

Terms of Reference for a Director

I. Goals and Objectives

As a member of the Board, each director shall:

- A. fulfill the legal requirements and obligations of a director including all statutory and fiduciary roles;
- B. represent the interests of shareholders in the governance of the Corporation ensuring that the best interests of the Corporation are paramount;
- C. participate in the review and approval of Corporation policies and strategy and in monitoring their implementation; and
- D. comply with the Administrative Guidelines for the Board.

II. Duties and Responsibilities

A. Board Activity

As a member of the Board, each director shall:

- (i) exercise good judgment and act with integrity, and comply with the Corporation's Code of Corporate Ethics and Behaviour;
- (ii) use his or her abilities, experience and influence constructively;
- (iii) be willing to devote sufficient time to carrying out his or her duties and responsibilities effectively;
- (iv) be an available resource to management and the Board;
- (v) respect confidentiality;
- (vi) advise the CEO and/or Chair in advance when planning to introduce significant and/or previously unknown information or material at a Board meeting;

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- (vii) understand the difference between governing and managing, and not encroach on management's area of responsibility;
- (viii) identify potential conflict areas – real or perceived – and ensure they are appropriately identified and reviewed;
- (ix) when appropriate, communicate with the Chair and CEO between meetings;
- (x) demonstrate a willingness and availability for one on one consultation with the Chair and CEO; and
- (xi) evaluate the performance of the CEO and the Corporation.

B. Preparation and Attendance

To enhance the effectiveness of Board and committee meetings, each director shall:

- (i) prepare for Board and committee meetings by reading reports and background materials prepared for each meeting;
- (ii) maintain an excellent Board and committee meeting attendance record¹; and
- (iii) request all information necessary for decision making.

C. Communication

Communication is fundamental to Board effectiveness and therefore each Board member shall:

¹ The target is 100% attendance. Anything less than 75%, without extenuating circumstances, would create considerable concern for the Board.

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- (i) participate fully and frankly in the deliberations and discussions of the Board;
- (ii) encourage free and open discussion of the affairs of the Corporation by the Board and its members;
- (iii) ask probing questions, in an appropriate manner and at proper times; and
- (iv) focus inquiries on issues related to strategy, policy, implementation and results rather than issues relating to the day to day management of the Corporation.

D. Independence

Recognizing that the cohesiveness of the Board is an important element in its effectiveness, each director shall:

- (i) be a positive force with a demonstrated interest in the success of the Corporation; and
- (ii) speak and act independently.

E. Board Interaction

As a member of the Board, each director shall establish an effective, independent and respected presence and a collegial relationship with other Board members.

F. Committee Work

In order to assist Board committees in being effective and productive, each director shall:

- (i) participate on committees and become knowledgeable with the purpose and goals of the committee; and
- (ii) understand the process of committee work, and the role of management and staff supporting the committee.

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G. Business, Corporation and Industry Knowledge

Recognizing that decisions can only be made by well informed Board members, each director shall:

- (i) become generally knowledgeable of the Corporation's products and industry;
- (ii) develop an understanding of the role of the Corporation within its various communities;
- (iii) develop an understanding of the regulatory, legislative, business, social and political environments within which the Corporation operates;
- (iv) become acquainted with the officers of the Corporation;
- (v) become knowledgeable about the Corporation's facilities and visit them when appropriate; and
- (vi) be an effective ambassador and representative of the Corporation.