

## TERMS OF REFERENCE FOR A DIRECTOR

### GOALS AND OBJECTIVES

1. As a member of the Board, each Director will:
  - 1.1 fulfill the legal requirements and obligations of a Director, which includes a comprehensive understanding of the statutory and fiduciary roles;
  - 1.2 consider the interests of the communities the Authority serves, ensuring that the best interests of the Authority are paramount, and,
  - 1.3 participate in the review and approval of Authority policies and strategy and in monitoring their implementation.

### DUTIES AND RESPONSIBILITIES

#### *Board Activity*

2. As a member of the Board, each Director will:
  - 2.1 exercise good judgment and act with integrity;
  - 2.2 use his or her ability, experience and influence constructively;
  - 2.3 be available as a resource to management and the Board;
  - 2.4 hold confidential all discussions, information and documents learned or acquired through membership on the Board of Directors unless the discussions, information or documents have otherwise been placed in the public domain;
  - 2.5 advise the Chair or President before introducing significant and previously unknown information at a Board meeting so that the Chair and President can ensure the Board is equipped with whatever is required for a well informed discussion of the new matter. Any Director may propose items for placement on any part of the Board agenda by putting them forward to the Chair directly, or, through the President or the Secretary;

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- 2.6 understand the difference between governing and managing, and not encroach on management's area of responsibility;
  - 2.7 identify potential conflict areas - real or perceived - and ensure that they are appropriately reviewed;
  - 2.8 as necessary and appropriate, communicate with the Chair and with the President between meetings;
  - 2.9 demonstrate a willingness and availability for individual consultation with the Chair or President; and,
  - 2.10 evaluate the performance of the President and the Authority.
3. To enhance the effectiveness of Board and Committee meetings, each Director will:
- 3.1 prepare for each Board and Committee meeting by reading the reports and background materials provided for the meeting;
  - 3.2 maintain an excellent Board and Committee meeting attendance record<sup>1</sup>;
  - 3.3 reserve the full day for Board meetings to allow for flexibility, although the meetings are designed to run from 8:00 a.m. to 1:30 p.m., and,
  - 3.4 acquire adequate information necessary for decision making.

### *Communication*

4. Communication is fundamental to Board effectiveness and therefore each Director will:
- 4.1 participate fully and frankly in the deliberations and discussions of the Board;
  - 4.2 encourage free and open discussion of the affairs of the Authority by the Board;

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

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- 4.3 ask probing questions, in an appropriate manner and at proper times; and,
- 4.4 focus enquiries on issues related to strategy, policy, implementation and results rather than issues relating to the day-to-day management of the Authority.

### *Independence*

- 5. Recognizing that the cohesiveness of the Board is an important element in its effectiveness, each Director will:
  - 5.1 be a positive force with a demonstrated interest in the long-term success of the Authority; and,
  - 5.2 speak and act independently.

### *Board Interaction*

- 6. As a member of the Board, each Director should establish an effective, independent and respected presence and a collegial relationship with other Directors, through conduct that includes:
  - 6.1 Participation in deliberations of the Board in a manner that encourages the candid expression of each Director's opinion;
  - 6.2 Avoiding any conduct or language that would reasonably be seen as intending to block the full expression of another Director's views; and,
  - 6.3 Supporting and abiding by Board resolutions.
- 7. Each Director has the right to request that the Board Minutes record his or her own negative vote or abstention; however, it is inconsistent with a Director's role as a Board member to fail to support a decision of the Board by conduct or language observable by persons other than sitting Directors and the Secretary.

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- 7.1 The appropriate course of action, if a Director remains strongly of the view that a decision made by the Board is against the best interests of the Authority, would be for that Director to request that the Board review that decision, and by majority vote the Board may accept or decline that request. In considering such a request, the Board may consider whether substantial new information has come to light since the decision was first made and whether the decision will be reviewed within the ordinary course of business of the Authority, such as within the annual reviews set out in the Governance Rules and Practices.
- 7.2 If the Board does not alter its decision or address that Director's concerns, it is understood that in the absence of being able to support the decision, that Director may choose to resign from the Board.

### *Committee Work*

8. In order to assist Board Committees in being effective and productive each Director will:
  - 8.1 participate on Committees and become knowledgeable about the purpose and goals of the Committee; and,
  - 8.2 understand the process of Committee work, and the role of management and other employees supporting the Committee.

### *Nominating Entities and Nominated Directors*

9. A Director appointed by a Nominating Entity has a special responsibility to communicate regularly with that Nominating Entity. Each nominated Director shall agree annually upon a plan of communication between that Nominating Entity and that Director concerning the affairs of the Authority. While recognizing a Director's fiduciary duty to act in the best interests of the Authority, a nominated Director is expected to ensure that the perspective of the Nominating Entity is known and thus forms an integral part of the deliberations of the Board of Directors.

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### *Business, Authority and Industry Knowledge*

10. Recognizing that decisions can only be made by well-informed Directors, each Director will:
  - 10.1 become generally knowledgeable of the business of the Authority and its industry;
  - 10.2 develop an understanding of the unique role of the Authority within the community;
  - 10.3 maintain an understanding of the regulatory, legislative, business, social and political environments within which the Authority operates;
  - 10.4 become acquainted with the senior managers of the Authority;
  - 10.5 remain knowledgeable about the Authority's facilities and visit them when appropriate; and,
  - 10.6 be an effective ambassador and representative of the Authority.