

Board of Directors Terms of Reference

November, 2020

1. Purpose

The Board of Directors (the “Board”) is to provide leadership and strategic guidance to ATB Financial and, as steward of the organization, has the responsibility to oversee the conduct of the business and affairs of ATB Financial.

2. Roles and Responsibilities

In carrying out its purpose, the Board has the specific responsibilities that are set out in Schedule “A” as well as any other matters that may be approved by the Board from time to time. These responsibilities may be delegated to Committees of the Board, in whole or in part, with ongoing reporting by the Committees to the Board.

The Board and each of its members shall comply with such additional requirements as are specified in the ATB Financial Act and Regulation and in the bylaws and resolutions of the Board in effect from time to time.

3. Meetings

The Board will meet in accordance with a schedule established by the Board each year, and at such other times as the Board may determine. Board members are expected to attend Board and Committee meetings fully prepared, having reviewed meeting materials in advance.

The Board shall have an in camera session at each Board meeting without management present.

4. Access to Management and Outside Advisors

In carrying out its responsibilities, the Board shall have unrestricted access to management and employees of ATB Financial. The Board shall have the authority to select, retain external legal counsel, consultants and other advisors to assist it in fulfilling its responsibilities and to set and pay the compensation of these advisors without consulting or obtaining the approval of ATB Financial, its officers or employees.

Description of Action	Date	Owner
Recommended by the General Counsel, SVP Corporate Operations & Corporate Secretary	November 2020	General Counsel, SVP Corporate Operations & Corporate Secretary
Recommended by Governance & Conduct Review Committee	November 2020	
Approved by Board of Directors	November 2020	

“Joan Hertz”

Joan Hertz

Chair of the Board of Directors

Schedule “A”

Roles and Responsibilities Calendar

✓ When Performed

Roles and Responsibilities	Annually	Every 3 Years	As Required
Culture of Integrity			
1. Approve and oversee compliance to ATB Financial’s Code of Conduct and Ethics for team members and the Board of Directors Code of Conduct and Ethics	✓ (Team Member Code approval)	✓ (Director Code Approval)	
2. Satisfy itself as to the integrity of the Chief Executive Officer (“CEO”) and other executive officers and that the CEO and other executive officers promote a culture of integrity throughout ATB Financial through the adoption of appropriate policies and controls	✓		✓
Compensation, Evaluation & Succession			
3. Oversee ATB Financial’s policies and procedures relating to appointment, compensation, performance evaluation, and succession planning of the CEO and other designated executive officers, including:			
a. Approve the appointment and dismissal of all Designated Executives as defined in the Terms of Reference of the Human Resources Committee and approval of their base compensation;	✓		✓
b. Approve the succession planning processes for the CEO and Senior Executives, as defined in the Terms of Reference of the Human Resources Committee;	✓		
c. Review the position description of the CEO including the performance expectations, corporate goals and objectives for the CEO and monitoring progress against those expectations;	✓		✓
d. Approve the compensation of the CEO (base salary to be recommended to the Minister responsible for the ATB Financial Act (the “Minister”)); and	✓		✓
e. Recommending the appointment and dismissal (if necessary) of the CEO to the Minister.			✓

Strategic Planning			
4. Oversee ATB Financial’s strategic planning process, approve the strategic plan which takes into account the opportunities and risks of ATB Financial’s business and its mandate, and monitor the implementation and effectiveness of the strategic plan	✓		
5. Review and approve ATB Financial’s: <ul style="list-style-type: none"> a. enterprise-wide objectives and its capital, financial and liquidity plans, review performance against such objectives and plans; and b. internal capital adequacy assessment process 	✓		
6. Review ATB Financial’s organizational structure	✓		
7. Oversee ATB Financial’s oversight functions	✓		
8. Approve and recommend to the Minister the Business Plan and annual report	✓		
9. Approve all major corporate decisions and transactions that exceed thresholds set by the Board or not otherwise approved within ATB Financial’s Strategic or Business Plan			✓
10. Review and approve corporate financial objectives and actions, including capital allocations, expenditures, and transactions which exceed threshold amounts set by the Board			✓
Risk Management and Internal Controls			
11. Ensure processes are in place to identify and manage the principal risks and review key policies and practices to manage these risks	✓		
12. Approve ATB Financial’s Risk Appetite Statement and any enterprise-wide risk appetite framework that sets limits and capacity for risk	✓		
13. Ensure that effective internal controls 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			✓

14. Review significant policies, bylaws and practices to ensure compliance with applicable legal and regulatory requirements	✓		
15. Approve ATB Financial’s annual financial statements, management discussion and analysis disclosure, annual information form and any public announcements containing annual earnings, related financial information, or related financial forecasts of ATB Financial	✓		✓
16. Oversee compliance with applicable audit, accounting and reporting requirements			✓
Pension Governance			
17. Ensure that ATB Financial has appropriate pension governance policies and procedures in place related to its obligations as a plan sponsor and administrator in accordance with applicable legislation and regulations		✓	
Communications and Public Disclosure			
18. Ensure that ATB Financial has policies and procedures in place to facilitate effective communication, including establishing processes for the Board to receive feedback from stakeholders		✓	
19. Approve all matters which require Board approval as prescribed by the ATB Financial Act and Regulation and ensure such matters are brought to the attention of the Minister as mandated			✓
Governance and Compliance			
20. Establish and maintain appropriate corporate governance principles and guidelines for ATB Financial and any subsidiary of ATB Financial to assist in fulfilling its mandate		✓	
21. Establish such committees as it deems necessary or are required by the ATB Financial Act to assist the Board in carrying out its duties and responsibilities, appoint Board committee members and approve the Committees’ respective terms of reference and any amendments thereto, including but not limited to the following committees: <ul style="list-style-type: none"> a. Audit Committee; b. Risk Committee; c. Governance and Conduct Review Committee; and d. Human Resources Committee The responsibilities and authorities to approve or review matters set out in the respective Committee	✓		✓

Terms of Reference are delegated to the applicable Committees.			
22. Review and approve any amendments to the Mandate and Roles Document (the “MRD”), and recommend the MRD to the Minister to be renewed, amended or replaced		✓	
23. Review independence standards for the Directors and ensure appropriate structures and procedures are in place to allow the Board to function independently of management	✓		✓
24. Oversee the process for recruitment and reappointment of directors.	✓		✓
25. Oversee the evaluation and review of the performance of the Board, its committees, the Chair and individual Directors and review its composition with a view to the effectiveness and independence of the Board and its members	✓		
26. Review position descriptions of each of the Chair, chairs of each committee and other directors		✓	