

Policy 601: Board Diversity

VERSION: 1.2

1.0 Introduction

Alberta Beverage Container Recycling Corporation ("ABCRC"), its shareholders and its Board of Directors ("Board") are of the view that director nomination and appointment decisions should be based on merit and remains committed to selecting the best person to fulfill these roles within the terms of the most current Unanimous Shareholders' Agreement ("USA"), among ABCRC and its shareholders (as amended from time to time). At the same time, they recognize that diversity is important to ensure that the profiles of directors provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship.

The ability to draw on a wide range of viewpoints, backgrounds, skills and experience is important to ABCRC's success. Furthermore, diversity helps ensure that a wide variety of perspectives are brought to bear on issues, while enhancing the likelihood that proposed solutions will be nuanced and comprehensive. ABCRC believes in the benefits of having a diverse Board and that it is not only an important element of good corporate governance, but it is also reflective of the communities where we live and work and essential to maintaining a competitive focus.

This policy sets forth ABCRC's approach to achieving and maintaining diversity on its Board.

2.0 Appointment Responsibility

Initial responsibility for nominating board members is with the shareholders under the USA. If a shareholder fails to appoint a replacement director within two (2) months of the date the vacancy arose, the Board shall appoint a replacement director.

3.0 Appointment Guidelines

3.1 In selecting qualified candidates to serve as directors, the Board Chair asks the nominating shareholder to consider (and, in the instances where the Board finds the replacement director, asks the Board to consider) a wide range of diversity criteria, including, without limitation,

gender, ethnicity, culture, geography, business experience, age and indigeneity. This is to ensure that the Board, as a whole, reflects a range of viewpoints, backgrounds, skills, experience and expertise.

- 3.2 The Board Chair, in consultation with the Governance Committee, is responsible for advising ABCRC's shareholders that the Board is looking for qualified persons for Board nominations that possess the competencies, skills, business and financial experience, leadership and level of commitment required of a director to fulfill Board responsibilities.

The Board Chair sends to the applicable shareholder who is to nominate a person to the Board a letter setting out relevant information for that shareholder to keep in mind including a statement that ABCRC values diversity and inclusion on the Board and encourages the shareholder to canvas as wide a spectrum of perspectives as possible for potential nominees.

- 3.3 The Governance Guidelines adopted by the Board includes a statement to the effect that ABCRC values diversity and inclusion on the Board and encourages a process that canvases as wide a spectrum of perspectives as possible for potential candidates.

- 3.4 This policy recognizes that shareholders can nominate their own preferred nominees to the Board. ABCRC can only encourage its shareholders to consider skills, preferences, diversity and inclusion, knowing that doing so will be a benefit to the Board.

4.0 Administrative Responsibility

The general supervision and administration of this policy is the responsibility of the responsibility of the Board Chair through the President & CEO.

Policy 601: Board Diversity - Lifecycle Management

Issuance:



President & CEO

Dec 4, 2023

Authorizing Signature

Position

Date

Review:

Review Term: 2 Years

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Termination:

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Position

Date






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