



Terms of Reference Board of Directors

The Board is responsible for giving general direction to the Corporation and ensuring its on-going viability and for supervising the management of the Corporation. In fulfilling this basic responsibility the Board must accept certain specific responsibilities (As with each of the subsequent lists these are indicative of principal responsibilities only):

- The establishment of a statement of the fundamental mission of the Corporation, which the Board should from time to time review and, if necessary, amend;
- The establishment of standards of conduct for the Corporation to be communicated through the CEO to the management and staff. These standards should include the general moral and ethical values for the conduct of business, the Corporation's compliance with applicable laws, standards for financial practices and reporting, qualitative standards for products and properties of the Corporation, standards for the treatment of staff, and standards for relations with the public, particularly those using the services of the Corporation;
- The adoption of intermediate and long-term goals for the Corporation and the establishment of a strategic planning process to enable the Corporation to reach these goals. The leadership for this must come from the CEO and management but the Board must ultimately approve the strategic plan, oversee the achievement of strategic goals and must monitor management success in implementing the strategy;
- The management of risk. The Board must understand the principal risks of all aspects of the business in which the Corporation is engaged and, recognizing that business decisions require the incurrence of risk, achieve a proper balance between the risks incurred and the potential returns. This requires the Board to ensure that there are in place systems which effectively monitor and manage these risks as well as measure the potential returns with a view to the long term viability of the Corporation;
- The appointment of the CEO, who acts as the Corporation's business leader, and is the focal point of the Board's proper delegation of functions to management. The Board will assess his or her contribution to the achievement of the Corporation's strategy. The Board must establish a formal process for assessing the CEO's performance (see schedule A) and determining remuneration, and that the Corporation has in place programmes to train and develop management and that there is provision for the orderly succession of senior management (including the CEO);
- The approval of a policy setting out the general principles of communication to be followed by the Corporation;
- The assurance of the integrity of the Corporation's internal control and management information systems. Implicit in the effective discharge of these responsibilities is the existence of control and information systems which enable the Board to determine that its objectives are being met with an important tool being the annual approval of the corporate budget;
- The periodic review of its own effectiveness and that of the individual directors.