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A. INTRODUCTION

These Terms of Reference for the Board of Directors (Board) address the principal duties and responsibilities that the Board will discharge as an entity.

These Terms of Reference do not replace or supersede the legislation or rules of law governing The Power Corporation Superannuation Plan. It is for reference purposes and is meant to assist the Board in fulfilling its obligations.

B. OBJECTIVE AND PRINCIPAL DUTIES

The Board functions as steward of the Power Corporation Superannuation Plan (Plan), and as administrator of the Plan has the statutory authority and obligation to govern the affairs and business of the Plan.

To fulfill the Board's obligations, the Board utilizes SaskPower employees. The Board relies significantly on the Operations Administrator (the position in Finance, designated by the Vice President/Chief Financial Officer, presently the Manager, Pension Administration). The Board also hires external professionals to help it fulfill its obligations.

In discharging its obligations, the Board's principal duties are:

1. To provide leadership in setting the Plan's vision and strategic direction;
2. To approve the Plan's strategic plan and the business plans established to achieve them;
3. To participate in identifying the principal risks of the business in which the Plan is engaged, to achieve a proper balance between risks and potential returns and to oversee the implementation of appropriate systems to manage the risks;
4. To adopt policies and processes to enable effective communication with the shareholder, stakeholders and the public;
5. To ensure the integrity of the Plan's internal controls;
6. To develop practices to ensure that the Board functions independently of the Operations Administrator;

7. To identify, analyze and adopt if determined to be appropriate emerging governance best practices;
8. Ensure that the interests of the Plan are the first priority with respect to managing and declaring conflict of interests; and
9. To satisfy itself as to the integrity of the Operations Administrator and other employees of SaskPower that work on the Plan.

C. LEGAL AND COMPLIANCE RESPONSIBILITIES

The Board has a responsibility to see that procedures are in place to ensure that statutory responsibilities are met, an effective corporate compliance program has been established, and corporate documents and records are properly prepared, approved and maintained.

In performing their duties, members of the Board shall:

1. act honestly and in good faith with a view to the best interests of the Plan, while taking into account the objectives of the Plan;
2. exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
3. comply with the provisions of: Board approved policies for the Plan (including the Plan's Code of Conduct), *The Power Corporation Superannuation Act*, *The Superannuation (Supplementary Provisions) Act* and *The Superannuation Acts Uniform Regulations* as amended or replaced from time to time.

D. CONSTITUTION

The Board shall consist of seven persons appointed by the Lieutenant Governor in Council, one of whom is to be designated as chairperson.

SaskPower will recommend three members for appointment, including the chair. SaskEnergy will recommend one member for appointment. The Power Pioneers Association will recommend three representatives of employees for appointment. Recommendations for board member appointments will be directed to the SaskPower Board of Directors for acceptance prior to being recommended for approval by the Lieutenant Governor in Council.

Recommendation for appointment to the Board does not carry with it any implied or stipulated term.

The Board may designate another member as vice-chair. If the board chair is not available to attend a meeting of the Board, the vice-chair shall perform the duties and exercise the powers of the chair. If both the chair and the vice-chair are not available to attend a meeting, when possible in advance of the meeting, the board chair will designate one of the Board members for the role of acting chair. If neither the chair nor vice-chair are present for a meeting and no member is designated in advance, the acting chair of the meeting shall be chosen by the Board from among the members present. The Board will formally appoint the acting chair at the beginning of the meeting.

The chair (including any acting chair) presiding at any meeting of the Board shall have a vote in all matters considered by the Board.

The Board shall appoint a secretary, who need not be a member of the Board, for the purpose of recording the proceedings of the Board.

E. MEETINGS

The time and place of meetings of the Board and the procedures at such meetings shall be determined from time to time by the members of the Board, provided that:

1. A quorum for meetings shall be the majority (no less than 4) of the members of the Board, present either in person or by telephone or other telecommunications device that permits all members participating in the meeting to speak to and hear each other;
2. The Board shall meet a minimum of four (4) times a year;
3. The Operations Administrator shall, in conjunction with the chair, establish the agenda for the meeting;
4. Reasonable notice shall be given in writing, by e-mail, to each member of the Board and the agenda and associated material shall be sent to each member of the Board prior to the time for such meeting, preferably seven (7) days before the meeting;
5. A member may in any manner waive a notice of meeting, and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called;

6. A meeting of the Board may be called by the chair of the Board or by any two (2) members of the Board;
7. The Board shall at all times have the right to determine who, in addition to the Operations Administrator, will be present at any part of the meetings of the Board. The Board shall conduct in-camera sessions as required;
8. A Board member will excuse herself/himself from any discussion about matters regarding which the director has a conflict of interest; and
9. A resolution circulated in writing (including by electronic means) and agreed to by signature (including electronic signature) by all members of the Board entitled to vote on that resolution is as valid as if it had been passed at a meeting of the Board duly called and constituted.

F. MINUTES AND REPORTING RESPONSIBILITY

All recommendations, decisions and directives of the Board shall be recorded by the secretary in the minutes of the meeting.

A draft copy of the minutes of each meeting shall be circulated to the Board for the next following Board meeting. Following approval of the minutes of the meeting by the Board as a whole, if substantive revisions have been made to the draft minutes, the minutes approved by the Board shall be circulated to the Board.

G. COMMITTEE STRUCTURE

The Board has statutory authority to appoint any committees that it considers necessary for the efficient conduct of the affairs and business of the Plan and to prescribe the duties of any committee it appoints.

The Board shall appoint the members of each committee by resolution of the Board and appoint a chair of each committee from among its members.

H. OPERATIONS ADMINISTRATOR RESPONSIBILITIES

The Board discharges its obligations directly, through recommendations it receives from committees of the Board and by delegating certain of its powers to the Operations Administrator and other employees of SaskPower.

The Operations Administrator is responsible for the day-to-day operations of the Plan, acting within approved Board policies.

In general terms, the Board expects that the Operations Administrator will:

1. Develop a vision and mission for the Plan with strategic and operational plans to achieve the vision;
2. Identify, prioritize and manage the principal risks to the Plan;
3. Design and implement policies and procedures to ensure the integrity of the Plan's internal controls;
4. Provide accurate, complete and timely information to the Board to enable it to discharge its obligations and meet its governance and legal responsibilities;
5. Establish and implement procedures to ensure statutory responsibilities are met, an effective compliance program is in place, and Plan documents and records are properly prepared, approved and maintained; and
6. Ensure compliance with policies and procedures by which the Plan is operated.

I. ACCESS TO CORPORATE RECORDS

In performing any of its duties and responsibilities, the Board shall have access to any and all books and records of the Plan required for the execution of the Board's obligations and, as necessary, shall discuss with the Operations Administrator such records and other relevant matters.

J. CONFIDENTIALITY

All deliberations of the Board, and all Plan records, material and information obtained by a member of the Board and not generally available to the public shall be considered confidential.

Board members shall maintain the confidentiality of such deliberations and shall safeguard such records and information from improper access.

K. RENEWAL OF TERMS OF REFERENCE

The Board shall review its Terms of Reference every two years and make revisions where appropriate.

L. INTERNAL AND EXTERNAL ADVISORS

If, in order to properly discharge its functions, duties and responsibilities, it is necessary, in the opinion of the Board, that the Board or any committee of the Board obtain the advice and counsel of internal or external advisors, the Board shall engage the necessary advisors.