

CNA Board of Directors – Role of the Director

Introduction

The Canadian Nuclear Association (CNA) Board of Directors will hold directors accountable for fulfilling the expectations outlined in this role description.

A director must be a person with ability, experience, judgement and integrity consistent with the needs of the CNA. It is recognized that the needs of the CNA may change over time as the strategy and operations of the CNA change.

A director must ensure he/she is in compliance with all applicable requirements set by the board.

A director's duty is to work as part of the board of directors in protecting the assets of the CNA, honour the rights of the employees, stakeholders and creditors, and provide for the financial health of the CNA.

Standard of Care

Every director, in discharging his or her duties, must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The determination of whether a director failed to meet the minimum standard of care will depend on the facts of each individual situation.

Duties and Expectations

In discharging their duties, directors must:

- not delegate decisions or powers to management that should remain with directors;
- attend all board meetings and applicable board committee meetings (directors who do not attend meetings are deemed to have consented to the resolutions passed at those meetings unless notices of dissent are filed appropriately);
- prepare adequately for each board and committee meeting (this includes reading the material, analyzing the information and conducting independent research if necessary to better understand the material, whether the meeting is attended or not);
- make reasonable enquiries about information provided to them by management to gain assurance that the information provided is correct;
- stay informed of the business and regulatory environment in general and in particular the sector in which the CNA operates (this includes participating in industry events);
- read critical documents issued by the CNA to its stakeholders;
- contribute views and contribute to discussions on matters before the board;



- comply with the CNA's Conflict of Interest Policy, declare potential conflicts of interest and abstain from discussions and voting on the matter;
- identify conflict of interest issues whether they are their own or they are aware of the circumstances of another director that may pose a conflict of interest;
- keep confidential all information regarding the CNA, members, employees, strategies and the business which is gained in the fulfillment of their duties (this requirement survives the termination of the person as a director);
- educate themselves on governance practices;
- coach and counsel each other in their actions to assist each other in conducting themselves in a governing matter;
- be available, within reasonable expectations, as a resource to management, the board and board chair.
- advise the board chair prior to introducing significant and/or new information or material at a board or committee meeting;
- operate at a governing level and not encroach on management's area of responsibility;
- develop and maintain sound relations and work co-operatively and respectfully with fellow directors and management;
- participate in the processes of evaluation for the board, board committees, director peer review and the CEO; and
- participate on and contribute to at least one board committee.

Fiduciary Responsibilities

The director, in discharging his or her duties, must act:

- honestly and in good faith;
- with a view of the best interests of the CNA;
- with the care, diligence and skill of a reasonably prudent person; and
- on behalf of, and for, the benefit of the CNA.

The director has a fiduciary duty to the CNA. This duty recognizes that directors are in a position of trust over the actions of the CNA and can engage in activities that can harm the CNA. The director is responsible to act for the CNA's benefit, rather than for him/herself. Directors therefore must not:



- Engage in activities that put their personal interest in conflict with the best interests of the CNA;
- engage in activities that would provide the director, or others, with a direct benefit that should have been earned by the CNA;
- fail to act in a situation where action would be in the best interests of the CNA;
- take an opportunity for personal profit that the CNA either could have obtained for itself or that it was actively seeking; or
- use information gained in the performance of their duties as a director for personal use or gain.

Authority

As an individual director, the individual has no specific authority, but only has authority as a part of the board of directors. A director cannot unilaterally operate, give direction to management, or authorize transactions unless specific authority has been delegated by the board and is properly transacted. If a director has a request of management, these must be addressed to the CEO.

When a motion has been decided by the proper decision-making protocol of the board, every director is expected to support the decision. If the director is strongly opposed to the decision of the board and cannot agree to support the decision, the individual can pursue options through legal means or resign from the board.

Ongoing Learning

Every director is required to invest time to pursue ongoing learning to better equip themselves in conducting their duties and making effective decisions for the CNA.

