

ANNUAL BOARD AND PEER EVALUATION

1. INTRODUCTION

With the goal of enhancing overall Board effectiveness, the Vancouver Airport Authority conducts an evaluation process that covers the Board, Board Chair and Committees. The Board has adopted a three-year evaluation cycle which alternates between in depth surveys, single issue surveys and lighter surveys on Board functioning. The evaluation may include a written survey and an interview with each Director conducted by an independent third party consultant (the "Consultant"). The Executive Team, with the exception of the Corporate Secretary, may participate in a separate written survey portion of the evaluation.

Directors also participate in an annual peer evaluation survey to provide helpful feedback to fellow Directors.

The Board Evaluation process itself is reviewed annually by the Governance Committee.

2. BOARD EVALUATION

For years where an in depth survey is conducted, the Board Evaluation process begins with Directors completing a comprehensive, written preliminary survey and the Executive Team completing a shorter survey focused on the Board/management relationship. As noted above, due to the position's dual reporting role, the Corporate Secretary does not participate in the Executive Team survey. The preliminary surveys are completed online.

The information provided in the preliminary survey is used to inform an Interview Guide. The Guide, which is provided in advance, serves as a thought starter to help prepare Directors for confidential one-on-one interviews with the Consultant. The Executive Team does not participate in the interview portion of the Evaluation nor is the Executive asked to comment on individual Directors.

Following completion of the interviews, the Consultant will prepare a Board Evaluation Report that summarizes the feedback provided in both phases of the evaluation process and suggests recommendations for the Board's consideration. The Consultant will keep the Board Chair, Governance Committee Chair and the Corporate Secretary advised, as may be required, during the process. The Board Evaluation Report is provided first to the Governance Committee and subsequently to the full Board. The Board will agree on a follow up plan, and actions will be tasked to the full Board, the Chair, a Board

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Committee or Management as appropriate. Progress on the agreed action items will be reviewed as part of the following year's Board Evaluation process.

In years where a single issue survey or lighter Board function survey is conducted, there may not be a preliminary written survey. Otherwise the steps are generally the same, including the provision of an Interview Guide, confidential one-on-one interviews with Directors by a third-party consultant, provision of a report to the Board via the Governance Committee and development, if required, of a follow up plan.

3. PEER EVALUATION

The Peer Evaluation is completed by way of a survey conducted by the third party Consultant. At a Board meeting prior to conducting this survey, the Consultant reviews the process and provides tips on providing effective feedback.

Following completion of the survey, the Consultant will draft an individual peer evaluation report for each Director. Only the individual Director and the Chair will see a copy of that Director's peer evaluation report. The Chair meets with each Director individually to discuss his or her performance and to receive any additional feedback on the performance of the Chair. Directors may also schedule a follow up conversation with the Consultant.