

TERMS OF REFERENCE FOR THE BOARD CHAIR

The Chair is appointed by the Shareholder and reports to the Minister responsible for British Columbia Railway Company. The Chair's primary role is managing the affairs of the Board, including ensuring the Board is organized properly, functions effectively and meets its obligations and responsibilities. The Chair maintains ongoing communication with the Chief Executive Officer ("CEO") and the Corporate Secretary and interacts with all senior officers as necessary. He/she is the principal liaison with the Minister responsible on policy matters.

DUTIES AND RESPONSIBILITIES OF THE CHAIR

The duties of the Chair include:

- a) to act as the conduit between Minister Responsible and the Board on all Shareholder policy matters including Director matters, governance matters, dividend policies, and business mandate issues.
- b) act as the principle sounding board, counselor, and confidante for the CEO, including to review strategies, define issues, maintain accountability and build relationships
- c) at the request of the CEO, provide advice to the CEO on major policy issues
- d) at the request of the CEO, assist in representing the Company in a general industry and community context
- e) ensure the CEO is aware of concerns of the Board, the Shareholder, other stakeholders and the public
- f) ensure implementation of management succession and development plans by the CEO
- g) assess the CEO's performance and provide input with respect to compensation and succession
- h) work closely with the CEO to ensure management strategies, plans and performance are appropriately represented to the Board
- i) ensure the Board is alert to its obligations to the Company, the Shareholder, Management, other stakeholders and pursuant to law
- j) Chair Board meetings
- k) establish the frequency of Board meetings and review such frequency from time to time, as considered appropriate or as may be requested by the Board
- l) assist the Board in its recommendations of committee members and committee chair appointments for Board approval, and their ongoing review of the need for, and performance of, those committees
- m) ensure the coordination of the agenda, information packages and related events for Board meetings in conjunction with the CEO and the Corporate Secretary
- n) ensure the board receives adequate and regular updates from the CEO on all issues important to the welfare and future of the Company
- o) in collaboration with the CEO, ensure data requested by Directors or committees of the Board is provided and meets their needs
- p) communicate with all Directors and committee chairs to coordinate input from Directors, and optimize the effectiveness of the Board and its committees