

## TERMS OF REFERENCE FOR A DIRECTOR

### Goals and Objectives

As a member of the Board, each Director will:

- fulfill the legal requirements and obligations of a Director, which include a comprehensive understanding of statutory and fiduciary roles;
- represent the Shareholder in the governance of the Corporation ensuring that the best interests of BC Hydro are paramount; and
- participate in the review and approval of BC Hydro policies and strategy and in monitoring their implementation.

### Duties and Responsibilities

#### **Board Activity**

As a member of the Board, each Director will:

- exercise good judgment and act with integrity;
- use his or her ability, experience and influence constructively;
- be available as a resource to management and the Board;
- respect confidentiality;
- advise the Chief Executive Officer or Chair in advance of introducing significant and previously unknown information at a Board meeting;
- understand the difference between governing and managing, and not encroach on management's area of responsibility;
- identify potential conflict areas – real or perceived – and ensure that they are appropriately reviewed;
- as necessary and appropriate, communicate with the Chair and Chief Executive Officer between meetings;
- demonstrate a willingness and availability for individual consultation with the Chair or Chief Executive Officer; and
- evaluate the performance of the Chief Executive Officer and the Corporation.

#### **Preparation and Attendance**

To enhance the effectiveness of Board and Committee meetings, each Director will:

- prepare for each Board and Committee meeting by reading the reports and background materials provided for the meeting;
- maintain an excellent Board and Committee meeting attendance record; and
- acquire adequate information necessary for decision making.

#### **Communication**

Communication is fundamental to Board effectiveness and therefore each Director will:

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

**Independence**

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

- be a positive force with a demonstrated interest in the long-term success of BC Hydro; and
- speak and act independently.

**Board Interaction**

As a member of the Board, each Director should establish an effective, independent and respected presence and a collegial relationship with other Directors.

**Committee Work**

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

- participate on Committees and become knowledgeable about the purpose and goals of the Committee; and
- understand the process of Committee work, and the role of management and staff supporting the Committee.

**Business, Authority and Industry Knowledge**

Recognizing that decisions can only be made by well-informed Directors, each Director will:

- become generally knowledgeable of the business of BC Hydro and its industry;
- develop an understanding of the unique role of BC Hydro within the community;
- maintain an understanding of the regulatory, legislative, business, social and political environments within which BC Hydro operates;
- become acquainted with the senior managers of BC Hydro;
- remain knowledgeable about BC Hydro's facilities and visit them when appropriate; and
- be an effective ambassador and representative of BC Hydro.