



***Role of the Board of Directors  
of Thunder Bay Hydro Electricity Distribution Inc.***

The Board shall supervise the management of Thunder Bay Hydro's business and affairs, including oversight of Thunder Bay Hydro, and shall take a leadership role in the development of Thunder Bay Hydro's strategic direction. More specifically, the Board's mandate includes:

- regularly reviewing with Management the strategic environment, the emergence of new risks and opportunities and the implications for strategic direction;
- approving strategic plans that take into account Thunder Bay Hydro's major risks and opportunities and overseeing the management of those risks;
- ensuring the Corporation is duly diligent in meeting all Health & Safety requirements and obligations;
- appointing, coaching, monitoring and assessing the performance of the President;
- charging the President with the general management and direction of the business and affairs of the corporation;
- overseeing the appointment, training, monitoring and succession planning for Senior Executives;
- monitoring the integrity of Thunder Bay Hydro's internal control and management information systems; and
- approving the annual budget of Thunder Bay Hydro and monitoring its financial performance to ensure the financial viability of Thunder Bay Hydro and the efficient and effective use of its resources.

The Board oversees the performance of the President and Senior Management in discharging the management and direction of Thunder Bay Hydro's business.



### ***Expectations of a Director***

As a member of the Board, each Director shall:

- through the exercise of due diligence, fulfill the legal requirements and obligations of a director, namely: a) to act honestly and in good faith with the best interests of Thunder Bay Hydro and b) to exercise the due diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- recognize Thunder Bay Hydro's accountability to stakeholders in the governance of Thunder Bay Hydro and ensure that the best interests of Thunder Bay Hydro are considered paramount;
- devote sufficient time to Board affairs;
- assist Thunder Bay Hydro in the achievement of corporate strategic objectives;
- ensure that he or she and the Board as a whole acts in the best interests of Thunder Bay Hydro rather than in the interests of an individual director or any other interests; and
- monitor his or her continued ability to meet these expectations.

In addition, it is required that each member, if requested, join the Audit Committee, or if struck, another Committee of the Board.

A Director who becomes aware of circumstances which are or are likely to be perceived to be, likely to detract from his or her ability to act in accordance with his or her fiduciary duty, shall forthwith report such circumstances. The need to take such action may arise in the following circumstances:

- a change in affiliation or employment;
- being appointed to any position that creates or appears to create inherently conflicting responsibilities; and
- being unable to attend meetings consistent with the established standard or participate in Board and Committee meetings.



### ***Specific Conduct as a Director***

To enable the Board to discharge its collective responsibilities for stewardship, including oversight and strategic leadership, each Director shall:

- conduct himself or herself honestly, fairly, ethically and with integrity;
- contribute views based on his or her unique skills and experience;
- exercise authority as a Director only at meetings of the Board or its Committees or as specifically delegated by the Board;
- address any requests of Senior Management to the President
- monitor potential conflicts of interest he or she may have regarding any matters before the Board; and
- declare any potential conflicts promptly to the Board and abstain from discussion and voting on any related matter.

Potential conflicts of interest include a personal or business interest in a matter requiring Board decision, arising either directly (e.g. through an ownership or employment interest) or indirectly (e.g. through potential benefit from participation in a sector).

### ***Principle of Confidentiality***

1. Confidential Information means all data and information relating to the business, management and affairs of Thunder Bay Hydro, which is or comes to be in the possession of Thunder Bay Hydro.

Each Director shall keep all Confidential Information confidential and no Director shall use Confidential Information for personal gain or use. This obligation survived the termination of a Director as a director of Thunder Bay Hydro.



## ***Terms of Reference for a Director***

### **Goals and Objectives**

#### ***Due Diligence***

All Directors are expected to use due diligence in fulfilling their duties and responsibilities as members of the Board and its Committees. In particular, all Directors should:

- act with honesty and integrity;
- actively participate in decision-making;
- actively ensure that all Board records and documents, including Board minutes, are accurate and reflective of discussion and decisions;
- be knowledgeable about Thunder Bay Hydro's objectives, the legislative framework under which it operates and the financial position of Thunder Bay Hydro; and
- act within objects and by-laws of Thunder Bay Hydro.

#### ***Collective Board Skills and Experience***

Each Director brings unique skills and experience to the Board. In selecting new members, attention will be given to ensuring that the collective mix of skills and experience supports the Board's ability to add strategic value to Thunder Bay Hydro.

The Board will seek to achieve diversity in its membership.

To foster its ability to provide strategic direction and fulfill its oversight responsibilities, the Board should include members with knowledge of and experience in the following areas:

- Business Acumen
- Experience at a Senior Management Level in a Large Corporation
- Significant Size Corporation Board Experience
- Financial Expertise and Literacy
- Legal Expertise
- Electricity Public Policy Issue Expertise
- Regulated Environment Expertise
- Health & Safety Expertise
- Provincial Government Relations Experience
- Labor Relations Expertise
- Environmental Expertise



## **Duties and Responsibilities**

### ***Board Activity***

As a member of the Board, each Director shall:

- exercise good judgment;
- use his/her abilities, experience and influence constructively;
- be an available resource to management and the Board;
- advise the President and/or Chair prior to introducing significant and/or previously unknown information or material at a Board or Committee meeting;
- understand the difference between governing and managing, and not encroach on management's areas of responsibility;
- demonstrate a willingness and availability for one on one consultation with the Chair and President; and
- participate in the evaluation of the Board, President and Thunder Bay Hydro's performance.

### ***Preparation and Participation***

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

- prepare for Board and Committee meetings by reading reports and background materials prepared for each meeting;
- ensure he or she has adequate information for decision making;
- maintain an excellent record of attendance at Board and Committee meetings;
- actively participate in Board and Committee meetings; and
- participate in industry events in order to keep current on issues and enhance the influence of the utility with stakeholders

### **Remuneration**

Directors of Thunder Bay Hydro Electricity Distribution Inc. receive an annual stipend of \$6,000.00, with the Chair receiving an additional \$1,500.00 per annum. Additionally, Directors receive \$100.00 per diem for attendance at Board meetings, subject to Board-approved guidelines.