner which is consistent with and which furthers the public interest.

Tire Stewardship BC has adopted a set of guidelines which shall assist the Directors of Tire Stewardship BC to discharge their duties in accordance with their responsibilities. The guidelines are attached to and form part of this policy statement.

2.0 COMMON LAW REQUIREMENTS

- 2.1 The common law imposes upon fiduciaries the duty to act in utmost good faith towards their beneficiaries. Fiduciaries must act toward their beneficiaries with a heightened sense of loyalty and fidelity. Fiduciaries must act in a manner consistent with the best interests of their beneficiaries in all matters related to the undertaking of trust and confidence. Fiduciaries must scrupulously avoid placing themselves in a position of conflict of interest.
- 2.2 The general rule regarding conflicts of interests is that no one who has duties of a fiduciary nature to perform is allowed to enter into engagements in which he has or can have a personal interest conflicting with the interests of those whom he is bound to protect. Even where the fiduciary acts in good faith, the foregoing restriction applies. A fiduciary cannot place his own interests ahead of those of his beneficiary, even in situations where the beneficiary benefits from the arrangement. A fiduciary cannot benefit personally from any opportunity which comes to his awareness by way of his fiduciary position. A fiduciary must not use any aspect of the beneficiary's property for personal gain. More specifically, a fiduciary must not use for personal benefit a beneficiary's assets, goods, information or opportunities.
- 2.3 Fiduciaries must not use their position to benefit persons closely associated with them. Where a benefit is conferred upon a person with whom the fiduciary is closely associated, the fiduciary benefits indirectly. Regard must be had to all of the surrounding circumstances to determine whether a person is associated with a fiduciary. Persons sharing business relations or family relations shall in most instances be characterized as associates of the fiduciary. In some instances, close personal relations shall also give rise to an association between the fiduciary and the person. The key issue in determining whether a fiduciary is associated with another person is whether the fiduciary's ability to represent the interests of the beneficiary is or appears to be compromised as a result of the fiduciary's relationship with the third party.

3.0 APPLICATION OF FIDUCIARY PRINCIPLES TO TIRE STEWARDSHIP BC'S DIRECTORS

- 3.1 The Directors of Tire Stewardship BC stand in a fiduciary relationship with Tire Stewardship BC. The Directors must not use their position to gain benefit personally, whether such benefit accrues to them directly or indirectly. Directors must not use their position to benefit persons related to them or with whom they are closely associated, such as business partners.
- 3.2 These types of transactions, however, are exceptional and are not anticipated to arise with any frequency. Where they do arise, the affected Director must declare a conflict, fully disclose his interest in the transaction, and refrain from voting upon the matter. Whether the transaction shall be approved shall be a matter for the Board to determine.
- 3.3 Directors are encouraged not to make frequent use of the exceptions provided above. The general rule that Tire Stewardship BC does not enter into transactions with Directors or with related persons must be observed with minimal exceptions in order to ensure public confidence in Tire Stewardship BC and its undertakings remains high.

4.0 GENERAL FIDUCIARY RESPONSIBILITIES OF DIRECTORS

- 4.1 The Board has been structured so as to ensure the Board is composed of a diverse selection of individuals. Each individual Director is expected to bring to the Board a set of viewpoints and experiences which may not be experienced by his fellow Directors. This diversity of viewpoints and experience at the Board adds strength and depth to Board decisions.
- 4.2 Directors must appreciate that while their selection to the Board or to the Committee may be as a result of a particular organization, as Directors their loyalties are first and only to Tire Stewardship BC.
- 4.3 Directors will be required to make decisions based on what they perceive to be the best interests of Tire Stewardship BC. Although it is intended that Directors will draw upon their experiences and views gained through their association with other organizations, it is not intended that Directors serve as representatives of those associations on Tire Stewardship BC.
- 4.4 Directors may find themselves in a position of conflict as a result of their associations with organizations having dealings with Tire Stewardship BC. A conflict may arise where an organization seeks to enter into a transaction with Tire Stewardship BC. Where a conflict arises, the affected Director or Committee member must declare the conflict, fully disclose any personal interest he may have in the transaction, and refrain from voting upon the matter. Whether the transaction will be approved will be a matter for the Board or the Committee to determine.
- 4.5 It would be inconsistent with their duties of loyalty and fidelity to Tire Stewardship BC for a Director to participate in a decision relating to a matter in which they have a conflict of interest. Their participation in any decisions related to a matter in which they have a conflict could invalidate the decision and could result in embarrassment to both Tire Stewardship BC and the affected organization. If the conflict is significant, public confidence in Tire Stewardship BC could suffer.

5.0 DEFINITIONS IN THESE GUIDELINES

- a) *"affiliated organization"* means any members of the Tire Stewardship BC or any member of an industry council or association or organization who may appoint a member to an industry council;

- b) “*associated*” means a relationship, transaction or connection such that the relationship, transaction or connection:
 - i. has the potential to affect or give the appearance of affecting the ability of the Director or Committee Member to act impartially on behalf of Tire Stewardship BC; or
 - ii. between Tire Stewardship BC and the person would, or would be seen to, confer a direct or indirect benefit upon the Director or Committee Member.
- c) “*benefit*” means a direct or indirect pecuniary or non-pecuniary advantage and includes the avoidance of a detriment, but does not include the prestige associated with the position of Director or Committee Member nor participation in activities or programs of Tire Stewardship BC in which the public has an opportunity to participate;
- d) “*Board*” means the Board of Directors of Tire Stewardship BC;
- e) “*Committee*” means a Board Committee or Sub-Committee of Tire Stewardship BC and includes
- f) “*Committee Member*” means a member of a Committee;
- g) “*Director*” means a member of the Board of Directors of Tire Stewardship BC
- h) “*member organization*” means any organization that becomes a member of Tire Stewardship BC in accordance with the Bylaws of Tire Stewardship BC;
- i) “*related person*” means a person who is associated with a Director or Committee Member;
- j) “*transaction*” means an arrangement, other than a gift, under which Tire Stewardship BC and another person agree to exchange value or services;
 - i. Tire Stewardship BC confers a benefit on another person; or
 - ii. Tire Stewardship BC receives a benefit from another person.

6.0 STATEMENT OF PRINCIPLES

- 6.1 Directors and Committee Members shall at all times act in accordance with and display utmost good faith towards the Tire Stewardship BC.
- 6.2 Directors and Committee Members shall at all times act in accordance with and display a heightened sense of loyalty and fidelity to Tire Stewardship BC.
- 6.3 Directors and Committee Members shall not use for personal gain any of Tire Stewardship BC’s assets, goods, information or opportunities.
- 6.4 Directors and Committee Members shall not disclose any information which is confidential to Tire Stewardship BC during or after their tenure as Directors or Committee Members except as may be authorized by Tire Stewardship BC or required by law.

7.0 PROHIBITED AND PERMITTED TRANSACTIONS

Except in accordance with this policy:

- 7.1 Tire Stewardship BC shall not enter into transactions with a Director or a related person where the Director, Committee Member or related person may directly or indirectly benefit from the transaction.
- 7.2 Tire Stewardship BC may enter into a transaction with a Director, Committee Member or related person if:
- a) the affected Director or Committee Member:
 - i. declares a conflict of interest in respect of the proposed transaction;
 - ii. discloses to the Board or Committee the full nature and extent of his interest in the proposed transaction and, to the extent that he is able, the interest of any related person in the proposed transaction; and
 - b) it is established to the satisfaction of the Board or Committee that:
 - i. the proposed transaction is fair and reasonable to Tire Stewardship BC;
 - ii. the proposed transaction would meet or exceed community expectations about the conduct of Tire Stewardship BC; and,
 - c) the Board or Committee approves the proposed transaction.
- 7.3 When authorizing a transaction under this policy, the Board may impose any conditions it deems necessary in the circumstances to protect Tire Stewardship BC or to safeguard public confidence Tire Stewardship BC's undertakings.
- 7.4 For the purposes of this policy, the affected Director or Committee Member shall not participate in any decisions relating to the proposed transaction.
- 7.5 For the purposes of this policy, the affected Director or Committee Members shall be counted as part of the quorum making any decisions relating to the proposed transaction.
- 7.6 Where the Board approves a transaction under this policy, an entry shall be made into the minutes of the meeting confirming the approval of the transaction by the Board or Committee.
- 7.7 The Board may review any decision made by a Committee to approve a transaction under this policy.
- 7.8 Directors cannot accept or ask for any gift or personal benefit from a person or a company that has business relations with TSBC or from a third party who acts on behalf of such a person or company, if this advantage aims at influencing or might influence them in the way they carry out their duties or produces expectations of such. An incidental gift or incidental personal benefit is acceptable if received as customary protocol or hospitality accompanying the normal duties or responsibilities exercised by the individual's position.

H REMUNERATION AND EXPENSE POLICY

Date of Approval: September 24, 2008

1.0 BACKGROUND

Individuals who serve Tire Stewardship BC as a Director do so on a voluntary basis and consequently receive no salary from Tire Stewardship BC for their efforts. Although individuals serving as Directors are not intended to devote all of their efforts to Tire Stewardship BC, the commitment to Tire Stewardship BC that is expected of them is considerable. Tire Stewardship BC has determined therefore that in consideration of their services, Directors will be eligible to receive an honorarium from Tire Stewardship BC.

Directors may be required from time to time to make use of their personal vehicles in the course of serving Tire Stewardship BC, or incur out-of-pocket expenses in the course of serving Tire Stewardship BC. Tire Stewardship BC has determined that in these instances, Directors should receive compensation or reimbursement from Tire Stewardship BC.

2.0 PROCEDURE TO OBTAIN REIMBURSEMENT

2.1 Board's Procedures – Remuneration

- a) At a regularly scheduled Board meeting, the Board will decide the amount of remuneration each Director will receive as an honorarium for his or her services to the Board, taking into consideration his or her role on the Board and its Committees.
- b) The Board will instruct Management on the timing and amounts of remuneration to Directors.

2.2 Directors' Procedures – Expense Reimbursement

- a) Directors will submit completed Expense Reports to the Chair for approval. The Chair will forward approved Expense Reports to Management for payment. The Chair's Expense Reports must be approved by the Treasurer who will then forward the Expense Reports to Management.
- b) Directors must confirm to Tire Stewardship BC on the completed Expense Report that expenses are claimed as a result of duties performed as a member of the Board.

2.3 Directors' Expenses

- a) Directors will indicate the expenses they have incurred in the course of service to Tire Stewardship BC. Expenses should be broken down into categories as indicated on the Expense Report and should indicate whether an out-of-pocket expense was incurred. Receipts should be attached. For meal expenses incurred by Directors, where receipts are not available, Directors will indicate the meal for which a meal allowance is claimed.

2.4 Director Development, Conference, Education Costs and Travel:

- a) In order to obtain reimbursement for expenses incurred by Directors for attending conferences, workshop, seminars or educational courses, and related travel, all Directors must, in advance of attending or booking any attendance at conferences and related travel, receive written approval from the Board Chair.

3.0 MANAGEMENT PROCEDURES

Management will:

- a) receive completed Expense Reports from Directors;
- b) review the Expense Report to ensure the report contains all required information and conforms with this policy;
- c) after validating the Expense Report, issue a cheque to the Director; and
- d) ensure accounts of each Director's Expense Reports are maintained and available for review by all Directors.

4.0 EXPENSE ALLOWANCES

Should Tire Stewardship BC's policies and procedures not be specific as to the proper expenses to be claimed in conjunction with an event or activity, Directors' expenses will be reimbursed with receipts unless other preset allowances are indicated.

5.0 TRAVEL ALLOWANCES

5.1 Use of personal vehicle used on Tire Stewardship BC business.

5.2 Others as receipted, e.g. rental car, bus, train, plane, taxi, parking.

5.3 All Tire Stewardship BC travel expenses, other than travel to and from Board or Committee meetings or travel in the ordinary course of Tire Stewardship BC business requires approval in advance by the Executive Committee.

5.4 Notwithstanding any other term of this policy, all Tire Stewardship BC travel for the purpose of attending conferences, educational courses, workshops, seminars or similar events requires the written approval in advance as set out in this policy.

5.5 When using air travel, the following guidelines apply:

- a) generally, the most direct, practical and cost-effective route should be arranged; and
- b) for international trips business class may be used if approved by the Board Chair.
- c) For trips within Canada, full-fare economy should be used. In certain situations, Business Class may be used if approved by the Board Chair.
- d) Personal incidentals and expenses incurred outside of the business event and travel days are not eligible.

6.0 REMUNERATION STRUCTURE

6.1 The schedule of annual fees is as follows:

- a) Director: \$13,145
- b) Office of Board Chair: \$19,106
- c) Offices of Secretary and Treasurer: \$3,567
- d) Chairs of Standing Committees (except Audit where the Treasurer acts as the Audit and Investment Committee Chair): \$3,567

- e) Members of Standing Committees: \$2,548. (As an ex officio member of all committees the Board Chair will not receive a fee for each committee.)

6.2 The annual fees will be paid semi-annually in arrears.

6.3 The fees will be adjusted annually based on the British Columbia Consumer Price Index and be established during the annual budgeting process and become effective on January 1 of each year.

I RESERVE POLICY

1.0 BACKGROUND

Tire Stewardship BC has internally restricted its net assets in an operating reserve, named the Program Reserve. Pursuant to the completion of the “Operational Reserve Guidelines” report prepared by Collins Barrow, dated April 4, 2018, this policy has been established to document the objectives, funding, level, investment and use of the Program Reserve.

2.0 PROGRAM RESERVE OBJECTIVES

2.1 The primary objectives of the Program Reserve are:

- a) To ensure sufficient funds are available to meet contractual commitments including, but not limited to, potential financial incentives owing to registered processors and manufacturers;
- b) To assist in the event of a cessation of the TSBC program, or the wind up of the Society or other contingencies with the potential financial consequence that may arise if such events were to occur;
- c) To ensure sufficient funds are available to cover increases in the recovery rate of program material;
- d) To ensure sufficient funds are available to cover a decrease or elimination of revenue and / or unbudgeted operating losses; and
- e) To ensure funds are available to fund research and development activities and other initiatives needed to sustain a tire recycling program in the province of BC.

3.0 FUNDING AND LEVEL OF THE PROGRAM RESERVE

3.1 The Program Reserve will be funded with surplus unrestricted operating funds.

3.2 The Program Reserve will not exceed 12 months of budgeted operating expenditures but will be in an amount sufficient to reasonably satisfy the policy objectives set out above.

4.0 INVESTMENT AND USE OF THE PROGRAM RESERVE

4.1 The Program Reserve will be invested in accordance with TSBC’s Investment Policy

4.2 Any expenditure of the Program Reserve funds will be in accordance with the objectives set out in this policy and approved by the Board of Directors.

5.0 REVIEW

5.1 This policy will be reviewed by the Board of Directors periodically to take into account changing circumstances. The review will take into consideration items such as: long term plans/strategies, annual results, cash flow forecasts, reviews of trends and major risks, and other external factors

III BOARD COMMITTEES

A COMMITTEE GUIDELINES

Date of Approval: September 24, 2008

1.0 BACKGROUND

Committees of the Board analyze and consider proposals and reports which are consistent with the Committees' terms of reference. Committees make recommendations to the full Board. Committees will not take action or make decisions on behalf of the Board unless specifically mandated to do so. Each Committee's mandate is specific and is delegated by the Board.

2.0 MEMBERSHIP

- 2.1 Unless specifically considered and approved by the Board, all members of Committees of the Board will be Directors of Tire Stewardship BC. The Board will appoint members of each Committee from the Directors, by a majority vote. The members of the Committees will hold such positions at the pleasure of the Board.
- 2.2 The Board will also appoint the Chair of each Committee from each Committee's members by a majority vote. The Chair of the Committee will hold such position at the pleasure of the Board.
- 2.3 The Board Chair may be a member of any Committee.

3.0 MEETINGS

- 3.1 Each of the Committees of the Board will meet at least twice each year and otherwise as necessary. Any ad hoc Committees appointed by the Board will meet as often as is required to appropriately carry out their mandate.
- 3.2 Meetings may be conducted with members present in person, by telephone, or by any other telecommunication device that permits all persons participating to speak and hear each other.
- 3.3 A quorum is established with a majority of Committee members present, in person or by telephone, or by any other telecommunication device that permits all persons participating to speak and hear each other.
- 3.4 A quorum, once established, is maintained even if members of the Committee choose to leave the meeting prior to the conclusion.
- 3.5 The Chair of the Committee is responsible for running the committee meetings and reporting to the Board on all Committee activities. The Chair of the Committee will arrange for an alternate Chair if the Chair is planning to be absent.

4.0 AGENDAS AND MINUTES

- 4.1 The Chair of each Committee, in consultation with the Committee, the Executive Director or the Board Chair, will determine the agenda, frequency and length of the meetings, provided however, that the Committees will meet at least twice each year as set out above.
- 4.2 Each Committee shall appoint a secretary for the Committee.

4.3 Minutes of all Committee meetings will be kept and the minutes will be approved by the members of that Committee and, once approved, signed by the committee Chair.

4.4 All committee minutes will be made available to the Board.

5.0 REPORTING

5.1 Each Committee has the duty to report to the Board all matters which it considers to be important for Board consideration, as soon as practicable following the Committee meeting. The Committee shall make all recommendations to the Board for ultimate decision.

5.2 Committees are responsible for ensuring written reports are included in Board package, where needed.

6.0 OUTSIDE ADVISORS

6.1 Each Committee may engage outside advisors, at the expense of Tire Stewardship BC, to provide advice with respect to matters within the approved mandate of the Committee.

B TERMS OF REFERENCE – AUDIT AND INVESTMENT COMMITTEE

Date of Approval: September 24, 2008

1.0 BACKGROUND

Tire Stewardship BC has an obligation to protect the integrity of its financial records and will do so by ensuring financial statements are prepared accurately by Management and arranging for the audit of Tire Stewardship BC's financial statements by an Auditor.

Management bears the primary responsibility for preparing and maintaining Tire Stewardship BC's financial records. The Audit and Investment Committee is responsible for overseeing the preparation and maintenance of financial records and for ensuring the credibility of those records. Issues of significance pertaining to the preparation and maintenance of Tire Stewardship BC's financials records will be reviewed by the Audit and Investment Committee and recommendations made to the Board for approval. In this regard, the Audit and Investment Committee will serve as a liaison between the Board and Management.

Tire Stewardship BC's Auditor has the responsibility to audit Tire Stewardship BC's financial statements in accordance with generally accepted auditing standards and to express an opinion as to the fairness of the representations made in the financial statements. The Audit and Investment Committee will review with the Auditor the scope of the proposed audit and the terms of the engagement letter to ensure the audit will have appropriate scope. It will review with the Auditor the results of the audit upon its conclusion. In this regard, the Audit and Investment Committee will serve as a liaison between the Board and Tire Stewardship BC's Auditor.

The Audit and Investment Committee will assist the Members of Tire Stewardship BC in their selection of an Auditor by supplying a recommendation as to an Auditor who is competent, who possesses an ability to work and communicate with Tire Stewardship BC and who possesses an understanding of Tire Stewardship BC's mandate.

TSBC's objects include the administration of funds it receives as Advance Disposal Fees. TSBC has recognized the benefit of investing a portion of the tire recycling fund to generate a reasonable return while protecting the funds against undue risk. TSBC has also recognized the requirement that it have available to it sufficient cash resources to meet the operational needs of the program. It is with regard to these factors that TSBC developed its investment policy.

The key components of TSBC's investment policy are outlined in Section II F Investment Policy. The Audit and Investment Committee will have responsibility for ensuring the funds remain separate and are managed for the benefit of the program.

The Audit and Investment Committee will at all times ensure the Board is kept apprised of its activities through the provision of reports to the Board following its meetings.

2.0 COMPOSITION OF THE AUDIT AND INVESTMENT COMMITTEE

2.1 The Audit and Investment Committee will be established by resolution of the Board of Tire Stewardship BC

2.2 An Audit and Investment Committee consisting of at least two Directors will be established and maintained to ensure these requirements of Tire Stewardship BC are met. The Audit and

Investment Committee may also include a person who is not a Director, Officer, or employee of Tire Stewardship BC, and who meets the criteria established by the Board from time to time, and as appended to this policy. The non-Director member of the Audit and Investment Committee shall be a non-voting member of the Audit and Investment Committee; and be bound by the same rules applying to Directors, including rules of confidentiality. The non-Director member of the Audit and Investment Committee shall be appointed by the Board from candidates who meet the following criteria:

- a) the candidate should have experience serving in the public or not-for-profit sector;
- b) the candidate should, but may not necessarily, have Audit Committee experience;
- c) the candidate should, but may not necessarily, have board experience;
- d) the candidate should hold an accounting designation; and
- e) the candidate should supply at least two satisfactory references.

The Board shall regularly review the membership of the Audit and Investment Committee to ensure that membership is refreshed and undue reliance is not placed on particular individuals regarding membership on the Audit and Investment Committee.

3.0 RESPONSIBILITIES OF THE AUDIT AND INVESTMENT COMMITTEE

The Audit and Investment Committee is responsible for:

- a) overseeing the preparation of the financial statements by Management;
- b) overseeing the conduct of audits by Tire Stewardship BC's Auditor;
- c) recommending to the Members of Tire Stewardship BC an Auditor for approval by them;
- d) recommending to the Members of Tire Stewardship BC any changes to the investment policy or to Management's application of the investment policy;
- e) overseeing the placement of investments by Management; and
- f) reporting to the Board on activities of the Audit and Investment Committee

The Audit and Investment Committee shall observe all procedures established by the Board respecting the matters outlined above.

4.0 RESPONSIBILITIES OF MANAGEMENT

Management is responsible for the preparation and maintenance of all Tire Stewardship BC's financial records. Management also bears responsibility for the following:

- a) preparing financial statements for Tire Stewardship BC;
- b) establishing and maintaining accounting policies, procedures and practices and internal controls to safeguard Tire Stewardship BC including its assets;
- c) accounting for the receipts of all money paid or remitted to Tire Stewardship BC;
- d) preparing accounts for the deposit of funds into Tire Stewardship BC's approved accounts;

- e) accounting for the property of Tire Stewardship BC and the preparation and custody of financial records as are necessary;
- f) receiving, reviewing and responding to any comments of the Auditor on Management's responsibilities;
- g) presenting financial statements and information to the Audit and Investment Committee as required; and
- h) preparing and presenting any information and reports required or requested by the Audit and Investment Committee in connection with its mandate.

Management shall observe all procedures established by the Board of the Audit and Investment Committee relating to the matters outlined above.

5.0 RESPONSIBILITIES OF THE AUDITOR

Tire Stewardship BC's Auditor is responsible for:

- a) auditing Tire Stewardship BC's financial statements in accordance with generally accepted auditing standards;
- b) expressing an opinion on the fairness of the representations contained in Tire Stewardship BC's financial statements; and,
- c) assessing the adequacy and effectiveness of Tire Stewardship BC's accounting policies, procedures and practices and internal controls and making recommendations to the Audit and Investment Committee concerning these matters as deemed appropriate.

6.0 PROCEDURES CONCERNING THE AUDIT AND INVESTMENT COMMITTEE

The Audit and Investment Committee shall observe the following procedures in carrying out its responsibilities:

6.1 Audit and Investment Committee Meetings

- a) the Chair of the Audit and Investment Committee is responsible for calling meetings of the Audit and Investment Committee. The Audit and Investment Committee Chair shall call a meeting of the Audit and Investment Committee at least twice in a fiscal year and shall also call a meeting of the Audit and Investment Committee if requested to do so by Tire Stewardship BC's Auditor;
- b) upon request by the Audit and Investment Committee, the Executive Director will attend meetings of the Audit and Investment Committee; and
- c) the Audit and Investment Committee will keep minutes of each of its meetings and supply a copy of the minutes of any of its meetings to the Board upon request.

6.2 Overseeing Preparation of Financial Statements by Management

- a) the Audit and Investment Committee is responsible for overseeing the preparation of financial statements by Management;
- b) the Audit and Investment Committee will review financial statements prepared by Management prior to the submission of such documents to the Board for its approval;

- c) the Audit and Investment Committee will review any reports prepared by Management which accompany financial statements to ensure consistency;
- d) the Audit and Investment Committee will assess the adequacy and effectiveness of Tire Stewardship BC's accounting procedures and internal controls and will make recommendations to the Board concerning these matters as it deems appropriate;
- e) the Audit and Investment Committee will assess any significant changes in accounting practices or internal controls adopted by Management and will make recommendations to the Board concerning these matters as it deems appropriate; and
- f) the Audit and Investment Committee will review with Management any litigation, claim or assessment which could have a material effect upon the financial position of Tire Stewardship BC.

6.3 Overseeing the Conduct of Audits by the Auditor

- a) prepared or supplied by Tire Stewardship BC's Auditor and will hold a meeting with Tire Stewardship BC's Auditor to discuss the scope of the proposed audit;
- b) the Audit and Investment Committee will review the manner by which Tire Stewardship BC's Auditor will determine factors which are material to Tire Stewardship BC;
- c) the Audit and Investment Committee will inquire of Tire Stewardship BC's Auditor the extent to which the proposed audit will detect weaknesses in accounting procedures and internal control;
- d) the Audit and Investment Committee will discuss with Tire Stewardship BC's Auditor the basis and amount of Tire Stewardship BC's Auditor's fees. In discussing the proposed fees, the Audit and Investment Committee will have regard to the extent of the audit and the support expected to be provided to Tire Stewardship BC's Auditor by Management;
- e) the Audit and Investment Committee will report to the Board on the above matters if it determines significance;
- f) the Audit and Investment Committee will review the results of the audit conducted by Tire Stewardship BC's Auditor and will hold a meeting with Association's Auditor following its review of the Auditor's report; and
- g) the Audit and Investment Committee will review significant findings and recommendations including: any adjusted and unadjusted errors; any disagreements which arose between Management and Tire Stewardship BC's Auditor concerning estimates; Management judgments; alternative accounting policies, procedures or practices suggested by Tire Stewardship BC's Auditor and observed internal control weaknesses and suggested improvement. The Audit and Investment Committee may exclude Management from a meeting between the Audit and Investment Committee and Tire Stewardship BC's Auditor.

6.4 Overseeing the Investment of Funds

- a) The Audit and Investment Committee will review all statements and reports concerning TSBC's investments to ensure compliance with the Investment Policy. Instances where the provisions of the Investment Policy have not been observed shall be noted and brought to the attention of the Board for its information and response, as determined appropriate.
- b) The Audit and Investment Committee shall make recommendations to the Board as appropriate concerning proposed revisions to the Investment Policy.

6.5 Reporting

- c) The Audit and Investment Committee shall report to the Board on all findings, recommendations and matters relating to the mandate of the Audit and Investment Committee.
- d) The Audit and Investment Committee shall present mid-year and year-end investment reports to the Board.

6.6 Procedures Concerning Management

- a) Financial statements when required to do so. Management shall prepare all financial statements in accordance with the generally accepted accounting principles. Management shall select and implement accounting policies, procedures and practices appropriate for use by Tire Stewardship BC and shall generate such accounting estimates as may be required to prepare Management's financial statements.
- b) Management shall establish and maintain internal controls to give reasonable assurance that Tire Stewardship BC and its assets are safeguarded and that any financial or other information produced by Management is reliable.

C TERMS OF REFERENCE - EXECUTIVE COMMITTEE

Date of Approval: September 24, 2008

1.0 BACKGROUND

Tire Stewardship BC has the legislative and corporate authority to appoint an Executive Committee.

The Board meets regularly to set policy and direction for Tire Stewardship BC. Management oversees and carries out the day-to-day activities of Tire Stewardship BC under the general direction and policies of the Board.

As a means of ensuring Management's activities are consistent with Board policies and procedures, and to help ensure emerging issues are dealt with by Management in a way that is consistent with the vision of the Board, the Executive Committee is to make itself available on a more frequent basis to Management to assist in various aspects of the management of Tire Stewardship BC.

Under certain circumstances and within certain limits, the Executive Committee is empowered to make decisions that are outside of Board policy.

2.0 COMPOSITION OF THE EXECUTIVE COMMITTEE

The Board Chair, the Treasurer and the Secretary shall be members of the Executive Committee.

3.0 RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

The Executive Committee is responsible for:

- a) planning and reporting
 - i. ensuring the Board adopts and implements, at least annually, a strategic planning process and annual calendar;
 - ii. review and approve the Annual Report; and
 - iii. developing organizational objectives which the Executive Director is responsible for meeting and recommending same to the Board for approval.
- b) supporting Management in the interpretation and application of Board policies and procedures as required; and
- c) granting exceptions to Board policies and procedures in extraordinary circumstances that warrant extraordinary measures by TSBC.

4.0 DECISION AUTHORITY OF THE EXECUTIVE COMMITTEE

The Executive Committee is authorized to make decisions that fall outside of the direction and constraints imposed by existing Board policies and procedures, subject to the following:

- a) the Executive Committee's decisions have a financial impact up to but not exceeding \$50,000; and
- b) all decisions outside Board policies and procedures must be brought to the Board for ratification no later than the next scheduled Board meeting.

5.0 RESPONSIBILITIES OF MANAGEMENT

Management is responsible for:

- a) reports, and Management reports;
- b) ensuring expenditures made are as budgeted;
- c) ensuring the Executive Committee has complete information in order to make assessments and evaluations, or to provide direction or decision;
- d) maintaining all records and recommendations of the Executive Committee; and
- e) overseeing compliance with agreements, arrangements and instructions made by the Executive Committee.

D TERMS OF REFERENCE – GOVERNANCE COMMITTEE

Date of Approval: September 24, 2008

1.0 BACKGROUND

Tire Stewardship BC has the legislative and corporate authority to appoint a Governance Committee.

The Board meets regularly to set policy and direction for Tire Stewardship BC. Management oversees and carries out the day-to-day activities of Tire Stewardship BC under the general direction and policy of the Board.

The Governance Committee assists the Board with fulfilling its oversight responsibilities to ensure Tire Stewardship BC has an effective corporate governance regime. The Governance Committee generally monitors corporate governance developments, emerging best practices and the effectiveness of Tire Stewardship BC's governance practices. Its mandate is specifically set out in these terms of reference.

2.0 COMPOSITION OF THE GOVERNANCE COMMITTEE

The Board may appoint at least two (2) Board members to the Governance Committee, who will serve on the Committee.

3.0 RESPONSIBILITIES OF THE GOVERNANCE COMMITTEE

The Governance Committee is responsible for:

- a) making recommendations to the Board regarding governance and effectiveness issues, including best practices;
- b) monitoring corporate governance practices of Tire Stewardship BC;
- c) leading the process for Board succession planning;
- d) planning for Management succession;
- e) considering competencies and skills needed on the Board and recommend Board member requirements;
- f) developing a Director orientation program for new Directors; and
- g) reviewing information on available external educational opportunities and make Directors aware of the relevant opportunities.

E TERMS OF REFERENCE – MARKET DEVELOPMENT COMMITTEE

Date of Approval: September 24, 2008

1.0 BACKGROUND

Tire Stewardship BC has the legislative and corporate authority to appoint a Market Development Committee.

The Board meets regularly to set policy and direction for Tire Stewardship BC. Management oversees and carries out the day-to-day activities of Tire Stewardship BC under the general direction and policy of the Board.

The Market Development Committee assists the Board with developing policies and executing strategies that benefit the growth and profitability of the scrap tire recycling industry.

2.0 COMPOSITION OF THE MARKET DEVELOPMENT COMMITTEE

The Board may appoint at least two (2) Board members to the Market Development Committee, who will serve on the Committee.

3.0 RESPONSIBILITIES OF THE MARKET DEVELOPMENT COMMITTEE

The Market Development Committee will:

- a) direct or conduct research and development activities that have the potential to benefit the growth and viability of the scrap tire recycling industry of British Columbia in general; and
- b) recommend policies and strategies to the Board that benefit the growth and viability of the scrap tire recycling industry of British Columbia.

IV MEMBERSHIP

A ROSTER OF MEMBERS, DIRECTORS AND OFFICERS

MEMBERS

Retail Council of Canada (RCC)

Western Canada Tire Dealers (WCTD)

Tire and Rubber Association of Canada (TRAC)

New Car Dealers Association of BC (NCDABC)

DIRECTORS	TERM EXPIRY AT THE AGM IN:
TIM HOLLETT	2024
ADRIAN COURTENAY	2025
MARK ENDERSBY	2023
GLENN MAIDMENT	2023
KEN REES	2024
GLEN RINGDAL	2025
NORM SCHMIDT	2024

OFFICERS	TO AGM 2023
GLEN RINGDAL	CHAIR
GLENN MAIDMENT	SECRETARY
KEN REES	TREASURER

B CURRENT COMMITTEE MEMBERSHIP

1.0 TIRE STEWARDSHIP BC COMMITTEE STRUCTURE

The table below outlines the full range of board and non-board committees in place. Participation in these committees by Board members may change from time to time. As well, committees may be added, changed or deleted from time to time. Updates to this table will be made annually.

STANDING BOARD COMMITTEES	CHAIR	MEMBERS
Audit and Investment	TSBC Treasurer	TSBC Chair, Adrian Courtenay
Governance	Glenn Maidment	TSBC Chair, Tim Hollett
Market Development	Mark Endersby	Norm Schmidt, Glen Ringdal
OTR	Norm Schmidt	Adrian Courtenay, Tim Hollett
Contractor Relations	Adrian Courtenay	Norm Schmidt, TSBC Chair
AD HOC COMMITTEES	CHAIR	MEMBERS
Executive	TSBC Chair	TSBC Treasurer, TSBC Secretary
OTHER NON-BOARD COMMITTEE	CHAIR	MEMBERS
WRP/TSBC Partnership Meetings	N/A	Board Chair plus any director available to attend
NWR/TSBC Partnership Meetings	N/A	Board Chair plus any director available to attend
Advisory Committee	N/A	Board Chair plus any director available to attend

C CONSENT TO ACT AS A DIRECTOR FORM

Date of Approval: September 15, 2009

The consent to Act as a Director form can be found on the next page.

CONSENT TO ACT AS A DIRECTOR FORM

TO: Tire Stewardship B.C. Association

AND TO: The Members thereof

I, THE UNDERSIGNED:

- 1) consent to being elected and to acting as a director of the above Association, such consent to take effect immediately;
- 2) consent to the holding of meetings of directors or of committees of directors by means of such telephone, electronic or other communication facilities as permit all persons participating in the meetings to communicate with each other simultaneously and instantaneously;
- 3) consent to receive notice of meetings and meeting agendas for the Board of Directors of the Corporation in the form of a fax, and/or an email at the address set out below;
- 4) will abide by and comply with the Conflict of Interest Policy and all other policies of the Association as set out in the Governance Manual as may be amended from time to time;
- 5) I am at least eighteen years of age;
- 6) I have not been found by a court in Canada or elsewhere to be of unsound mind;
- 7) I do not have the status of bankrupt;

and I undertake to advise the Association in writing forthwith of any change in status of any of the foregoing.

This consent shall continue in effect from year to year so long as I am elected or appointed to the Board of Directors of the Association or until I give written notice to the Association revoking such consent or until I otherwise cease to be a director of the Association.

DATED	
[Name]*	
[Address1]*	
[City, Province]	[Postal Code]
Fax no.:	Tel. no.:
Email:	Date of Birth:*
Signature:	
*This information is required by Canada Revenue Agency. Only the person's name, position in the charity, and their arm's length status will be made public. All other information will be kept confidential.	

V GENERAL REGULATIONS AND POLICIES

A BC RECYCLING REGULATION

B BC STEWARDSHIP PLAN

VI INCORPORATION AND BYLAWS

A CERTIFICATE OF INCORPORATION NO. S0046557-

DATED AUGUST 25, 2003

B CONSTITUTION

DATED OCTOBER 13, 2017

C BYLAWS

AS OF JANUARY 5, 2018

APPENDIX I – LIST OF REVISIONS

A DECEMBER 2, 2008

1. Addition of non-voting advisor's name to TSBC Committee Structure – 2008 table.

B SEPTEMBER 14, 2009

1. Amendments to Investment Policy.
2. Amendments to Remuneration and Expense Policy.
3. Amendments to Terms of Reference for Audit and Investment Committee.
4. Amendment to Current Committee Membership.
5. Consent to Act As a Director Form.

C APRIL 13, 2010

1. Amendment to Investment Policy.

D DECEMBER 15, 2010

1. Amendment to Renumeration Structure.
2. Amendment to current committee membership

E APRIL 20, 2011

1. Amendment to Investment Policy.

F JUNE 24, 2011

1. Amendment to Roster of Members, Directors and Officers.
2. Amendment to Financial Authority Policy.

G SEPTEMBER 13/14, 2011

1. Amendment to Investment Policy.

H APRIL 17, 2013

1. Amendment to Investment Policy.
2. Addition of IPS Document.
3. Amendment to Roster of Members, Directors and Officers.
4. Amendment to Committee Structure.

I APRIL 29, 2014

1. Amendment to Roster of Members, Directors and Officers.
2. Amended Bylaws.

J JUNE 28, 2014

1. New Stewardship Plan 2013 – 2017.

K JULY 9, 2014

1. Amendment to the Financial Authority Policy Matrix.

L MARCH 23, 2015

1. Amendment to Roster of Members, Directors and Officers.
2. Current Committee Membership.

M SEPTEMBER 15, 2015

1. Current Committee Membership.

N APRIL 12, 2016

1. Amendment to Roster of Members, Directors and Officers.
2. Current Committee Membership

O JULY 7, 2016

1. Section G Conflict of Interest Policy – 7.8 Gift Policy.

P APRIL 19, 2017

1. Amendment to Roster of Members, Directors and Officers.

Q OCTOBER 13, 2017

1. Amendment to the Constitution

R JANUARY 5, 2018

1. Amendment to the Bylaws

S JANUARY 29, 2018

1. Amendment to Roster of Members, Directors and Officers.
2. Current Committee Membership

T APRIL 17, 2018

1. Amendment to Roster of Members, Directors and Officers.
2. Current Committee Membership

U OCTOBER 2, 2018

1. Addition of Reserve Policy to Section II

V DECEMBER 7, 2018

1. Updated Stewardship Plan (Appendix V B)

W APRIL 25, 2019

1. Amendment to Roster of Members, Directors and Officers.

X JULY 09, 2019

1. Current Committee Membership
2. Name and Terms of Reference for Industry Development Committee
3. Terms of Reference for the Executive Committee
4. Director Remuneration

Y JANUARY 01, 2020

1. Spending Approval Matrix
2. Director Remuneration

Z APRIL 09, 2020

1. Amendment to Roster of Members, Directors and Officers.
2. Current Committee Membership

AA MARCH 29, 2021

1. Amendment to Roster of Members, Directors and Officers.

BB APRIL 11, 2022

1. Amendment to Roster of Members, Directors and Officers.

APPENDIX II – BMO INVESTMENT POLICY STATEMENT