

Approved: \_\_\_\_\_  
(DATE)

## TERMS OF REFERENCE

### ALBERTA TREASURY BRANCHES BOARD OF DIRECTORS

The role of the Board of Directors is to assume the overall stewardship of the Corporation by adopting sound governance practices, overseeing the Corporation's business and affairs, and monitoring and assessing the performance and progress in meeting short and long term goals.

The Board, as steward of the organization, has the responsibility to oversee the conduct of the business and affairs of ATB, to monitor management and to endeavour to ensure that all major issues affecting the business and affairs of ATB are given proper consideration. The Board may adopt such policies, rules, by-laws, recommendations and actions as it deems advisable and are consistent with its responsibilities as set out in the *Alberta Treasury Branches Act* ("the Act"). The Board will carry out its responsibilities by:

1. Approving ATB's mission statement, strategy and business plan and recommending the business plan to the Minister of Finance as called for under the *Government Accountability Act*.
2. Approving and monitoring the implementation of strategy, the business plan, and the performance of ATB against such plan, and, where necessary, modifying the strategy and business plan, or their implementation in order to successfully achieve ATB's purposes and goals.
3. Approving and monitoring performance against any annual budget consistent with ATB strategy and the business plan;
4. Approving policies respecting the key enterprise risks associated with ATB's business as identified by management, as considered appropriate and in particular, but without limitation:
  - a. establishing the overall corporate risk management structure and accountabilities and the relationship to financial performance and reporting to internal audit for federally regulated financial institutions;
  - b. establishing reasonable and prudent investment and lending policies, standards and procedures in respect of investment portfolios and loans and reviewing such policies, at least once a year;

- c. establishing policies for sound business and financial practice including the management of enterprise risks, and taking into account any standards prescribed by the Canada Deposit Insurance Corporation or Office of the Superintendent in accordance with any applicable legal and regulatory requirement;
  - d. ensuring that adequate systems and resources are in place to identify, assess, monitor and manage the identified enterprise risks;
  - e. reviewing the enterprise risks identified by management, the priority characterization of any risks identified, the accountable executive, and the implementation of strategies with respect to such risks, at least once a year, approving the allocation of oversight responsibility for identified enterprise risks to various Board committees and receiving the reports of such committees on the management activities of such risks.
5. Ensuring that ATB has effective policies and procedures in place relating to recruitment, compensation, performance evaluation, and management succession planning, and the development and continuity of human resources including:
- a. approval of all compensation and benefit policy changes;
  - b. approval of all officers' compensation, including the performance criteria, evaluation and compensation of the President and Chief Executive Officer;
  - c. approval of the management succession plan;
  - d. approval of the collective bargaining strategy; and
  - e. recommending the appointment of the President and Chief Executive Officer to the Lieutenant Governor in Council and approving appointment of other Officers.
6. Ensuring that ATB has appropriate pension governance policies and procedures in place related to its obligations as a participating employer with respect to the Public Service Pension Plan ("PSPP"), and as a plan sponsor and administrator with respect to the ATB Management Pension Plan ("ATBPP"), in accordance with the applicable legislation and regulations, including, without limitation:
- a. approval of any pension plan mission or policy changes or material changes in ATBPP design;
  - b. approval of the appointment of the Actuary, Record Keeper and any Trustee of the ATBPP;
  - c. approval of any actuarial valuations and reports of the Actuary of the ATBPP;
  - d. review and determine appropriate action with respect to any potential conflicts or significant issues involving the PSPP or ATBPP;
  - e. periodic approval of the funding and investment policies of the ATBPP and any amendments thereto;
  - f. annual review of investment performance of the ATBPP pension fund;
  - g. approval of annual financial statements of ATBPP;

- h. annual review of ATBPP administration including legal and regulatory compliance and required filings; and,
  - i. periodic review of any external or internal assessments of ATB pension governance or administration.
7. Ensuring that effective internal control and financial systems are in place and are being complied with to ensure the effectiveness and efficiency of operations, reliability of financial information and reporting, and compliance with applicable legal and regulatory requirements and internal policies and procedures.
  8. Ensuring that the appropriate governance and control mechanisms are in place with respect to the management and operations of any ATB subsidiary.
  9. Approving annual financial statements and approving interim financial statements for release.
  10. Ensuring that ATB has policies and procedures in place to facilitate effective communication with interested stakeholders and to deal with customer complaints.
  11. Adopting and administering by-laws governing conflicts of interest for directors and officers and approving a code of conduct for ATB to ensure that all dealings of ATB and its employees meet ethical and legal standards.
  12. Periodically conducting an evaluation of the Board's performance, including the performance of its committees and individual directors.
  13. Providing advice and counsel to the President and Chief Executive Officer.
  14. Approving such other corporate policies and undertaking such other actions as considered appropriate.

The Board by resolution may delegate to any director, committee, officer, or employee any powers or duties of the Board as permitted by the Act, other than the power to make by-laws, to such extent and in such manner as the Board determines at the time of such delegation. The Board may by resolution revoke or limit any such delegation at any time. The Board will hold an in-camera session at every quarterly meeting.