

<b>TERMS OF REFERENCE FOR A DIRECTOR</b>
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**I. INTRODUCTION**

The Board of Directors acts collectively and exercises its powers and responsibilities as a group. Individual directors have no power to act on their own.

**II. FIDUCIARY RESPONSIBILITY**

Broadly speaking, a director of the Corporation has several fundamental obligations to perform.

**A. Honesty and Good Faith**

Common law requires a director to act honestly and in good faith with a view towards the best interests of the Corporation. The key elements of this standard of behaviour are:

- i) a director must act with a view to the best interests of the Corporation and not in his or her self-interest. This also means a director should not be acting in the best interests of some special interest group or constituency;
- ii) a director cannot take personal advantage of opportunities that come before him/her in the course of performing his/her director duties;
- iii) a director must disclose to the Board any personal interests that he/she holds that may conflict with the interests of the Corporation.
- iv) a director must respect the confidentiality requirements of the Corporation's Standards of Ethical Conduct of Directors..

**B. Skilful Management**

A director shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances. This means:

- i) the standard of behaviour expected of a director will depend upon the particular qualities or characteristics that the director brings to the Corporation relative to the particular matter under consideration.
- ii) the director must be proactive in the performance of his or her duties by:
  - a) attending Board and committee meetings; a director who has not attended meetings must show diligence by examination of reports, discussions with other directors, and otherwise being sufficiently familiar with the organization's activities so that he/she does not suffer as a result of non-attendance;

<b>TERMS OF REFERENCE FOR A DIRECTOR</b>
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- b) participating in a meaningful way; and
- c) being vigilant to ensure the Corporation is being properly managed and is complying with laws affecting the Corporation.

### **III. STANDARDS OF BEHAVIOUR ESTABLISHED BY THE BOARD**

The Board has established the following standards of behaviour for directors.

#### **A. General**

As a member of the Board, each director will:

- i) demonstrate a solid understanding of the role, responsibilities and legal duties of a director and the governance structure of the Corporation as outlined in the Board Manual;
- ii) demonstrate high ethical standards in personal and professional dealings; and
- iii) understand the difference between governing and managing, and not encroach on management's area of responsibility.

#### **B. Strategies and Plan**

As a member of the Board, each director will:

- i) demonstrate an understanding of the Corporation's strategic direction;
- ii) contribute and add value to discussions regarding the Corporation's strategic direction; and
- iii) participate in monitoring and evaluating the success of the Corporation and the CEO in achieving established goals and objectives.

#### **C. Preparation, Attendance and Availability**

As a member of the Board, each director will:

- i) demonstrate good judgement;
- ii) maintain an excellent Board and committee meeting attendance record<sup>1</sup>;
- iii) organize him/herself so as to be able to attend the entire Board or committee meeting, not just parts of meetings; and
- iv) participate in committees and contribute to their purpose.

<b>TERMS OF REFERENCE FOR A DIRECTOR</b>
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**D. Communication and Interaction**

As a member of the Board, each director will:

- i) demonstrate good judgement;
- ii) interact appropriately with leadership and management of the Corporation;
- iii) participate fully and frankly in the deliberation and discussions of the Board;
- iv) be a positive and constructive force within the Board;
- v) demonstrate an openness to others' opinions and willingness to listen;
- vi) have the confidence and will to make tough decisions, including the strength to challenge the majority view;
- vii) maintain collaborative and congenial relationships with colleagues on the Board; and
- viii) advise the CEO and the Chair in advance when introducing significant and/or previously unknown information or material at the Board meeting.
- ix) defer discussion with media and community stakeholders to the Board Chair.

**E. Corporate Knowledge**

Recognize that decisions can only be made by well-informed directors, each director will;

- i) become generally knowledgeable about the business of CPC and its industry;
- ii) in consultation with the Board Chair, attend industry conferences and any other relevant forums;
- iii) participate in director orientation and development programs developed by the Corporation from time to time;

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

<b>TERMS OF REFERENCE FOR A DIRECTOR</b>
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- iv) maintain an understanding of the regulatory, legislative, social and political environments within which the Corporation operates;
- v) become acquainted with the Corporation's senior management team; and
- vi) be an effective ambassador and representative of CPC.