

BOARD DIVERSITY POLICY



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Board Diversity Policy

1. OVERVIEW

At Vancouver Airport Authority (the “**Airport Authority**”), we believe that our composition should reflect the rich diversity of the communities we serve. From our employees all the way up to our Board of Directors (the “**Board**”), we work hard to ensure representation of women, Aboriginal peoples, persons with disabilities, and members of visible minority groups. We recognize the benefits of diversity and we consider it essential in attracting qualified directors and maintaining a highly effective Board.

What does this Policy do? It discusses how the Board will consider diversity in determining the composition of the Board and its Committees. It also provides guidance to the Board in respect of communication with the Airport Authority’s Nominating Entities (“**Nominating Entities**”) and in preparing its annual Corporate Governance Report.

Who does this Policy apply to? All Airport Authority Board members.



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2. DIVERSITY MANDATE

The Board's Governance Committee identifies potential candidates for Director-at-large positions and makes recommendations to the Board. Taking into consideration the advice of the Chief Executive Officer and the recommendation of the Board's Human Resources and Compensation Committee, the Board also approves the appointment of the Airport Authority's executive officers.

Although the Airport Authority is a private organization, the Board has chosen to hold the Airport Authority to the more stringent performance model required of public companies. As such, we report against National Policy 58-201, *Corporate Governance Guidelines*, and the accompanying National Instrument 58-101, *Disclosure of Corporate Governance Practices*, the latter of which requires reporting on whether or not a Board has policies regarding the representation of women on the Board and in executive management.

When identifying potential Board or executive officer candidates, the Governance Committee and the Human Resources and Compensation Committee, respectively, and the CEO will:

- i) consider individuals who are highly qualified, based on their talents, experience, functional expertise and personal skills, character and qualities, having regard to the Board Skills and Experience Matrix and current and future plans and objectives;
- ii) consider criteria that promote diversity, in particular from the four designated groups named in the *Employment Equity Act* (women, Aboriginal peoples, persons with disabilities, and members of visible minorities), as well as other diversity factors, such as ethnicity, age, national origin, sexual orientation, and geographic location;
- iii) consider the current level of representation of women on the Board and in executive officer positions along with other markers of diversity when making recommendations for nominees to the Board or for appointment as executive officers, as well as in succession planning for the Board and executive officers;
- iv) communicate this Policy to the Nominating Entities and encourage a cooperative approach to ensuring diversity on the Board as set out in this Policy; and
- v) establish recruitment and identification processes and, as required, engage qualified independent external advisors to assist the Board in conducting its search for candidates that meet the Board's criteria for skills, experience and diversity.

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3. COMMUNICATION WITH NOMINATING ENTITIES

At least **three months prior** to the end of a current appointee's term, the Board Chair and the Governance Committee Chair will write to each of the Nominating Entities to:

- i) explain the purpose of the Board Skills and Experience Matrix;
- ii) review the Board Diversity Policy;
- iii) review the Board's composition and note any gaps in the Board's reflection of the communities that the Airport Authority serves; and
- iv) encourage the Nominating Entity to consider the needs of the Airport Authority.

Whenever possible, the Board Chair or the Governance Committee Chair should support the written communication with a personal visit to those responsible for making the Director nomination.

4. SELECTION OF NEW DIRECTOR-AT-LARGE CANDIDATES

The responsibility of identifying and selecting new Directors-at-large rests with both the Governance Committee and the Board.

The Governance Committee will assemble a list of candidates, ensure that each candidate's qualifications align with the current skill, experience and diversity needs of the Board, and make recommendations to the full Board. The CEO will provide insights to the Board as appropriate.

All Directors are encouraged to identify and recommend potential candidates to the Governance Committee. Once a candidate has been selected, the Chair will extend to the candidate an invitation to stand as a nominee for election to the Board.



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5. MONITORING AND REPORTING

The Governance Committee shall report to the Board annually on the implementation of this Policy and the results thereof. Among other things, success will be measured based on the increase or maintenance of an acceptable level of diversity on the Board and in executive officer positions. The Governance Committee will seek feedback from the CEO and Human Resources and Compensation Committee to determine the acceptable level of diversity. The Governance Committee shall also report to the Board on the creation and implementation of processes designed to increase the diversity in Board candidates.

Given the nature and size of the Airport Authority's business and its industry, as well as the changing demographics of the communities we serve, it may be challenging to identify a qualified pool of candidates that adequately reflects the various diverse characteristics that the Board seeks to promote. In addition, nine of the 14 Directors on the Board are appointed by Nominating Entities, with minimal Board input into the appointment process. As such, the Board does not set diversity quotas.

Nevertheless, recognizing the value of diversity on the Board, the Board will strive to reflect the diversity in the communities we serve. Specifically, the Board aspires to achieve a target of **at least half of the Board membership** being made up of individuals from the four designated groups defined in the applicable federal legislation: women, Aboriginal peoples, persons with disabilities, and members of visible minorities.

6. OUTSIDE ADVISORS

In its search for prospective candidates for Board positions, the Governance Committee may choose to retain third party search firms to identify qualified individuals in accordance with this Policy.

Additionally, the Board may reach out to Canadian organizations, such as the Canadian Board Diversity Council, that are mandated to advance diversity on corporate boards of directors. In doing so, the Board may benefit from well-credentialed individuals who bring a wider range of skills, experiences and perspectives to corporate governance.

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7. BOARD RESPONSIBILITIES

The Board is responsible for:

- i) ensuring this Policy is consistently applied to all Board recruitment and election processes;
- ii) setting targets and developing specific actions plans to achieve ideal Board diversity;
- iii) approving changes to this Policy; and
- iv) monitoring Management's implementation of the Airport Authority's workforce diversity initiatives, either directly or through the Human Resources and Compensation Committee.

8. POLICY REVIEW AND APPROVAL

The Governance Committee will review and approve this Policy annually on behalf of the Board.

