

TERMS OF REFERENCE FOR A DIRECTOR

I. INTRODUCTION

The purpose of developing the Terms of Reference for a Director is to describe and communicate performance expectations clearly to the Directors, and thereby provide a benchmark in respect of Director performance. Although the terms of reference may seem somewhat self evident, they are an important and fundamental first step in developing an approach to individual Director assessment and evaluation.

II. GOALS AND OBJECTIVES

As a member of the Board, each Director shall:

- A. understand and fulfill the legal requirements and fiduciary and other obligations of a Director with care, diligence and skill;
- B. act honestly and in good faith in the governance of the Corporation ensuring that the best interests of the shareholders and the Corporation are paramount; and
- C. participate, as necessary, in the review and approval of Corporate policies and strategies and in monitoring their implementation.

III. DUTIES AND RESPONSIBILITIES

A. Board Activity

As a member of the Board, each Director shall:

- (i) exercise his or her judgment and act honestly and in good faith, with integrity;
- (ii) use his or her abilities, experience and influence constructively;
- (iii) be an available resource to the Chair of the Board, the CEO, management and the Board;
- (iv) respect the confidentiality of fellow Board members and of the Corporation;
- (v) advise the Chair of the Board and CEO and, as necessary, the Corporate Secretary, in advance when intending to introduce significant and/or previously unknown information or material at a Board or committee meeting;
- (vi) understand the difference between governing and managing as required by law and as set forth in these Directors' Terms of Reference, and not encroach on management's mandates and areas of responsibility (similarly, management shall understand and not encroach on the Board's mandates and areas of responsibility);

- (vii) identify potential personal or business related conflicts (real or perceived) and ensure such conflicts are appropriately identified, reviewed and result in the Director choosing to abstain from participation in discussion and decisions where a conflict may arise;
- (viii) when appropriate, communicate with the Chair of the Board and the CEO between meetings and be responsive when an officer of the Corporation or member of the Board desires to communicate between meetings;
- (ix) demonstrate a willingness and availability for personal consultation with the Chair of the Board and the CEO;
- (x) evaluate, as requested, the performance of the CEO and senior management, the Board, the Chair of the Board, Board committees, and individual Directors; and
- (xi) govern as a Director to achieve maximization of shareholder value.

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, noting questions and matters for discussion, and where appropriate, consulting with other Directors or senior management of the Corporation before meetings;
- (ii) maintain an excellent Board and committee meeting attendance and participation record¹; and
- (iii) have acquired adequate information necessary for decision making, using meetings to resolve issues rather than to review information provided in Board information packages.

C. Communication

Communication is fundamental to Board effectiveness. Each Director shall:

- (i) participate fully and frankly in the deliberations, discussions and questions of the Board;
- (ii) encourage free and open discussion by the Board and its members in respect of the affairs of the Corporation;

¹ The target is 100% attendance. Anything less than 80%, without extenuating circumstances, would create considerable concern for the Board.

- (iii) focus inquiries on issues related to strategy, policy, implementation and results rather than issues relating to the day-to-day management of the Corporation;
- (iv) ensure that the Corporate Secretary or the Assistant Secretary is made aware of the location of the Director and of the appropriate means to communicate with the Director; and
- (v) treat all Corporate communications and information with confidentiality and maintain strict security over Corporate communications kept in the records of the Director.

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 long-term success of the Corporation; and
- (ii) speak and act independently, respecting differing views held by other Directors and management.

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 Directors.

F. Committee Work

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

- (i) participate, as requested by the Board, on Board committees and become knowledgeable in respect of the purpose and goals of the relevant committees; and
- (ii) understand the process of committee work, and the role of management and staff supporting the Board committees.

G. Business, Corporation and Industry Knowledge

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

- (i) become sufficiently knowledgeable of the Corporation's businesses, services, principal regulators, and industries;

- (ii) develop an understanding of the unique role of the Corporation in the communities in which the Corporation's businesses operate;
- (iii) maintain an understanding of the legislative, business, social and political environments within which the Corporation's businesses operate;
- (iv) maintain an understanding of the strategic planning process and principal risks of the Corporation;
- (v) remain knowledgeable about the senior management structure and overall management of the Corporation;
- (vi) remain knowledgeable about the Corporation's main facilities and visit them when requested and appropriate; and
- (vii) be an effective ambassador and representative of the Corporation.