

BOARD MANDATE

1.1 Governance Principles and Guidelines

The Board will perform its overall stewardship responsibilities as a governance board rather than a management board and will have regard to:

- (a) Edmonton Airports' guiding principles of vision, mission and core values;
- (b) accountability to stakeholders and the community through appropriate transparent processes, disclosure practices and effective communication, including feedback mechanisms;
- (c) national and international airport best practices; and
- (d) Corporate Governance Guidelines as recommended by the Canadian Securities Administrators and the Canadian Coalition for Good Governance.

1.2 Board Stewardship

The Board is responsible for the stewardship, strategic direction and supervision of the business and affairs of Edmonton Airports, including:

- (a) satisfying itself that executive management of Edmonton Airports practice and create a culture throughout the organization that includes the core values approved by the Board and articulated in the strategic plan;
- (b) adopting an ethics code and monitoring compliance with the Board approved Ethics Code, and satisfying itself that executive management of Edmonton Airports practice and create an ethical corporate culture;
- (c) following a strategic planning process which takes into account among other things, the opportunities and risks of the business through the adoption and monitoring of the strategic plan and annual business plan;
- (d) satisfying itself that executive management has identified the principal risks of the business and implemented appropriate systems to manage these risks;
- (e) satisfying itself that executive management has succession plans in place for management;
- (f) satisfying itself that executive management has adopted a communication policy for the stakeholders and community, which policy shall ensure effective measures for receiving feedback from the stakeholders and the community; and

- (g) satisfying itself that executive management is monitoring internal controls and management information systems.

1.3 Board Responsibilities

Only the Board will:

- (a) appoint or remove at-large directors;
 - (b) appoint or remove officers;
 - (c) appoint or remove the auditor;
 - (d) approve the responsibilities and compensation of the Board, Board Chair, Vice Chair and Board Committees;
 - (e) review environmental, safety and security programs established by management, including standards, insurance coverage, and regulatory compliance;
 - (f) authorize the issuing of securities;
 - (g) authorize the raising of money by Edmonton Airports;
 - (h) approve the giving of financial assistance, directly or indirectly, by means of a loan, guarantee or otherwise;
 - (i) approve annual audited financial statements;
 - (j) approve corporate goals and objectives and assess corporate performance;
 - (k) select, evaluate and establish compensation for the President and CEO;
 - (l) plan President and CEO succession;
 - (m) approve Special Resolution matters, including:
 - (i) amendment of Articles,
 - (ii) sale, lease or exchange of all or substantially all of the assets of Edmonton Airports,
 - (iii) the appointment of a Director as a director or officer of an Affiliate,
 - (iv) the appointment of a Subsidiary director as a director or officer of an Affiliate,
 - (v) requests of the Board to the reviewer appointed under section 29 of the Act,
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- (vi) amendment, replacement or repeal of Bylaws,
- (vii) entering into an agreement to manage and operate an airport not previously managed and operated by Edmonton Airports,
- (viii) participation with Affiliates, and
- (ix) any material change to any Airport Master Plan.

1.4 Board Authorizations

The Board authorizes:

- (a) the Audit Committee to approve quarterly unaudited financial statements and the annual audit plan;
- (b) the President and CEO to manage all aspects of Edmonton Airports, consistent with all Board approved plans which authority includes the right of the President and CEO to delegate authority to other employees;
- (c) the Board Chair to appoint ad hoc Committees to act on matters between Board meetings; and
- (d) the Governance and Compensation Committee to make determinations respecting disclosures made pursuant to the Conflict of Interest Rules that the disclosed interest would not materially or detrimentally conflict with the interests of Edmonton Airports or give rise to an appearance of a conflict of interest, or give direction respecting actions or processes to manage the disclosed interest.

1.5 Board Effectiveness

The Board, with support from Board Committees as required, will:

- (a) meet at least four times per year;
- (b) review appropriate and timely management reports;
- (c) appoint an Audit Committee and a Governance and Compensation Committee with Board approved mandates;
- (d) appoint a Special Committee with a Board approved mandate for a capital project or series of capital projects that could materially affect the credit or reputation of Edmonton Airports, as determined by the Board;

- (e) conduct regular assessments of the Board, Board Committees, Board Chair, Vice Chair, Board Committee Chairs and individual directors;
- (f) annually review the Board Mandate and Workplan, Board Committee Mandates and Workplans, Terms of Reference for a Director, Director's Confirmation, Acknowledgement and Declaration, and position descriptions for the Board Chair, Vice Chair, Board Committee Chairs, President and CEO, Corporate Secretary and Board Secretary to ensure clear delineation of responsibilities and expectations;
- (g) establish a comprehensive director development program for directors consisting of director selection, orientation and continuing education;
- (h) review size and makeup of the Board and participate in filling Board vacancies;
- (i) directly engage advisors as required;
- (j) meet "in camera" at every meeting to ensure independence from management; and
- (k) require directors to annually sign a Directors' Confirmation, Acknowledgement and Declaration.