



Backgrounder for VAA Board of Directors

Mandate:

To manage, operate and develop the airport for which it is responsible in a safe, secure, efficient, cost effective and financially viable manner with reasonable airport user charges and equitable access to all air carriers; to undertake and promote the development of the airport lands for which it is responsible for uses compatible with air transportation activities; and to expand transportation facilities and generate economic activity in ways that are compatible with air transportation activities.

Corporate Office:

201 – 1640 Electra Boulevard, Sidney, British Columbia V8L 5V4
(Victoria International Airport – YYJ)

Annual Time Commitment:

- Board Meetings: Average 6 Board meetings per year, with 3 hours of meeting time and 3 hours of preparatory work = 6 hours each
- Committee Meetings: Each director sits on 2 to 3 Committees; average 6 Committee meetings per year, with 3- 4 hours of meeting time and 3 hours of preparatory work = 6 - 7 hours each

Remuneration:

Annual Retainer:

- Chair: \$37,000
- Vice-Chair, Secretary and standing Committee Chairs: \$16,000
- Directors: \$11,000
- Per Diem Board and Committee Meetings: \$600 over 2 hours, \$300 under 2 hours

(NOTE: Board Retainer and expenses are paid quarterly; per-diem meeting attendance is paid at the end of the year once the attendance is known.)

Expenses:

Each Board member will receive a total of \$1,150.00 per year for general expenses and/or education. The Board Chair will receive a total of \$1,650.00 per year for expenses and/or education.

With the prior approval of the Board, every director shall be indemnified and saved harmless out of the funds of the Authority from and against all other costs, charges and expenses he or she sustains or incurs in or about or in relation to the affairs of the Authority, except such costs, charges or expenses as are occasioned by his or her own willful neglect or default.

Board Education:

Each board member receives an annual membership through the Institute of Corporate Directors, which is paid for by the VAA. Board members are encouraged to participate in breakfast sessions or educational opportunities that interest them. The registration fee will be paid out of the member's general expenses.

Community and Industry Engagement:

Board members may be expected to attend the Annual Public General Meeting, meetings with nominators, stakeholder receptions as well as business luncheons or dinners where guest speakers are in attendance to talk about issues relevant to the community and the aviation industry. The Chair and Vice-Chair also attend Canadian Airports Council and Airports Council International annual conferences.

Board Composition:

The VAA Board is usually comprised of 12 directors: 2 appointed by the Federal Government (currently vacant - renewals / replacements in progress), 1 appointed by the British Columbia Provincial Government, 2 nominated by the Town of Sidney, 2 nominated by the Corporation of the District of North Saanich, 1 nominated by the Corporation of the District of Central Saanich, 1 nominated by the Corporation of the District of Saanich, 1 nominated by the City of Victoria, 1 nominated by the Capital Regional District of British Columbia and 1 nominated by the Greater Victoria Chamber of Commerce. There are 3 additional director positions that can be filled at the discretion of the Board and are not normally filled.

[NOTE: One of these positions has been filled by a former Federal appointee so the Board complement for 2020 is 13 members.]

Roles and Responsibilities of the Board:

- Oversees the conduct and operations of the VAA
- Sets the strategic direction for the VAA
- Ensures that long-term goals and the strategy necessary to achieve them are established and are consistent with the VAA's vision
- Ensures the necessary systems are in place to manage the risks associated with the VAA's business and to monitor and measure management's performance in carrying out the VAA's objectives
- Ensure effective communication is in place

- Ensure effective internal controls and financial reporting systems are in place so the corporation's finances are protected, and the corporation's financial reports may be relied upon with confidence as to their integrity and accuracy

Director Profile:

Core Qualities:

Honesty
Integrity
Accountability
Reliability
Diligence

Leadership Qualities:

Previous experience reporting to, sitting on, or leading a Board of Directors

Specific Skills, Knowledge and Experience:

The members of the corporation, as far as practicable, shall consist of individuals who collectively have experience and have shown capacity in such disciplines as air transportation, industry, aviation, business, commerce, finance, administration, law, government, engineering, the organization of workers, and the representation of the interest of consumers and who have the business acumen and experience to assist in the management of the affairs of the Corporation as an ongoing, viable, commercial enterprise.

VAA Standing Board Committees:

1. Steering Committee
2. Governance Committee
3. Planning and Development Committee
4. Audit and Finance Committee
5. Human Resources Committee (*New 2020)
6. Airport Consultative Committee

Director Responsibilities

Policy Type: Governance Process

Policy Number: #103

Date Approved: 10/16/97

Date Amended: Apr/22/02,
16/10/17

A Board member shall:

- a. communicate his or her nominator's views; however it is necessary, to act in the best interest of the Authority;
- b. observe the principle of Board unity. There is an obligation to explain a Board decision and to refrain from expressing a contrary opinion publicly. Adherence to the explanation as established by the Board is expected;
- c. agree to the channels to follow that have been accepted with agreed to points and issues to be discussed;
- d. recognize the Chair as the spokesperson to the media regarding Board policies and decisions;
- e. refer difficult inquiries to the Chair, or the CEO if the inquiry is an operational one;
- f. be well informed about the organization and it's business, including the relationship with external factors, tenants and associations that are pertinent;
- g. be involved with the Board's work, raise questions, request that items be placed on agendas, attend functions, serve on committees, extend the influence of the Organization whenever possible and moreover, be prepared for meetings;
- h. recognize the Board has the authority, not any one member or officer. The Board decides or "said";
- i. show respect for colleagues, management and staff;
- j. be a positive ambassador for the Authority;

- k.** observe confidentiality on all Board issues and deal with and use appropriate discretion when speaking on Board matters;
- l.** have no hidden agendas or surprises;
- m.** review this policy and sign a declaration annually saying that it has been read and will be adhered to.



Compliance with the Corporation's Policies and Procedures and Rules of Professional Conduct

Please read this form carefully and sign-off each section as indicated.

To: Victoria Airport Authority (the "Corporation")

From:

A. The Corporation's Policies, Procedures and Rules of Professional Conduct

I have read the Corporation's policies as contained in the VAA Board of Directors Policy and Procedures Manual and the Code of Conduct, and specifically the Director's Responsibilities as set out in Policy #103.

I have taken the time to understand the meaning, application, terms and conditions of these policies and rules. My signature below is an acknowledgement of my responsibilities as a member of the Board of Directors of the Corporation.

I hereby certify that I will comply with the Corporation's policies, procedures and the Code of Conduct.

I understand that my signature on this form represents to the Corporation that the statements made are true and accurate.

Signed: _____ Date: _____

B. Conflict of Interest

I hereby declare that, to the best of my knowledge, belief and intentions, I am unaware of any conflicts or potential conflicts of interest as described in the Corporation's Code of Conduct, except as noted below:

I acknowledge that if I become aware of any actual, perceived or potential conflicts of interest with the Corporation, personnel or clients of the Corporation in the future, I will notify the Corporation immediately.

Signed: _____ Date: _____

C. Confidentiality

I have read the Corporation's Code of Conduct relating to confidential information and understand its terms and conditions. All information discussed at the Board of Directors meetings are to be treated as confidential unless otherwise authorized by the Corporation. I confirm that I will act in conformity with those policies, and that I will advise the Corporation immediately of any events that may have breached or potentially breached any of those policies and rules.

Signed: _____ Date: _____

Witnessed by: _____ Date: _____

**Form A: Annual Disclosure Statement and Undertaking for
Directors, Officers, and Senior Employees of the Corporation**
(collectively, sometimes referred to in this Form A as “Employee”)

To: The Victoria Airport Authority and ___ (Nominating Body if applicable).

I, _____, being an officer, senior employee or member of the board of the Victoria Airport Authority (the “Corporation”), state and declare:

1. I have read, and understand the Code of Conduct of the Corporation, a copy of which is attached to this Form A, and I hereby declare to continue to undertake to conform to, and be bound by, such code.

2. If I am a member of the Board of Directors of the Corporation, I have also read and continue to understand my responsibilities as a member of the Board as outlined in Policy #103 – Director’s Responsibilities, a copy of which is attached to this Form A, and I hereby declare I continue to undertake to conform to, and be bound by, such responsibilities.

3. A direct and indirect conflict with my duty as an Employee of the Corporation may arise because:
 - a) I hold the following offices (appointed or elected):

 - b) I or a trustee or nominee on my behalf, own or possess, directly or indirectly, the following interests, including employment and professional interests, whereby directly or indirectly, a duty or interest might be created in conflict with my duty or interest as an Employee of the Corporation:

4. The nature of any conflicting office, duty or interest referred to in clause 3 is:

5. In addition to any company referred to or listed in clause 3, following is a list of every company in which I, or a trustee or nominee on my behalf, directly or indirectly, hold 10% or more of the ownership interest, including without limitation, issued shares of a corporation.

6. Name of Company and nature of business carried on:

7. Following are brief particulars as to my present employment and my primary sources of income (*do not disclose amounts*):

8. Following is a list of each affiliate (as defined in the *Canada Business Corporations Act*) known to me of a company listed in clauses 3(b), 5 and 6 of this Statement:

Name of company, name of affiliate, and nature of affiliate's business.

9. In addition to the offices listed above, following is a list of every company of which I am an officer or director:

Name of company and positions held:

I hereby state that all of the foregoing statements are true and correct to the best of my knowledge as of _____ day of _____, 20_____.

Signed:

Employee

Witness

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BY-LAW NO. 1
OF
VICTORIA AIRPORT AUTHORITY

PART 1 -- GENERAL

1.1 Definition contained in the Act

The definitions in the Act (as defined below) on the date this by-law becomes effective will apply to this by-law unless this by-law specifically states otherwise.

1.2 Additional Definitions

In this by-law, unless the context otherwise requires:

- (a) “Act” means the *Canada Not-for-profit Corporations Act* S.C. 2009, c. 23 including the Regulations made pursuant to the Act, and statute or regulations that may be substituted, as amended from time to time;
- (b) “Airport” means the Victoria International Airport;
- (c) “Authority” means the Victoria Airport Authority;
- (d) “Board” means the board of directors of the Authority;
- (e) “Chair” means the chair of the Board as appointed by resolution of the Board;
- (f) “Chief Executive Officer” is an Officer of the Authority as appointed by resolution of the Board;
- (g) “Director” has a different definition than that provided in the Act and in this by-law means a director of the Authority;
- (h) “Member” means a member of the Authority;
- (i) “Nominator” means the Town of Sidney, Corporation of the District of North Saanich, the Corporation of the District of Central Saanich, the Corporation of the District of Saanich, the City of Victoria; the Capital Regional District of British Columbia; Her Majesty the Queen in Right of Canada; Her Majesty the Queen in Right of British Columbia; the Greater Victoria Chamber of Commerce; and the Board, and any one of them as the case may be;
- (j) “Secretary” means the secretary of the Authority as appointed by resolution of the Board; and
- (k) “Vice-Chair” means the vice-chair of the Board as appointed by resolution of the Board.

1.3 **Authority Seal**

The Authority may have a corporate seal in the form approved from time to time by the Board.

1.4 **Interpretation**

In the interpretation of this by-law, unless the context otherwise requires, words importing the singular number or the masculine gender include the plural number or the neuter and feminine gender, as the case may be, and vice versa, and references to persons shall include firms and corporations.

1.5 **Fiscal Year**

Unless otherwise resolved by the Board, the fiscal year end for the Authority shall be December 31.

PART 2 -- MEMBERSHIP

2.1 **Qualifications of Members**

Collectively, the Members, as far as is practicable, consist of individuals who have experience and have shown capacity in such disciplines as air transportation, industry, aviation, business, commerce, finance, administration, law, government, engineering, organized labour, air carriers and the representation of the interests of consumers who have the business acumen and experience to assist in the management of the affairs of the Authority as an ongoing, viable, commercial enterprise. The Members shall include at least one representative of the business community, one representative of organized labour and one representative of consumer interests, each of whom shall be identified as such.

2.1.1 Members shall be nominated by the following nominators (individually a "Nominator"):

- (a) two Members by the Town of Sidney;
- (b) two Members by the Corporation of the District of North Saanich;
- (c) one Member by the Corporation of the District of Central Saanich;
- (d) one Member by the District of Saanich;
- (e) one Member by the City of Victoria;
- (f) one Member by the Capital Regional District of British Columbia;
- (g) one Member by Her Majesty the Queen in Right of the Province of British Columbia;

- (h) two Members by Her Majesty the Queen in the Right of Canada with the right to nominate an additional Member during the period in which the Authority is subsidized by Her Majesty the Queen in Right of Canada;
- (i) one Member by the Greater Victoria Chamber of Commerce.

2.1.2 The process for issuing membership will be as follows:

- (a) a Nominator nominates a person for membership in accordance with this by-law;
- (b) nominations will be reviewed by the Governance Committee directors to ensure that nominees meet the conditions required for being a Member;
- (c) the Governance Committee will provide a report to the Board as to whether a nominee meets the conditions required for being a Member;
- (d) if a nominee meets the conditions required for being a Member, the Board may by resolution issue membership to the nominee;
- (e) the Board's decision to issue membership, or not, will be in accordance with this by-law;
- (f) if the Board does not issue membership to a nominee, the Board will provide a report to the nominator that sets out the applicable membership condition or other provision of this by-law that the Board's decision is based upon.

2.1.3 Three Members may be nominated and issued a membership by the Board provided that such membership be issued only:

- (i) as the term of a nominee expires and the nominator has not either renominated or named a new nominee and the membership expires when the Member is renominated or a new nominee is named; or
- (ii) when the Board recognizes a skill set and experience noted above is not represented on the Board and the term of such membership shall be at the Board's discretion.

2.2 **Disqualifications of Members**

In addition to the disqualifying provisions in section 126 of the Act, no Member shall:

- (a) be a person who is not a resident of the Capital Regional District with the exception of provincial nominees and federal nominees who may be resident outside of the Capital Regional District provided they are a resident of British Columbia;
- (b) be a person holding federal, provincial or municipal elected office;
- (c) be a person employed by or providing services on a full time basis under contract

to any federal, provincial or municipal government, department or agency, or by any corporation owned by Her Majesty the Queen in Right of Canada or Her Majesty the Queen in Right of any Province of Canada;

- (d) be a person who has been convicted of a criminal offense relating to the employment of that person;
- (e) be a person who has not met the conflict of interest and other requirements set forth in this by-law; and
- (f) be a person who is not a Canadian citizen

2.3 Review of Nominations

All nominations shall be reviewed by the Governance Committee, appointed by the Board, to ensure that nominees are properly qualified to become Members, with reference to section 2.2 of these by-laws. A report shall also be presented to the Board, who shall either confirm the nomination and issue membership to the nominee, or reject the nominee as not being qualified. A report shall be made to the nominator should a defect to the qualifications become evident and a nominee has been rejected by the Board.

2.4 Term of Membership

The term of membership shall be up to three years, and each Member may again be nominated for membership; provided that no Member shall serve for a period longer than nine years. The term of membership will have an expiry date of December 31st. Once a Member has served the allotted term, the Member may not be re-nominated again.

2.5 Filling Vacancies

- (a) At least six months prior to the expiration of the term of a Member, or forthwith upon termination of a membership, the Authority shall request the Nominator who nominated the departing or departed Member, to nominate a replacement Member (who may be the same person provided they are properly qualified) and the nominee must be reviewed pursuant to section 2.3 above;
- (b) The Board shall request that the Nominator put forward two candidates to fill the vacancy. The Board shall review the candidates put forward by the Nominator for their competencies and characteristics and advise the Nominator which candidate best meets the balance the Board is seeking. The candidate selected by the Board shall become the Nominator's nominee. If no candidate meets the criteria requested, the Board will request two additional nominees or recommend a nominee to the Nominator.

2.6 Filling Vacancies of Defaulting Nominating Body

If a Nominator, with the exception of the federal and provincial governments, has not advised the Authority of its nominee within 45 days of service of the request to nominate,

the Board, as agent for the defaulting Nominator, may nominate a person to membership for a normal or lesser term as the Board may determine. Such person shall be deemed to be the nominee of the defaulting Nominator, and notice of such nomination shall forthwith be given to the defaulting Nominator.

2.7 **Membership Fees**

There will be no membership fees, dues, charges or other membership levies payable by Members.

2.8 **Termination of a Member**

Membership is terminated when:

- (a) the Member dies or resigns;
- (b) the Member is expelled or their membership is otherwise terminated in accordance with the Authority's articles or by-laws;
- (c) the Member's term of membership expires; or
- (d) the Authority is liquidated and dissolved under Part 14 of the Act.

PART 3 -- MEETINGS OF MEMBERS

3.1 **Meetings**

The Authority shall hold an annual meeting and any other general meeting at such time and place in the Capital Regional District of British Columbia as the Chair determines. The Secretary shall call a special general meeting of Members on written requisition signed by four Members.

3.2 **Notice**

Twenty-one days notice in writing of a meeting of the Members must be given to each Member by delivery to the Member personally. For the purpose of sending notice to a Member, the last known address recorded on the books of the Authority shall be the address for service, which may include an email address if authorized by the Member. Any person who is entitled to notice of a meeting of Members may waive notice, and attendance of the person at the meeting is a waiver of notice of the meeting, unless the person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

3.3 **Proxy**

A Member, may, by means of a written proxy, appoint a proxyholder to attend and act at a specific meeting of Members, in the manner and to the extent authorized by the proxy and provided further that the proxyholder is a Member.

3.4 Quorum

Eight Members present in person or by proxyholder at a meeting shall constitute a quorum.

3.5 Voting

At meetings of Members, every question shall be determined by a majority of votes cast unless otherwise specifically provided by the Act, statute or this by-law. The Act requires special resolutions of the Members in some circumstances.

PART 4 -- BOARD OF DIRECTORS

4.1 Directors to be Members

The Directors are those persons who:

- (a) are elected by the Members; and
- (b) are Members.

A person ceases to be a Director upon ceasing to be a Member.

4.2 Remuneration of Directors

Directors may receive reasonable remuneration for their services together with reimbursement for all reasonable expenses necessarily incurred in fulfilment of their duties, as determined by the Board and administered by the Executive Assistant to the Board.

4.3 Powers of Directors

The Board shall administer the affairs of the Authority on behalf of the Members in all things and may make or cause to be made for the Authority, in its name, any kind of contract which the Authority may lawfully enter into and, except as hereinafter provided, generally may exercise all other powers and do all other acts and things as the Authority is by its charter or otherwise authorized to exercise and do.

4.4 Amendment of by-laws

The Directors may, by resolution, make, amend or repeal any by-laws that regulate the activities or affairs of the corporation, except in respect of matters referred to in subsection 197(1) of the Act. Further, no changes to the Articles of Incorporation/Continuance or By-laws, insofar as they relate to the matters covered in the Public Accountability Principles for Canadian Airport Authorities dated July 1994, shall be made without the prior written approval of the Minister of Transport.

4.5 Filling Vacancies

Vacancies among the Directors shall only be filled by a vote of the Members.

PART 5 -- MEETINGS OF DIRECTORS

5.1 Meetings

The Directors may meet together at such time and place as they think fit for the dispatch of business and otherwise regulate their meetings and proceedings as they see fit, subject always to this by-law. At least 48 hours notice in writing to each meeting of the Board, specifying the time and place of the meeting and the general nature of the business to be discussed, must be given to each Director by delivery to the Director personally.

5.2 Number of Meetings

There shall be a minimum of six meetings of the Board per fiscal year.

5.3 Voting

Each director present at a meeting of the Board is entitled to one vote, including the Chair. In the case of an equality of votes, the resolution will fail.

5.4 Appointing Agents & Engaging Employees

The Board may appoint agents and engage employees as it shall deem necessary from time to time and such persons shall have such authority and shall perform such duties as shall be prescribed by the Board.

PART 6 -- INDEMNITIES TO DIRECTORS AND OTHERS

6.1 Indemnities

Every Director or Officer of the Authority or other person who has undertaken or is about to undertake any liability on behalf of the Authority or any company controlled by it and their heirs, executors and administrators, shall at all times be indemnified and saved harmless out of the funds of the Authority, from and against:

- (a) all costs, charges and expenses which such person sustains or incurs in or about any action, suit or proceeding which is brought or prosecuted against the person or in respect of any act, matter or thing whatsoever, made, done or permitted by the directors, in or about the execution of the duties of such person; and
- (b) all other costs, charges and expenses which such person sustains or incurs in relation to the affairs of the Authority, except such costs, charges or expenses as are occasioned by the person's own willful improper act or neglect.

PART 7 -- COMMITTEES

7.1 Committees

The Board may create committees in addition to the Steering Committee, Governance Committee and Airport Consultative Committee. A committee shall conform to the rules established by the Board. A committee shall make periodic recommendations to the Board in respect of the subject on which it was created to advise. The Board shall take into consideration, but not be bound by such recommendations.

7.2 Ex Officio Member

The Chair, or the Chair's delegate, shall be an Ex Officio member of all Committees and will have a vote.

7.3 Steering Committee

There shall be a Steering Committee, which shall be comprised of the appointed Officers of the Authority and the Chairs of the Standing Committees. The Steering Committee shall exercise such powers as are specified in this by-law and as are delegated to it by the Board. The Chair shall be the chair of the Steering Committee.

7.4 Governance Committee

There shall be a Governance Committee, which shall be comprised of the Secretary and a minimum of four other members. The Governance Committee shall exercise such powers as are specified in this by-law and as are delegated to it by the Board. The Secretary shall be the Chair of the Governance Committee.

7.5 Airport Consultative Committee

The Board shall establish an Airport Consultative Committee, which shall meet no less than twice each year at times and places within the Capital Regional District of British Columbia as recommended by the Chair, to provide for effective dialogue on matters relating to the Authority including:

- (a) the dissemination of information on Airport matters and plans;
- (b) the timely discussion of planning and operational matters; and
- (c) the consideration of municipal concerns.

The Airport Consultative Committee shall be comprised of the Vice-Chair and a minimum of four other members. The Vice-Chair shall be Chair of the Airport Consultative Committee.

7.6 Elected Chairs of Standing Committees

With the exception of the Governance Committee and the Airport Consultative Committee, the chairs of the standing committees shall be elected.

7.7 Committee Membership

Membership of each Committee, with the exception of the Chairs, shall be determined by the Board Chair and approved by the Board.

7.8 Committee Meetings

Meetings of the committees shall be held at such time and place as determined by the respective members thereof provided that forty-eight hours notice of a meeting shall be given to each member. Three members shall constitute a quorum for a meeting of a committee. No error or omission in giving notice of any meeting or any adjourned meeting of such committee shall invalidate the meeting however, or make void any proceedings taken and any member of a committee may at any time waive notice of any meeting thereof and may ratify, approve and confirm any or all proceedings taken or had thereat. Questions arising at a committee meeting shall be determined by majority of votes of the members present.

PART 8 -- OFFICERS

8.1 Officers

The Officers of the Authority are the Chair, Vice-Chair, Secretary and Chief Executive Officer and such other officers as the Board may by by-law determine. Any two offices, except Chair and Vice-Chair, may be held by the same person. The Chair, Vice-Chair and Secretary shall be Directors but other officers need not be Directors. No Director who has been an elected official or government employee at any time during the previous two years shall be eligible to be appointed as Chair or Vice-Chair.

8.2 Term of Office

Officers of the Authority will hold office at the pleasure of the Board. Officers are eligible for reappointment.

8.3 Remuneration of Officers

The remuneration of all Officers will be fixed by the Board.

8.4 Additional Officers

The Directors may designate the offices of the Authority, appoint as officers persons of full capacity, specify their duties and delegate to them powers to manage the activities and affairs of the Authority, except powers to do anything referred to in subsection 138(2) of the Act. A Director may be appointed to any office of the Authority. Two or more offices of the Authority may be held by the same person.

PART 9 -- DUTIES OF OFFICERS

9.1 Chair and Vice-Chair

The Chair shall preside at all meetings of members of the Board. The Vice-Chair shall, in absence of the Chair, perform the duties and exercise the powers of the Chair.

9.2 Chief Executive Officer

The Chief Executive Officer shall have the general and active management of the affairs of the Authority, and shall see that all orders and resolutions of the Board are carried into effect.

9.3 Secretary

The Secretary shall arrange for a recording secretary to attend all meetings of the members of the Board and act as clerk thereof and record all votes and minutes of all proceedings in books to be kept for that purpose. The Secretary shall ensure that giving of notice of meetings of the members of the Board when requested by the Chair or upon receipt of a requisition for a special Directors meeting signed by four or more Directors. The Secretary shall arrange for the custody of the seal of the Authority and shall perform such other duties as may be prescribed by the Board. The Secretary shall be the Chair of the Governance Committee.

PART 10 -- EXECUTION OF DOCUMENTS

10.1 Signing Authorities and Execution of Documents

Contracts, documents and any instruments in writing requiring the signature of the Authority may be signed by any two Officers and all contracts, documents and instruments in writing so signed shall be binding upon the Authority without any further authorization or formality. The Board shall have power from time to time by resolution to appoint any person or persons on behalf of the Authority to sign contracts, documents and instruments in writing. The Board may give the Authority's power of attorney to any registered dealer in securities for the purposes of transferring and dealing with any stocks, bonds and other securities of the Authority. The seal of the Authority when required may be affixed to contracts, documents and instruments in writing signed as aforesaid by the Secretary or, by resolution of the Board by any one or more other officers or employees of the Authority.

PART 11 -- MISCELLANEOUS MATTERS

11.1 Minister of Transport

The Authority shall obtain prior acceptance by the Minister of Transport that the financial terms and conditions of each intended use and occupancy of Airport premises which would not be at arm's length from the Authority will produce for the Authority gross revenue equivalent to that from an arm's length use and occupancy of such premises.

11.2 Procurement of Goods and Services

To the extent practicable and with due consideration to Canada's international obligations, the Authority shall endeavour to optimize Canadian content and industrial benefits in the procurement of goods, services and construction contracts, particularly in the area of high technology services and equipment and construction contracting, all in line with good private sector commercial practices and where there is sufficient competition for such procurement in the Canadian market.

11.3 Competitive Public Tendering Process

As a general practice, goods, services and construction contracts for the Authority in excess of a total value of \$75,000, in 2013 dollars subject to annual adjustment for inflation, shall be awarded following a competitive public tendering process.

11.4 User Charges

The Authority shall give not less than sixty days advance public notice through appropriate local media of planned increases in Airport user charges, excluding lease and other rental charges. The notice shall include an explanation of the justification for such increases.

11.5 Consultant Review

At least once every five years, and on such other additional occasions as the Board or a majority of the Nominators may demand, the Board shall cause a review of the Authority's management, operation and financial performance to be conducted by a qualified independent person ("Consultant"). The Consultant shall prepare a written report incorporating the findings of the review and the report of the Consultant shall include, but not be limited to:

- (a) the terms of reference of the review;
- (b) the extent to which the Authority was operating;
 - (i) a safe and efficient service to the public;
 - (ii) an efficiently run undertaking in accordance with its business plans and purposes;
- (c) the extent to which financial and management control and information systems and management practices were maintained in a manner that provided reasonable assurance that
 - (i) the assets of the Authority were safeguarded and controlled;
 - (ii) the financial, human and physical resources of the Authority were managed economically and efficiently and its operations carried out effectively;

- (d) any further information that is reasonably requested by any Nominator or a majority of the Board; and
- (e) any concerns or qualifications that the Consultant has with respect to any matter described in this section.

The report shall be provided to the Minister of Transport and to the Board within three months of the commencement of the review. The Consultant shall also provide to each Nominator both a report and a summary of the report, excluding commercially confidential material or personnel information of a personal nature. If issues arise in the course of the review which prevent it being concluded on time, an interim report and summary shall be submitted by the due date and a final report shall be submitted not later than six months after the commencement of the review. Any Nominator shall have the right to convene a meeting of the Board with the Consultant and other Nominators to determine, with the Consultant, the course of action to be taken to resolve problems disclosed by the Consultant's report.

11.6 **Public Access**

The Authority shall make available to any person, on request, for examination at a reasonably convenient time at its head office during its usual business hours and free of charge:

- (a) the current Master Plan for the Airport;
- (b) a summary of its current five year business plan;
- (c) the most recent and the previous annual financial statements of the Authority and of each of its subsidiaries and of each corporation whose accounts are consolidated in the Authority's financial statements, all with the accompanying auditors' reports on them;
- (d) its five most recent annual reports each of which shall include a general summary of its affairs during the previous fiscal year;
- (e) summaries of its five most recent business plans;
- (f) its articles of continuation and by-laws, including any amendments thereto;
- (g) all signed airport transfer agreements relating to the transfer of the Airport; and
- (h) a summary of any interim report and final report prepared pursuant to section 11.5 of the by-law.

The Authority shall provide to any person, on payment of a reasonable fee, a copy of any document or portion of any document referred to above.

11.7 Public Meeting

The Authority shall within 135 days of the end of its fiscal year, hold an annual public meeting open to the public at a location in the Capital Regional District in premises suitable and adequate for the size of audience that may reasonably be anticipated. Such public meeting shall relate to the management, operation and maintenance of the Airport and audited financial statements and an annual report shall be presented. In connection with such meeting, the Authority shall:

- (a) give at least 30 days prior notice by using appropriate media to ensure public awareness of the meeting;
- (b) afford a reasonable opportunity to the public for the asking of questions and the expressing of views;
- (c) ensure that a majority of the Directors of the Board including the Chair and Vice-Chair and the Chief Executive Officer are present; and
- (d) present to the meeting copies of its audited financial statements approved by the Board, together with the auditor's report and the Authority's annual report for the prior year.

11.8 Annual Report for Public

In advance of each annual public meeting the Authority shall publish an annual report which shall include the financial statements of the Authority, the annual auditor's report, a summary of its affairs during the previous fiscal year and it shall:

- (a) report on performance relating to the business plan and objectives established by the Authority for the previous year and, as applicable, the previous five year period;
- (b) explain variances and corrective actions taken by the Authority;
- (c) present for the up-coming year and for the forecast five year period a summary of its business plan including specific objectives (measurable where feasible) relating to the purposes of the Authority;
- (d) report on remuneration provided to each of the members of the Board and either the salary or salary ranges of each of the senior officers of the Authority;
- (e) report on the Authority's compliance or non-compliance with the Authority's conflict of interest principles and code of conduct;
- (f) provide information concerning the parties, financial particulars and circumstances of each transaction entered into during the preceding year that was not at arm's length; and
- (g) contain information concerning the contractor, amount and circumstances of each contract for goods, services or construction entered into during the

preceding year by the Authority in excess of \$75,000, which was not awarded on the basis of a public tendering process and the reasons for so doing.

Such annual report shall be provided to each Nominator and the Minister of Transport in advance of the public annual general meeting as well as to the public on request.

At the request of any Nominator (as referred to in by-law 2.1) the Authority shall cause a meeting to be held with the duly authorized representatives of the Nominators at which the Chair and such other directors and officers of the Authority as the Chair deems appropriate concerning the business of the Authority. The Nominator's request shall state the general nature of the business desired to be discussed.

11.9 Annual Report to Nominator

A Member shall report, in general terms, to the representative of his or her nominator, no less than once a year, information on the affairs of the Authority that is not otherwise confidential to the Authority. To the extent that it is practical and convenient, the Board as a whole shall report to the representative(s) of the nominators.

11.10 Code of Conduct

The Board shall adopt and maintain a code of conduct for Directors, Officers and senior employees, designed to prevent real and perceived conflicts of interest which shall be amended from time to time by special resolution of the Directors of the Board and shall be no less stringent than the rules respecting conflict-of-interest applicable to a director of a company incorporated under the *Canada Business Corporations Act* R.S.C., 1985, c. C-44. A copy of the code of conduct shall be provided to the person to be nominated, to the extent that it is practical, 30 days in advance, of each annual general meeting.

11.11 Investment

In investing monies of the Authority, the Board shall not be restricted to securities permitted by law to a trustee but may invest monies in such manner and in such securities, properties and investments as the Board in its absolute discretion deems in the best interest of the Authority, with liberty to vary the same from time to time.

11.12 Borrowing

Subject to sanction by two-thirds of the Board of Directors from time to time

- (a) may borrow money on the credit of the Authority;
- (b) may limit or increase the amount to be borrowed;
- (c) may issue bonds, debentures or other securities of the Authority;
- (d) may pledge or sell bonds, debentures or other securities for such sums and at such prices as may be deemed expedient; and

- (e) may secure any bonds, debentures or other securities, or any other present or future borrowings or liability of the Authority, by mortgage, hypothec, charge, pledge or other security interest relating to all or any currently owned or subsequently acquired real and personal, movable and immovable property and leasehold interests and reversionary interests of the Authority, and the undertaking and rights of the Authority.

11.13 **Auditors**

The Members shall at each annual meeting appoint an auditor to audit the accounts of the Authority for report to the Members (and others) at the next annual meeting. The auditor shall hold office until the next annual meeting provided that the Board may fill any casual vacancy in the office of the auditor. The remuneration of the auditor shall be fixed by the Board. The Authority shall cause financial audits to be conducted in accordance with generally accepted accounting practices. Her Majesty the Queen in Right of Canada shall at any time have the right to cause a complete audit by an independent auditor of the Authority's entire business affairs, records and procedures.

11.14 **Authority Records**

Section 21 of the Act is affirmed and applies to the keeping of records of the Authority.