

GOVERNANCE AND COMPENSATION COMMITTEE MANDATE

A. Overview and Purpose

The purpose of the Governance and Compensation Committee is to assist the Board in maintaining and seeking continuous improvement in high standards of Board Governance for the purpose of enhancing corporate performance, including CEO selection, evaluation, compensation and CEO and Executive Management succession for the general benefit of the public in the region where Edmonton Airports' airports are located.

B. Responsibility and Scope

1. The Governance and Compensation Committee may conduct reviews, assess options, monitor compliance and provide reports and recommendations to the Board relating to:

Governance Principles and Guidelines

- (a) Stakeholder and community accountability through appropriate transparent processes, disclosures practices and effective communication including feedback mechanisms;
- (b) National and International airport best practices;
- (c) Corporate Governance Guidelines as recommended by the Canadian Securities Administrators and the Canadian Coalition for Good Governance;

Board Stewardship and Responsibilities

- (d) Adopting and monitoring compliance with an ethics code, including conflict of interest rules and safe disclosure policy, and creating an ethical corporate culture;
- (e) Executive management succession plans;
- (f) Edmonton Airports' Compensation Philosophy;
- (g) The responsibilities and compensation of the Board, Board Chair, Vice Chair and Board Committee members;
- (h) The selection, evaluation and compensation of the President and CEO;
- (i) President and CEO Succession;

Board Effectiveness

- (j) Appointment of an Audit Committee and a Governance and Compensation Committee and their respective Mandates;
 - (k) Appointment of a Special Committee and the Special Committee Mandate;
 - (l) Assessments of the Board, Board Committees, Board Chair, Vice Chair, Committee Chairs and individual directors;
 - (m) 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;
 - (n) Board Calendar for the following year;
 - (o) A director development program for directors consisting of director selection, orientation and continuing education;
 - (p) The Board Retreat agenda;
 - (q) Size and makeup of the Board and filling Board vacancies, and Board Chair and Vice Chair succession; and
 - (r) The Board Budget.
2. The Governance and Compensation Committee shall have no approval or decision-making authority unless delegated by the Board.

C. Membership and Attendance at Meetings

1. The Governance and Compensation Committee shall consist of not less than three (3) directors, one of whom shall be the Board Chair. The members of the Governance and Compensation Committee, including the Governance and Compensation Committee Chair, shall be recommended by the Governance and Compensation Committee and appointed by the Board.
2. Any director may attend any meeting of the Governance and Compensation Committee as a non-voting member.
3. Other attendees of Governance and Compensation Committee meetings in whole or in part shall be at the invitation of the Governance and Compensation Committee Chair.

D. Meetings

1. Meetings are to be held as required and the Governance and Compensation Committee would normally meet four (4) times per year.
2. Meetings may be called by the Governance and Compensation Committee Chair or by a majority of the Governance and Compensation Committee members.
3. A quorum for the transaction of business at any meeting of the Governance and Compensation Committee is a majority of appointed members.
4. The Governance and Compensation Committee Chair shall prepare an agenda for each meeting with input from management, the Board Chair and Governance and Compensation Committee members.
5. The Board Secretary shall ensure the delivery of notices, agendas and available related materials to the Governance and Compensation Committee members no later than the day prior to the date of the meeting; however, it should be a standard practice to deliver the agenda and materials for consideration at the meeting at least five (5) days prior to the meeting except in unusual circumstances.
6. Meetings may be conducted with Governance and Compensation Committee members present, or by telephone or other communication facilities which permit all persons participating in the meeting to hear or communicate with each other.
7. A written resolution signed by all Governance and Compensation Committee members entitled to vote on that resolution at a meeting of the Governance and Compensation Committee is as valid as one passed at a Governance and Compensation Committee meeting.
8. In the absence of the Governance and Compensation Committee Chair at a meeting, the members will pick a Chair to act as a replacement at the meetings.
9. The Governance and Compensation Committee shall meet "*in camera*" with the President and CEO and as a Governance and Compensation Committee at each meeting.
10. The Board Secretary will prepare minutes of the proceedings of all meetings of the Governance and Compensation Committee and ensure that they are maintained and provided to Governance and Compensation Committee members, the Board and the President and CEO.