

TERMS OF REFERENCE FOR A DIRECTOR

I. GOALS AND OBJECTIVES

As a member of the Board, each Director will:

- A.** fulfill the legal requirements and obligations of a Director, which include a comprehensive understanding of statutory and fiduciary roles;
- B.** represent the shareholder in the governance of the Corporation ensuring that the best interests of Yukon Energy are paramount; and
- C.** participate in the review and approval of Yukon Energy policies and strategy and in monitoring their implementations.

II. DUTIES AND RESPONSIBILITIES

A. 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 President 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 the President between meetings;
- demonstrate a willingness and availability for individual consultation with the Chair or President; and
- evaluate the performance of the President and the Corporation.

B. 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.

C. 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 Yukon Energy 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 Yukon Energy.

D. 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 Yukon Energy; and
- speak and act independently.

E. 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.

F. 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.

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