



**TERMS OF REFERENCE
FOR A DIRECTOR**

Approved by the Board of Directors

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A. INTRODUCTION

The SaskPower Board of Directors has approved these *Terms of Reference for a Director*, which set out the principal duties and responsibilities to be discharged by the Board from the perspective of an individual director.

There is a corresponding document describing the principal duties and responsibilities of the Board as an entity.

B. DIRECTOR RESPONSIBILITIES

In performing their duties, a director shall:

1. act honestly and in good faith with a view to the best interests of the Corporation, while taking into account the public policy and business objectives of the Corporation;
2. possess knowledge, skills and attributes necessary to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
3. comply with the provisions of the *SaskPower Code of Conduct*, the *CIC Directors' Code of Conduct*, *The Crown Corporations Act, 1993*, and *The Power Corporation Act* as amended or replaced from time to time.

C. INTEGRITY AND ACCOUNTABILITY

Directors must demonstrate leadership by requiring of themselves and corporate employees high standards of ethical behaviour in the conduct of Board and corporate business. Directors must be willing to act on and be accountable for decisions made by the Board. Directors are to abide by the guidelines for conduct as set out in the *CIC Directors' Code of Conduct*. They are also subject to the provisions of the *SaskPower Code of Conduct*.

D. KNOWLEDGE AND INFORMED JUDGEMENT

Sound decisions can only be made by well-informed directors. Directors must become knowledgeable about the industry and the Corporation so they understand and question the assumptions upon which strategic and business plans are based, and form an independent judgement about the probability that such plans can be achieved.

Directors must take responsibility for ensuring that they have the necessary skills and abilities to discharge their responsibilities and add value to corporate decisions. Directors must participate in director orientation and professional development

programs to maintain their industry and governance knowledge and ability to contribute to the effective performance of the Board.

E. PARTICIPATION AND PREPARATION

To ensure the effectiveness and efficiency of Board and Committee meetings, directors must prepare for each meeting by reading the reports and background material. SaskPower does not provide office space for these purposes. Directors must maintain an excellent attendance record and actively participate in Board and Committee work, deliberations and decisions. Directors should participate in the skills matrix analysis.

F. FINANCIAL LITERACY

An essential role of the Board is to monitor financial performance. To discharge this responsibility, directors must have a high level of financial literacy, knowhow to read financial statements, and understand the use of financial ratios and other indices for evaluating corporate performance.

G. TEAMWORK AND RELATIONSHIPS

Directors must appreciate the role of, responsibilities of, and environment within which Crown Investments Corporation and the Government of Saskatchewan operate to facilitate superior Board performance. Directors must value teamwork and be able to work well with other directors, the President and CEO and corporate management. Directors must have the ability to understand public policy mandates and the objectives of Crown Investments Corporation and the Government of Saskatchewan.

H. COMMUNICATION

Effective communication between the Board and corporate management is a critical component of good governance. Directors must be open to the opinions of others and willing to freely express their views on matters before the Board. Directors must approach others assertively, responsibly and in a supportive manner, and be willing to raise tough questions in a manner that encourages open debate. Directors must be willing to act as a resource to senior management and other directors, and be available for individual consultation with the Board Chair and the President and CEO.

From time to time, directors are contacted directly by stakeholders or members of the public with requests or feedback about the company. Directors should follow the

process outlined in the Board Correspondence and Referral Process outlined in Appendix A.

I. ACCESS TO CORPORATE RECORDS

To perform their duties and responsibilities, directors have access to all books and records of the Corporation required for the execution of the director's obligations and, as necessary, must discuss with appropriate corporate officers and employees such records and other relevant matters.

J. TRACK RECORD AND EXPERIENCE

In an increasingly competitive industry, only corporations capable of performing at the highest levels will prosper. Directors must bring to the Board a history of achievements that reflect high standards for themselves and others. Directors should avoid an attitude of entitlement. Each director should ascertain whether his/her business skills and experience are keeping pace with the Corporation's changing needs. Directors should participate in peer evaluations and respond appropriately to director evaluation results for development or succession planning.

K. ACCESS TO INDEPENDENT ADVICE

Subject to the written approval of the Chair of the Board, individual directors are entitled to engage outside advisors at the Corporation's expense in the event there are matters in respect of which the directors wish to receive independent counsel.