



DISCOVERY AIR INC.

Notice of Annual and Special Meeting of Shareholders
and Management Proxy Circular
April 24, 2009

ANNUAL AND SPECIAL MEETING
Explorer Hotel, Katimavik Room C
4825-49th Avenue, Yellowknife, Northwest Territories

June 10, 2009 at 11:00 a.m. (Mountain Time)

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DISCOVERY AIR INC.

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
JUNE 10, 2009**

TAKE NOTICE that the Annual and Special Meeting of the shareholders of Discovery Air Inc. ("Discovery Air") will be held at the Explorer Hotel, Katimavik Room C, 4825-49th Avenue, Yellowknife, Northwest Territories on Wednesday, June 10, 2009 at 11:00 a.m. (local time) for the following purposes:

1. to receive the financial statements for the fiscal year ended January 31, 2009 and the report of the auditors thereon;
2. to elect directors for the ensuing year;
3. to appoint auditors for the ensuing year and to authorize the directors of the Corporation to fix their remuneration;
4. to confirm an amendment to By-Law No. 1; and
5. to transact such further other business as may properly come before the Meeting or any adjournment thereof.

Particulars of the matters referred to above are set forth in the accompanying Management Proxy Circular.

DATED at the City of London, in the Province of Ontario this 24th day of April, 2009.

BY ORDER OF THE BOARD OF DIRECTORS

Tammie L. Ashton
Corporate Secretary

YOUR VOTE IS IMPORTANT. You are encouraged to submit the form of Proxy enclosed with this Notice, whether or not you plan to attend the Annual and Special Meeting. Your Proxy must be received by 10:00am (Eastern) on Monday, June 8, 2009 to be counted. Most shareholders can vote by telephone, internet, fax or mail. Please review carefully the proxy material included with this Notice. Your vote may not count if you fail to submit your Proxy correctly.



**MANAGEMENT PROXY CIRCULAR
FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
to be held on Wednesday, June 10, 2009**

SOLICITATION OF PROXIES BY MANAGEMENT

This Circular is furnished to shareholders of Discovery Air Inc. in connection with the solicitation of proxies by or on behalf of the management of the Corporation for use at the 2009 annual and special meeting (the "Meeting") of the holders of Class A common shares and Class B common shares (collectively, the "shares" or "common shares") of Discovery Air. The information contained in this Proxy Circular is current as of April 24, 2009, unless otherwise indicated. The Meeting will be held at the Explorer Hotel, Katimavik Room C, 4825-49th Avenue, Yellowknife, Northwest Territories, on Wednesday, June 10, 2009 at 11:00 a.m. (local time) for the purposes set forth in the accompanying Notice of Annual and Special Meeting (the "Notice"). It is expected that the solicitation of proxies will be primarily by mail. Proxies may also be solicited personally or by telephone by officers and directors and other representatives of Discovery Air. The cost of solicitation by or on behalf of management will be borne by the Corporation. Any reference in this document to "you" or "your" refers to shareholders of Discovery Air. Any reference to "we", "us", "the Corporation" or "Discovery Air" refers to Discovery Air Inc.

APPOINTMENT OF PROXIES

The persons named as proxyholders in the enclosed form of proxy are directors or officers of Discovery Air. **YOU HAVE THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A SHAREHOLDER, AS YOUR NOMINEE TO ATTEND AND ACT ON YOUR BEHALF AT THE MEETING, OTHER THAN THE PERSONS DESIGNATED IN THE ENCLOSED FORM OF PROXY OR VOTING INSTRUCTION FORM.** You may do so by inserting such person's name in the blank space provided in the form of proxy or voting instruction form that accompanies this Circular. Please read and follow the instructions provided on the form of Proxy or voting instruction form to submit your completed proxy.

Registered shareholders who plan to attend the Meeting and wish to vote their shares in person at the Meeting should not complete or return the form of proxy. Their votes will be taken and counted at the Meeting. Such shareholders are to register with the scrutineers upon their arrival at the Meeting.

You must complete the declaration regarding whether or not the Voting Shares you represent are owned or controlled by a “Canadian” for purposes of our voting control restrictions. This declaration is included on your form of proxy or voting instruction form. The definition of “Canadian” can be found below under “Restrictions on Voting of Shares”.

ADVICE TO NON-REGISTERED HOLDERS

The information in this section is of significant importance to a substantial number of shareholders who do not hold their shares in their own name, but who hold their shares through an intermediary (ie. a bank, trust company, securities broker, trustee or other). Shareholders who do not hold their common shares in their own name are referred to in this document as **Non-Registered Holders**.

Non-Registered Holders should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to you by a broker, bank or other intermediary, then in almost all cases those shares will not be registered in your name on the records of Discovery Air. Such shares will likely be registered in the name of your intermediary. Shares held by intermediaries can only be voted for or against resolutions upon the instructions of the Non-Registered Holder. Without specific instructions, intermediaries are prohibited from voting shares for their clients. The directors and officers of the Corporation may not know for whose benefit the shares registered in the name of intermediaries are held.

Intermediaries are required to seek instructions from Non-Registered Holders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions, which Non-Registered Holders should follow closely in order to ensure that their common shares are voted at the meeting. A Non-Registered Holder may have received from the intermediary either a request for voting instructions or a form of proxy that is identical to the form of proxy provided to registered shareholders; however, the purpose of the proxy is limited to instructing the intermediary how to vote on behalf of the Non-Registered Holder. **A NON-REGISTERED HOLDER THAT RECEIVES A PROXY FROM AN INTERMEDIARY CANNOT USE THAT PROXY TO VOTE SHARES DIRECTLY AT THE MEETING. The proxy must be returned to the intermediary well in advance of the Meeting in order to have the shares voted.**

A Non-Registered Holder who wishes to vote in person at the Meeting or have its nominee vote in person at the Meeting must provide the intermediary with the appropriate documentation in order to be appointed as proxyholder. If you are a Non-Registered Holder you should contact your intermediary to determine what paperwork they need from you in order for you, or someone else appointed by you, to vote your common shares at the Meeting. AS A NON-REGISTERED HOLDER, ONLY AFTER YOUR INTERMEDIARY APPOINTS YOU OR YOUR NOMINEE AS A PROXYHOLDER CAN YOU OR YOUR NOMINEE VOTE SHARES DIRECTLY AT THE MEETING.

REVOCATION OF PROXIES

A proxy is valid only at the Meeting in respect of which it is given or any adjournment thereof. A registered shareholder may revoke a proxy:

- (a) by an instrument in writing executed by the shareholder or by an attorney in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited:
 - (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof; or
 - (ii) with the chair of the Meeting on June 10, 2009 or any adjournment of the Meeting; or
- (b) in any other manner permitted by law.

If a Non-Registered Holder wants to revoke their proxy, they should contact their intermediary to determine the procedure to follow.

EXERCISE OF DISCRETION WITH RESPECT TO PROXIES

The common shares represented by proxies will be voted or withheld from voting by the persons designated in the proxies in accordance with the direction of the shareholders appointing them. **In the event that no directions are provided in a proxy, the shares represented by the proxy will be voted by the proxy nominee designated by management FOR the election of the directors set forth in this Circular, FOR the appointment of KPMG LLP as auditors and authorization for the directors to fix their remuneration, and FOR approving the amendment to By-Law No. 1.**

The enclosed form of proxy grants to the named proxyholder authority with respect to amendments and variations to matters identified in the Notice, and with respect to other matters that may properly come before the Meeting. At the time of the preparation of this Management Proxy Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. If, however, amendments, variations or other matters which are not now known to management should properly come before the Meeting, the shares represented by proxies will be voted by the persons named in the proxy in accordance with their best judgement.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As of April 24, 2009, there were 134,461,555 Class A common shares and 742,604 Class B common shares of the Corporation issued and outstanding. Subject to the voting restrictions and adjustments outlined below under "Restrictions on Voting of Shares", each common share carries the right to one vote.

The directors have fixed May 6, 2009 as the record date for determining shareholders entitled to receive notice of the Meeting. A person shown as a shareholder of record on May 6, 2009 is entitled to vote the common shares of the Corporation registered in his or her name on that date, except to the extent that the person has transferred the ownership of any of his or her shares after May 6, 2009 and the recipient of those shares produces properly endorsed share certificates or otherwise establishes that he or she owns such shares and demands, not later than 10 days before the Meeting, that his or her name be included in the list of shareholders entitled to receive notice of the Meeting, in which event the transferee shall be entitled to vote such shares at the Meeting.

To the best of the knowledge of the Corporation, no person beneficially owns, or controls or directs, directly or indirectly, greater than 10% of the outstanding voting shares of the Corporation, other than Adam Bembridge, President of Great Slave Helicopters Ltd., a subsidiary of the Corporation, who, to the best knowledge of the Corporation, owns, controls or directs, directly or indirectly 18,274,582 Class A common shares (being approximately 13.6% of such class) and Ian Campbell, Vice-President of Great Slave Helicopters Ltd., who, to the best knowledge of the Corporation, owns, controls or directs, directly or indirectly 18,275,427 Class A common shares (being approximately 13.6% of such class).

RESTRICTIONS ON VOTING OF SHARES

The *Canada Transportation Act* ("CTA") requires holders of licences to operate a domestic air service to be Canadian within the meaning of the CTA. Discovery Air's Articles of Continuance therefore contain foreign voting control restrictions designed to ensure that we maintain our Canadian status under the CTA.

Specifically, Class A common shares may be beneficially owned and controlled, directly or indirectly, only by persons who are Canadians and Class B common shares may be beneficially owned or controlled, directly or indirectly, only by persons who are not Canadians.

Further, each issued and outstanding Class A common share will be converted into one Class B common share, automatically and without any further act of Discovery Air or the holder, if such Class A common share is or becomes beneficially owned or controlled, directly or indirectly, by a person who is not a Canadian. Each issued and outstanding Class B common share will be automatically converted into one Class A common share without any further act on the part of Discovery Air or of the holder, if such Class B common share is or becomes beneficially owned and controlled, directly or indirectly, by a Canadian.

The Class B common shares carry one vote per share, unless:

- (a) the number of issued and outstanding Class B common shares exceeds 25% (or any other percentage prescribed under the CTA) of the total of all issued and outstanding common shares; or
- (b) the total number of votes cast by holders of Class B common shares at any meeting of shareholders of Discovery Air exceeds 25% (or any other percentage prescribed under the CTA) of the total number of votes that may be cast at such meeting.

If either of the above 2 thresholds is met at any time, the votes attached to the Class B common shares will decrease automatically to equal the maximum vote per Class B common share to ensure that the Class B common share as a class do not carry more than 25% (or any other percentage prescribed under the CTA) of the aggregate votes attached to common shares, or the votes that can be cast at the meeting, as applicable. To the knowledge of management of Discovery Air, neither of the above thresholds has been met and therefore, to our knowledge, the votes attached to the Class B common shares will not be decreased for the purposes of the Meeting.

For this purpose, Canadian has the meaning set forth in Subsection 55(1) of the CTA, which can be summarized as follows:

- (a) an individual who is a Canadian citizen or an individual who has not become a Canadian citizen but who has been granted lawful permission to come into Canada to establish permanent residency and who has not ceased to be a permanent resident;
- (b) a corporation or other entity that is incorporated or formed under the laws of Canada or a province that is controlled in fact by Canadians and of which at least 75% of the voting interests are owned and controlled by Canadians as defined in paragraph (a) or by corporations or entities that are also Canadian;
- (c) a government in Canada or an agent thereof;
- (d) a trust where the trustee and the holders of at least 75% of the beneficial interests in the trust are Canadians as defined in paragraphs (a), (b), (c) or (e); or
- (e) a partnership of which each partner is a Canadian as defined in paragraphs (a), (b), (c) or (d).

The Corporation's Articles of Continuance also grant to its board of directors all powers necessary to give effect to the ownership restrictions.

The Corporation requires that a residency declaration be signed in order to transfer Class B common shares. Further, it requires all shareholders to declare whether or not they are Canadian before each meeting of shareholders. The Corporation may in the future adopt various additional procedures and policies with respect to the common shares of the Corporation to ensure that the 25% limitation on non-Canadian ownership is complied with.

BUSINESS TO BE TRANSACTED AT THE MEETING

The Meeting is being called to address the following five matters:

1. to receive the financial statements for the fiscal year ended January 31, 2009 and the report of the auditors thereon;
2. to elect directors for the ensuing year;
3. to appoint auditors for the ensuing year and to authorize the directors of the Corporation to fix their remuneration;
4. to confirm an amendment to By-Law No. 1; and
5. to transact such further other business as may properly come before the Meeting or any adjournment thereof.

As of the date of this Circular, management is not aware of any changes to these matters or any other business that may be brought forward at the Meeting.

1. FINANCIAL STATEMENTS

The audited consolidated financial statements of Discovery Air for the fiscal year ended January 31, 2009 and the auditor's report thereon are included in the 2009 Annual Report, which has been mailed to all registered shareholders and intermediaries with this Management Proxy Circular. While no vote is required on this matter, shareholders and proxyholders will have an opportunity to review and discuss the 2009 fiscal year results with management at the Meeting.

2. ELECTION OF DIRECTORS

Pursuant to the Articles of Discovery Air, the Corporation is authorized to have between one and 15 directors. In accordance with our By-laws, the Board has determined that six directors will be elected at the Meeting. Proxies solicited by management will be voted for the following proposed nominees (or for substitute nominees in the event of contingencies not known at present). Each of those elected will, subject to the bylaws of the Corporation and applicable corporate law, hold office until the next annual meeting or until their successor is duly elected or appointed. The proposed nominees for election as directors of the Corporation are:

Gilbert Bennett
James Goodfellow
Alan Hibben
Joseph Randell
Wayne Sales
Brian Semkowski

All of the proposed nominated directors are already directors of Discovery Air. See "*The Board of Directors*" below for information about these directors.

In the absence of a contrary instruction, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the election of the following persons as directors of the Corporation (or for substitute nominees in the event of contingencies not known at present): Gilbert Bennett, James Goodfellow, Alan Hibben, Joseph Randell, Wayne Sales and Brian Semkowski.

3. APPOINTMENT OF AUDITORS

Management and the Board propose KPMG LLP for reappointment as auditors of the Corporation to hold office until the close of the next annual meeting of shareholders. KPMG LLP has been the accountants, and later the auditors, of the Corporation since incorporation in November 2004.

Management proposes that the shareholders authorize the directors to fix the remuneration of the auditors. In the past, the directors have fixed the remuneration of the auditors of the Corporation. Such remuneration has been based upon the complexity of the matters dealt with and time spent by the auditors in providing services to the Corporation. Management feels that the remuneration negotiated in the past with the auditors of the Corporation has been reasonable under the circumstances and would be comparable to fees charged by other auditors providing similar services.

In the absence of a contrary instruction, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the appointment of KPMG LLP as auditors of the Corporation and authorizing the directors to fix their remuneration.

4. BY-LAW AMENDMENT

On August 7, 2008, the Board amended Section 4.7 of By-Law No. 1 of the Corporation by adding additional language to clarify the determination of whether a quorum of directors is present at a meeting. Section 4.7 is reproduced in its entirety below, with the new language underlined.

4.7 Quorum

A quorum for the transaction of business at any meeting of the Board shall consist of a majority of the number of directors of the Corporation holding office at the time. If a quorum is present when the meeting is called to order, then a quorum shall be deemed to be constituted throughout the continuance of the meeting. If there are only two directors, one director shall constitute a quorum.

In accordance with the *Canada Business Corporations Act*, the Board must submit the By-Law amendment to the shareholders at the next meeting of shareholders. At such meeting, the shareholders may, by ordinary resolution, confirm, reject or amend the By-Law amendment.

In the absence of a contrary instruction, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the amendment to By-Law No. 1.

THE BOARD OF DIRECTORS

The table below sets out information about the persons proposed to be nominated for election as directors at the Meeting. Each director holds office until the next annual meeting of shareholders or until their successor is elected or appointed. The information as to shares beneficially owned, directly or indirectly, or over which control or direction was exercised as set forth in the table below, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees individually.

According to Discovery Air's Articles and By-Laws, the Board must be comprised of between one and 15 directors and the Board fixes the number of directors within that range. The Board has fixed the size of the Board at six and management proposes to nominate six persons for election as directors at the Meeting.

Name	Office Held, Date Became a Director and Committee Membership	Principal Occupation
<p>GILBERT BENNETT ⁽¹⁾ Guelph, Ontario, Canada</p> <p><i>Common shareholdings - nil</i> <i>Options & Warrants - nil</i> <i>Convertible Debentures - nil</i> <i>Deferred Share Units - 39,339</i></p>	<p>Director since July 24, 2008</p> <p>Chair of the Board</p>	<p>Business Consultant, Chair of the Board of Purolator Courier Ltd. and director of Samuel, Son & Co. Ltd. ⁽²⁾</p>
<p>JAMES GOODFELLOW Oakville, Ontario, Canada</p> <p><i>Common shareholdings - nil</i> <i>Options & Warrants - nil</i> <i>Convertible Debentures - nil</i> <i>Deferred Share Units - 21,112</i></p>	<p>Director since October 24, 2008</p> <p>Chair of the Audit Committee</p>	<p>Business Consultant ⁽³⁾</p>
<p>ALAN HIBBEN Toronto, Ontario, Canada</p> <p><i>Common shareholdings - nil</i> <i>Options & Warrants - nil</i> <i>Convertible Debentures - nil</i> <i>Deferred Share Units - 24,207</i></p>	<p>Director since August 7, 2008</p> <p>Member of the Audit Committee and Governance Committee</p>	<p>Partner, Blair Franklin Capital Partners ⁽⁴⁾</p>

Name	Office Held, Date Became a Director and Committee Membership	Principal Occupation
<p>JOSEPH RANDELL ⁽⁵⁾ Waverley, Nova Scotia, Canada</p> <p><i>Common shareholdings – nil</i> <i>Options & Warrants – nil</i> <i>Convertible Debentures nil</i> <i>Deferred Share Units – 22,290</i></p>	<p>Director since August 7, 2008</p> <p>Chair of the Human Resources Committee and Member of the Governance Committee</p>	<p>President and Chief Executive Officer, Jazz Air LP</p>
<p>WAYNE SALES Jupiter, Florida, United States</p> <p><i>Common shareholdings – nil</i> <i>Options & Warrants – nil</i> <i>Convertible Debentures – nil</i> <i>Deferred Share Units – 25,147</i></p>	<p>Director since August 7, 2008</p> <p>Chair of the Governance Committee and member of the Human Resources Committee</p>	<p>Business Consultant ⁽⁶⁾</p>
<p>BRIAN SEMKOWSKI London, Ontario, Canada</p> <p><i>Common shareholdings –1,046,590</i> <i>Options & Warrants - nil</i> <i>Convertible Debentures - nil</i> <i>Deferred Share Units – 20,022</i></p>	<p>Director since June 17, 2008</p> <p>Member of the Audit Committee and the Human Resources Committee</p>	<p>President, Southwest Sun Group Inc.</p>

NOTES:

- (1) Mr. Bennett was a director and Chair of the Board of Bracknell Corporation, a company which, within the last ten years and within one year of his ceasing to act in such capacities, had a receiver appointed to hold its assets.
- (2) From 2003 to February 2009 Mr. Bennett was the Chair of the Board of Fortis Ontario Inc. From August 1996 to March, 2007, Mr. Bennett was Chair of the Board of Canadian Tire Corporation, Limited.
- (3) Since June 2008 Mr. Goodfellow is a business consultant who acts as a corporate director and senior advisor to Deloitte Touche LLP. Before that time, Mr. Goodfellow was a partner and Vice-Chairman of Deloitte Touche LLP
- (4) From 2007 to 2009 Mr. Hibben was a Principal of Shakerhill Partners Ltd. From 2005 to 2007, he was Head, Strategy & Development at RBC Financial Group. From 2000 to 2007, Mr. Hibben was Chief Executive Officer of RBC Capital Partners.
- (5) Mr. Randell was a director of Air Canada Jazz when it made an application pursuant to the *Companies' Creditors Arrangement Act*.
- (6) From March 2006 to June 2007, Mr. Sales was Vice Chairman, Canadian Tire Corporation, Limited. From August, 2000 to March, 2006, he was President and Chief Executive Officer of that Corporation.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion & Analysis

The goals of our compensation program for executive officers are to attract and retain the best available people and to build long-term shareholder value. The Summary Compensation Table below sets out the compensation provided to each of the executive officers as required by Form 51-102F6 (the “named executive officers”). Each named executive officer, other than Mr. Jankura, were vendors of their applicable operating units when Discovery Air purchased them. Their compensation was therefore negotiated and settled with each of them during the acquisition process. It was important to the Corporation that the former owners, who were all key leaders of their respective companies, remained with their companies after the acquisition by Discovery Air. The Corporation believed that consistency in the leadership of the acquisitions would allow for a more streamlined integration process, ensure the retention of other key employees in each acquired company and maximize the potential for continued positive performance from each acquired company.

Since each of these officers received a significant part of the cash purchase price paid by Discovery Air for the acquisition of their company, the Corporation’s challenge was to negotiate an employment package for each of them that would give them incentive to stay on with Discovery Air post-acquisition. When negotiating these packages, the Corporation took into account a compensation package that included a combination of base salary, short-term incentive awards based on the performance of the executive’s applicable business unit, long-term incentive awards based on the performance of Discovery Air as a whole, and termination rights and obligations. It was believed that the right combination of these elements would provide the desired incentive in the best interest of the shareholders at an acceptable risk to Discovery Air. This section describes the compensation elements. See *Executive Agreements* below for a description of the termination obligations and entitlements.

The elements of compensation of the named executive officers have not changed since negotiated upon the acquisitions of their respective companies. Mr. Bembridge’s compensation package was negotiated and settled in June 2006 when Discovery Air purchased Great Slave Helicopters Ltd. and is documented in an employment agreement between him and Great Slave Helicopters Ltd. Mr. Jennings’, Mr. Bouchard’s and Mr. Toussaint’s compensation packages were negotiated and settled in August 2007 when Discovery Air purchased Top Aces Inc. and are documented in an employment agreement and a consulting agreement between each of them and Top Aces Inc. These compensation amounts were determined by the Chief Executive Officer of Discovery Air at the time of the relevant acquisitions. Mr. Jennings’ compensation package did not change when he was appointed Interim President and Chief Executive Officer of Discovery Air in September 2008. The Board of Directors is currently undertaking a review of Mr. Jennings’ compensation now that he has been appointed President and Chief Executive Officer on a permanent basis.

Mr. Jankura’s compensation package was determined by negotiation between Mr. Jankura and the Corporation’s Chief Executive Officer at the time. Some of the elements of his compensation package, including the formula for calculating his pension supplement, were based on Mr. Jankura’s entitlements with his previous employer, Pacific & Western Bank of Canada.

The composition of the Board of Directors of Discovery Air has changed significantly over the last fiscal year. The current members of the Board have determined that a comprehensive review of the compensation packages for the executive officers of Discovery Air and its subsidiaries is necessary. They will be undertaking that review in the 2010 fiscal year and will adjust compensation as necessary based on the results of that review. See *Exhibit "A" Corporate Governance Practices* for a description of the new Mandate of the Human Resources Committee of the Board.

Base Salary and Short Term Incentive Bonus

Each named executive officer is paid a base salary and is eligible for a discretionary annual incentive bonus. The Corporation offers a fair base salary to executive officers relative to the executive's level of responsibility within Discovery Air and the potential impact of his position on Discovery Air's performance.

For the named executive officers other than Mr. Jankura, the Corporation ensures through their employment and consulting agreements that entitlement to an annual incentive bonus is tied to the performance of such named executive officer's relevant operating unit. The level of bonus eligibility for each named executive officer other than Mr. Jankura for fiscal 2009 was tied to the extent to which their operating unit exceeded a target threshold of earnings before interest, taxes, depreciation and amortization ("EBITDA"). EBITDA is a non-GAAP measure.

Mr. Jankura's annual bonus eligibility is fully discretionary to Discovery Air's Chief Executive Officer without reference to any specific performance criteria in his employment contract; it was awarded in 2008 in relation to Discovery Air's fiscal year ended January 31, 2008 based on the Chief Executive Officer's assessment of Mr. Jankura's performance and the performance of the Corporation as a whole during fiscal 2008.

No bonuses were or will be paid to or earned by any named executive officers in relation to the fiscal year ended January 31, 2009 as entitlement levels were not met.

Long-Term Incentive Awards – Option Plan

The Corporation's Stock Option Incentive Plan was intended to provide all employees with compensation opportunities that encourage share ownership. If and when additional stock options were granted, stock options already granted were taken into consideration. Because our Plan did not have a fixed maximum number of shares issuable, the rules of the Toronto Stock Exchange require shareholder approval of the unallocated shares under the Plan every three years. At Discovery Air's 2008 annual meeting, management sought the necessary shareholder approval. It became clear based on proxies submitted in advance of the 2008 annual meeting that the necessary approval would not be obtained and therefore the motion for approval was withdrawn at the meeting. No further options may therefore be granted under the Stock Option Incentive Plan. It continues to exist solely to administer those options granted prior to the 2008 annual meeting. The Board may consider whether it is beneficial to reinstate an option plan or whether some other plan or no plan is more prudent. The Corporation will obtain the necessary shareholder and regulatory approvals to any new plan, as required.

At the date of this Circular there are 6,622,450 options outstanding.

Options have a term not greater than 10 years and become exercisable at such time or times after the option is granted as was determined by the Board or the Committee at the time of grant, provided that if no such times

were specified, options vest one-third on the grant date, one-third one year after the grant date and one-third two years after the grant date. Options are not assignable and may not be transferred other than by will or the laws of succession and distribution.

Should an employee, insider or service provider cease to be an employee, insider or service provider, then any outstanding options held by such individual expire on the earlier of ninety days or the option expiry date, subject to the following provisions. In the event that a director's relationship is terminated by reason of disability or retirement or death, the options remain outstanding for one year. In the event that an employee's or senior officer's relationship is terminated by reason of retirement or death, the options remain outstanding for three years. In the event that an employee's or senior officer's relationship is terminated by reason of disability, the options remain outstanding for one year, unless otherwise approved by the Board and subject to regulatory approval. In the event that a service provider's relationship is terminated by reason of disability, retirement or death, the options remain outstanding for one year, unless otherwise approved by the Board and subject to regulatory approval. In the event that an employee is terminated for breaching a contractual relationship or for cause, any outstanding options to the employee terminate immediately.

The Board may amend, suspend or terminate the Stock Option Incentive Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the Toronto Stock Exchange), if any, that require the approval of shareholders or any governmental or regulatory body. These rights include the right of the Board to make the following amendments: i) amendments which are of a housekeeping nature; ii) a change to the vesting provisions of any option or the Stock Option Incentive Plan; iii) a change to the termination provisions of the Stock Option Incentive Plan or any option, whether or not such option is held by an insider, so long as that change does not entail an extension beyond the original expiry date; iv) the addition or modification of a cashless exercise feature, payable in cash or securities, which provides for a full deduction in the number of underlying securities from the Stock Option Incentive Plan reserve; v) the addition of a provision relating to financial assistance; vi) a change to the financial assistance provision; vii) amendments necessary to comply with the provisions of applicable law; and viii) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law. Amendments may not, without the consent of the optionee, adversely affect or impair any option previously granted to any optionee under the Stock Option Incentive Plan.

Shareholder approval is required for any amendments to the Stock Option Incentive Plan which result in a change to the fixed maximum percentage of Common Shares issuable under the Stock Option Incentive Plan. Further, shareholder approval, excluding the votes of securities held directly or indirectly by insiders benefiting from the amendment, is required for: i) a reduction in the exercise price or purchase price of the Common Shares; or ii) an extension of the term under the Stock Option Incentive Plan, which is of benefit to an insider of the Corporation.

Pension Supplement

The Corporation does not have a formal pension plan. However, named executive officers are entitled to an annual cash amount as a Registered Retirement Savings Plan contribution. In relation to the fiscal year ended January 31, 2009, the Corporation paid \$123,999 in total retirement plan contributions on behalf of named executive officers.

Other Compensation and Perquisites

Named executive officers are entitled to automobile allowances which are generally paid by the Corporation to the leasing company from which the officer leases their vehicle. The maximum amount of the automobile allowance is set out in the named executive officer's employment contract. Each of David Jennings, Didier Toussaint, Paul Bouchard and Adam Bembridge are also entitled to an aircraft allowance which is payable in cash to the applicable named executive officer with the intent that it can be used for air travel. Mr. Jennings, Mr. Bouchard and Mr. Toussaint are entitled to life insurance paid for by Top Aces Inc. Pursuant to Mr. Jankura's employment contract he is entitled to reimbursement for annual club dues. See *Executive Agreements* below for a description of the other compensation elements.

Summary Compensation Table

The following table provides a summary of all compensation paid to or earned by the President and C.E.O. of the Corporation (David Jennings), the C.F.O. of the Corporation (Richard Jankura), the C.E.O. (Paul Bouchard) and President (Didier Toussaint) of Top Aces Inc. and the President of Great Slave Helicopters Ltd. (Adam Bembridge), together being the "Named Executive Officers", during the fiscal year ended January 31, 2009.

Name and principal position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All other Compensation	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
DAVID JENNINGS ⁽¹⁾⁽²⁾ President & C.E.O. Discovery Air Inc.	2009	325,929	Nil	Nil	Nil	Nil	Nil	108,291 ⁽³⁾	434,220
RICHARD JANKURA Chief Financial Officer Discovery Air Inc.	2009	212,500	Nil	Nil	110,000	Nil	Nil	63,307 ⁽⁴⁾	385,807
DIDIER TOUSSAINT ⁽²⁾ President Top Aces Inc.	2009	325,929	Nil	Nil	Nil	Nil	Nil	111,788 ⁽³⁾	437,717
PAUL BOUCHARD ⁽²⁾ Chief Executive Officer Top Aces Inc.	2009	325,929	Nil	Nil	Nil	Nil	Nil	105,961 ⁽³⁾	431,890
ADAM BEMBRIDGE President & C.E.O. Great Slave Helicopters Ltd.	2009	300,000 ⁽⁵⁾	Nil	Nil	Nil	Nil	Nil	107,974 ⁽⁶⁾	407,974

Notes:

- (1) Mr. Jennings was Interim President and Chief Executive Officer of Discovery Air from September 12, 2008 to March 3, 2009, at which time he was appointed permanently to that role. Before being appointed on an interim basis, Mr. Jennings was Chief Executive Officer of Top Aces Inc., a subsidiary of Discovery Air. Mr. Jennings' compensation for the 2009 fiscal year is

therefore comprised of compensation for his services as co-Chief Executive Officer of Top Aces from February 1, 2008 to September 11, 2008 and as Interim President and Chief Executive Officer of Discovery Air from September 12, 2008 to January 31, 2009. While Mr. Jennings was Interim President and Chief Executive Officer of Discovery Air, his compensation entitlements did not change.

- (2) Mr. Jennings, Mr. Toussaint and Mr. Bouchard each have two agreements with Top Aces that govern their services to Top Aces Inc. They first have an Executive Agreement between each of them personally and Top Aces which creates an employment relationship and governs their Co-CEO/President responsibilities. They secondly have a Consulting Agreement between each of their personal executive trusts and Top Aces which creates an independent contractor relationship and governs specifically listed services, including flying, management of operations, management of suppliers, management of legal services, management of administration and management of finance. Total compensation under both agreements is included in the disclosure in this table, whether paid or earned pursuant to their Executive Agreements or their Consulting Agreements.
- (3) Of this amount: \$19,000 was a pension supplement paid in February 2008 for the year ended January 31, 2008 (since the Corporation does not have a pension plan for any of its employees); \$20,000 was a pension supplement paid in February 2009 for the year ended January 31, 2009; \$12,125 (Jennings), \$16,638 (Toussaint) and \$11,285 (Bouchard) were automobile lease payments; \$51,000 was an aircraft allowance paid in February 2009 relating to the period September 1, 2007 to January 31, 2009.
- (4) Of this amount, \$43,999 is a pension supplement (since the Corporation does not have a pension plan for any of its employees) and \$12,882 was automobile lease payments.
- (5) Mr. Bembridge was entitled to a salary of \$325,000 pursuant to his employment contract. He elected to forego \$25,000 of his salary in fiscal 2009 and used the amount to pay bonuses to the senior management group of Great Slave Helicopters Ltd. The salary amount listed for Mr. Bembridge in the table above has been reduced by the \$25,000 forgone.
- (6) Of this amount, \$20,000 is a pension supplement (since the Corporation does not have a pension plan for any of its employees), \$21,566 is an automobile allowance and \$66,408 is an aircraft allowance relating to the period July 2006 to January 31, 2009.

Executive Agreements

Mr. Jennings was co-Chief Executive Officer of Top Aces Inc. until September 12, 2008, when he was appointed Interim President and Chief Executive Officer of Discovery Air. Mr. Jennings was appointed President and Chief Executive Officer of Discovery Air on a permanent basis on March 3, 2009. Mr. Jennings has two agreements each dated August 24, 2007 governing his services to Top Aces Inc. which were not amended when he was appointed as Interim President and Chief Executive Officer of Discovery Air. An Executive Agreement between Mr. Jennings personally and Top Aces creates an employment relationship and governs his Co-Chief Executive Officer responsibilities. A Consulting Agreement between Mr. Jennings' executive trust and Top Aces creates an independent contractor relationship and governs specifically listed services, including flying, management of operations, management of suppliers, management of legal services, management of administration and management of finance. Mr. Toussaint and Mr. Bouchard have substantially similar Executive Agreements and Consulting Agreements with Top Aces in relation to their services to Top Aces. The key terms of these agreements are as follows:

Executive Agreements – Jennings, Toussaint and Bouchard	
Parties	David Jennings and Top Aces Inc. Paul Bouchard and Top Aces Inc. Didier Toussaint and Top Aces Inc.
Date and Term	August 24, 2007 for an indefinite term
Title and Responsibilities	Mr. Jennings and Mr. Bouchard: Co-Chief Executive Officer Mr. Toussaint: President Their responsibilities include acting as a director of Top Aces Inc. and a director or officer of subsidiaries or affiliates of Top Aces Inc. if requested, providing strategic management and guidance, representing Top Aces as CEO or President, as applicable, and acting as an accountable executive for Transport Canada
Annual Fee	\$50,000 (subject to review annually, without reduction)

Special Bonus	\$19,000 per year, or such greater amount as agreed between the parties, payable February 28 each year
Annual Incentive Award	They are each entitled to an annual incentive award of up to 100% of their Annual Fee, as determined and approved by the board of Top Aces. The amount of the award will be determined relative to Top Aces meeting certain EBITDA margins determined by the board of Top Aces.
Stock Options	Retain 450,000 stock options each, previously granted on June 20, 2007 when Mr. Jennings, Mr. Toussaint and Mr. Bouchard became consultants of Discovery Air. The exercise price of the options is \$1.56.
Benefits and Location	Mr. Jennings, Mr. Bouchard and Mr. Toussaint are entitled to the same benefits, including medical benefits, which are offered to other executive officers of Discovery Air. They are entitled to take part in any pension plan program at Top Aces that may become available. They agree to be situated in Montreal, Quebec, unless they request to move and can properly carry out their duties from the new location, subject to the agreement of Top Aces, not to be unreasonably withheld.
Resignation	Mr. Jennings, Mr. Bouchard and Mr. Toussaint must provide a minimum of 90 days' notice if they wish to vacate their position. Top Aces may waive the notice, at which time their entitlements to remuneration and benefits cease on the date of waiver.
Termination for Cause	No amounts are due, other than those accruing up to the date of termination, if Top Aces terminates Mr. Jennings, Mr. Bouchard or Mr. Toussaint for Just Cause. "Just Cause" is defined as: <ul style="list-style-type: none"> • theft, dishonesty or fraud, • conviction of an indictable offence, • gross incompetence, or • personal conduct that brings material disrespect or that materially negatively affects the reputation of Top Aces.
Termination without Cause or Upon Change of Control	If (a) any of them is terminated without Just Cause, (b) Top Aces is sold, subject to a direct or indirect acquisition of control, is merged, is liquidated or otherwise wound up, or sells substantially all its assets and within 60 days of any of such event Mr. Jennings, Mr. Toussaint or Mr. Bouchard terminates this agreement, or (c) Top Aces has a change in normal operations such that their role is eliminated, then each of Mr. Jennings, Mr. Bouchard and Mr. Toussaint is entitled to receive an amount equal to his last two years' total compensation (including fees, bonuses and taxable benefits). If less than two years have elapsed, then there is a mechanism for calculating the entitlement based on the time that has elapsed. If any of the three of Mr. Toussaint, Mr. Jennings or Mr. Bouchard ceases to be executives of Top Aces, the other's engagements are deemed to have been terminated without Just Cause. Termination of an Executive Agreement by Top Aces constitutes termination of the Consulting Agreement (summarized below).
Non-competition, Confidentiality, and Non-solicitation	Mr. Jennings, Mr. Toussaint and Mr. Bouchard are prohibited from disclosing Top Aces' confidential information during or after his engagement with Top Aces. They are also prohibited, during their engagement and for two years after its termination, from competing with Top Aces in Canada, from soliciting its customers, suppliers or employees or from intentionally acting in any manner that is detrimental to the relations between Top Aces or its affiliates or subsidiaries and their respective suppliers, customers, employees or others.
Perquisites	<ul style="list-style-type: none"> • automobile allowance or benefit of \$1,350 per month (subject to review annually, without reduction) • aircraft allowance or benefit of \$3,000 per month (subject to review annually, without reduction) • home office computer, fax and phone, as well as a cellular phone and blackberry service • business or executive class travel for all flights having a duration of greater than two hours • two life insurance policies, one in the amount of two to four years' annual fee and one in the amount of \$500,000, both with a beneficiary designated by Mr. Jennings, Mr. Bouchard or Mr. Toussaint, as applicable. • reimbursement of reasonable out-of-pocket expenses necessary to carry out his duties

Consulting Agreements – Jennings, Toussaint and Bouchard	
The Consulting Agreements relating to Mr. Jennings', Mr. Bouchard's and Mr. Toussaint's roles create independent contractor relationships between each of their executive trusts and Top Aces. A number of the terms of each Consulting Agreement are substantially similar to those contained in the Executive Agreement set out above. This table sets out only those items which are different from those set out above.	
Parties	The DJ Executive Trust and Top Aces Inc. The PVB Executive Trust and Top Aces Inc. The DT Executive Trust and Top Aces Inc. (collectively, the "Trusts" or individually a "Trust")
Title and Responsibilities	Manager, providing certain listed services: flying, management of operations, management of engineering and maintenance, management of finances and administration, management of CATS PMO and CATS II campaign, management of business development process and projects, management of DND relations and PR, management of employees, management of legal services, management of suppliers and sub-contractors and management of consulting division. David Jennings is the designated person by the DJ Executive Trust to provide services to Top Aces. Paul Bouchard is the designated person by the PVB Executive Trust to provide services to Top Aces. Didier Toussaint is the designated person by the DT Executive Trust to provide services to Top Aces.
Fee	\$22,916 per month (subject to review annually, without reduction)
Annual Incentive Award	The Trusts are entitled to an annual incentive award of up to 100% of their Fee, as determined and approved by the board of Top Aces. The amount of the award will be determined relative to Top Aces meeting certain EBITDA margins determined by the board of Top Aces.
Termination by Trust	The Trusts must provide a minimum of 90 days' notice if they wish to terminate the agreement. Top Aces may waive the notice, at which time a Trust's entitlement to remuneration ceases on the date of waiver.
Termination by Top Aces with Just Cause	Top Aces may terminate the agreement without notice. If terminated for Just Cause, or because Mr. Jennings ceases to be the trustee of the DJ Executive Trust, Mr. Bouchard ceases to be the trustee of the PVB Executive Trust or Mr. Toussaint ceases to be the trustee of the DT Executive Trust, there is no severance payment or other cost to Top Aces. "Just Cause" is defined as: <ul style="list-style-type: none"> • theft, dishonesty or fraud, • conviction of an indictable offence, • gross incompetence, • personal conduct that brings material disrespect or that materially negatively affects the reputation of Top Aces, • bankruptcy, insolvency or winding up of the Trust or the trustee, or • material failure and/or inability to fulfil duties or obligations, including the performance of the services under the agreement, determined by the Board of Top Aces, acting reasonably.
Termination without Cause or Upon Change of Control	If (a) the engagement of the Trust is terminated without Just Cause, (b) Top Aces is sold, subject to a direct or indirect acquisition of control, is merged, is liquidated or otherwise wound up or sells substantially all its assets and within 60 days the Trust terminates this agreement, or (c) Top Aces has a change in normal operations as to eliminate this engagement, then the Trust is entitled to receive an amount equal to the last two years' total remuneration (including fees and annual incentive award). If less than two years have elapsed, then there is a mechanism for calculating the entitlement based on the time that has elapsed. If any of the Trusts cease to be engaged by Top Aces, the other's engagements are deemed to have been terminated without Just Cause. Termination of the Consulting Agreement by Top Aces constitutes termination of the Executive Agreement with the applicable trustee (summarized above).
Non-competition, Confidentiality, and Non-solicitation	Each Trust, and its trustee, employees, contractors, beneficiaries and representatives, are prohibited from disclosing Top Aces' confidential information during the term of the agreement or after. The Trusts are also prohibited, during this engagement and for two years after its termination, from competing with Top Aces in Canada, from soliciting its customers, suppliers or employees or from intentionally acting in any manner that is detrimental to the relations between Top Aces or its affiliates or subsidiaries and their respective suppliers,

	customers, employees or others.
Perquisites	Reimbursement of reasonable out-of-pocket expenses necessary to carry out its duties, including automobile insurance and fuel.

Mr. Jankura has an Executive Agreement with the Corporation. Mr. Jankura also has a Key Employee Termination Benefits Agreement with the Corporation. The key terms of these agreements are as follows:

Richard Jankura - Executive Agreement	
Parties	Richard Jankura and Discovery Air Inc.
Date and Term	November 28, 2006 for an indefinite term
Title	Chief Financial Officer and Senior Vice President (Mr. Jankura resigned as Senior Vice President on October 31, 2007)
Annual Salary	\$175,000 (which has been increased to \$220,000) (subject to review annually)
Pension Supplement	Paid annually, as approved by the President and C.E.O.
Annual Incentive Award	Discretionary bonus at the completion of each fiscal year, as approved by the President & C.E.O.
Benefits	Mr. Jankura is entitled to the usual additional benefits provided by Discovery Air in accordance with its current benefits program.
Termination without Cause or Upon Change of Control	If (a) Mr. Jankura is terminated without cause, or (b) Discovery Air is sold, subject to a change of control, is merged or liquidated or its business operations are changed, in such a manner as to terminate Mr. Jankura's employment or his position, then Mr. Jankura is entitled to receive an amount equal to his last 24 months' total compensation (including salary, annual incentive award, benefits and all allowances). On such termination, all of Mr. Jankura's outstanding stock options vest and survive for two years, or, at Mr. Jankura's option, may be redeemed for the difference between the option price and the 4-day average share price on termination. Mr. Jankura has no duty to mitigate his damages if he is terminated without cause.
Non-competition, Confidentiality, and Non-solicitation	Mr. Jankura is prohibited from disclosing the Corporation's confidential information during or after his employment with Discovery Air. Mr. Jankura is also prohibited, during his employment and for the period during which he is being paid for his termination without cause, from competing with Discovery Air in any area in Canada where Discovery Air or any of its subsidiaries operate, and from soliciting any employees of Discovery Air or its subsidiaries.
Perquisites	<ul style="list-style-type: none"> • automobile benefit of \$950 per month • reimbursement for a complete medical exam every 24 months • golf club membership, as approved by the President and C.E.O. • reimbursement of reasonable out-of-pocket expenses necessary to carry out his duties and professional fees and courses necessary to maintain his professional qualification, as approved by the President and C.E.O. • entitled to participate in Discovery Air's employee share purchase program, if any.

Richard Jankura - Key Employee Termination Benefits Agreement	
Parties	Richard Jankura and Discovery Air Inc.
Date	July 24, 2008
Purpose of Agreement	Mr. Jankura is a key executive of Discovery Air and the Corporation recognizes that a material change in the Board of Directors may result in his departure or distraction to the detriment of Discovery Air and its shareholders. This agreement was therefore to reinforce and encourage Mr. Jankura to continue his attention and dedication to Discovery Air.
Obligation to Remain Employed	If there is a material change in the board of directors (defined as a change of at least four directors then sitting), Mr. Jankura will not voluntarily leave his employment for a maximum period of six months, during which time he cannot be terminated unless for cause. "Cause" is defined as an act of gross negligence or wilful misconduct which is materially harmful to Discovery Air, monetarily or otherwise, or the commission of a criminal act.
Resignation or Termination without Cause	If a material change in the board of directors has occurred and (a) Mr. Jankura has met his obligation to remain employed, and within 6 months thereafter leaves his employment (whether voluntarily or not), or (b) Mr. Jankura's employment is involuntarily terminated, then Mr.

	Jankura is entitled to the amounts to which he is entitled under his Executive Agreement upon a termination without cause, along with amounts due to him up to the date of the end of his employment. An “involuntary termination” of Mr. Jankura’s employment is defined as (a) a termination after a material change in the board of directors which is not for cause, due to Mr. Jankura’s normal retirement, death or permanent disability, (b) a relocation of Mr. Jankura’s work outside of London, Ontario, (c) a material reduction in Mr. Jankura’s title, reporting relationship, responsibilities or authority, or (d) reduction in salary or perquisites. Mr. Jankura has no obligation to mitigate his damages due to an involuntary termination.
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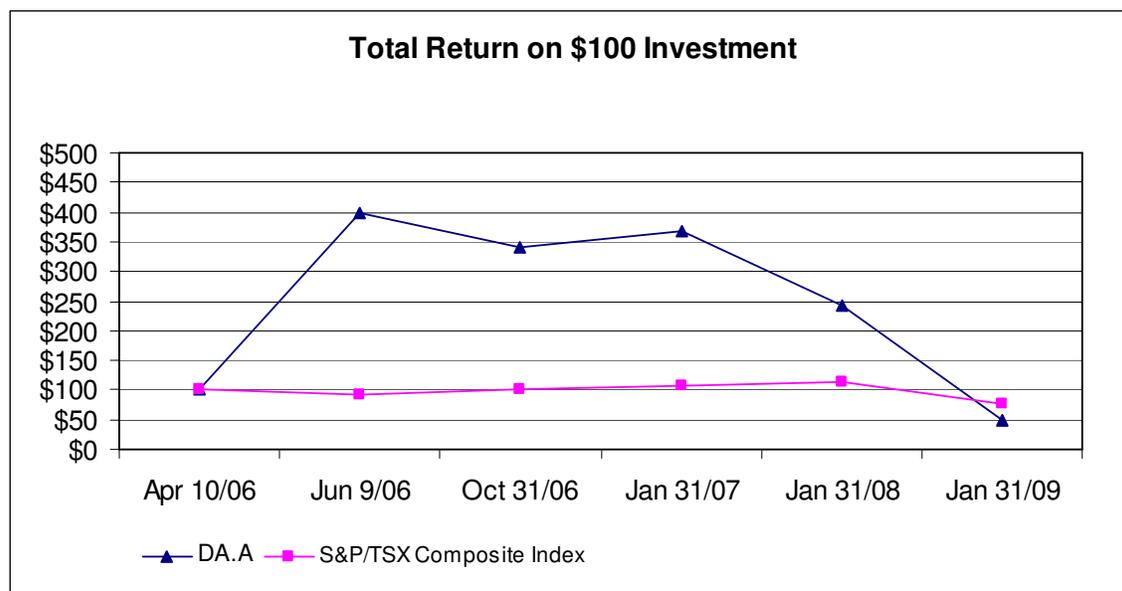
Adam Bembridge has an Executive Agreement with Great Slave Helicopters Ltd. The key terms of that agreement are as follows:

Adam Bembridge - Executive Agreement	
Parties	Adam Bembridge and Great Slave Helicopters Ltd.
Date and Term	June 20, 2006 for an indefinite term
Title	President and Chief Executive Officer
Annual Salary	\$325,000 (subject to review annually)
RRSP Contribution	Paid annually, in an amount equal to Mr. Bembridge’s maximum annual contribution limit.
Annual Incentive Award	Up to 100% of Annual Salary, as determined and approved by the board of Great Slave Helicopters. The amount of the award will be determined relative to Great Slave Helicopters meeting certain EBITDA margins determined by the board of Great Slave Helicopters.
Benefits and Location	Mr. Bembridge is entitled to the usual benefits provided by Great Slave Helicopters to its executive employees and shall be situate in Yellowknife, Northwest Territories, unless otherwise agreed.
Resignation	Mr. Bembridge must provide a minimum of 90 days’ notice if he wishes to terminate his employment. Great Slave Helicopters may waive the notice, at which time his entitlements to remuneration and benefits cease on the date of waiver.
Termination without Cause or Upon Change of Control	If (a) Mr. Bembridge is terminated without cause, (b) Great Slave Helicopters is sold, subject to a change of control, is merged, liquidated or otherwise wound-up, and Mr. Bembridge is not retained, or (c) Great Slave Helicopters’ business operations are changed in such a manner as to terminate Mr. Bembridge’s employment or his position, then Mr. Bembridge is entitled to receive an amount equal to his two most recent year’s Annual Salary.
Non-competition, Confidentiality, and Non-solicitation	Mr. Bembridge is prohibited from disclosing Great Slave Helicopters’ confidential information during or after his employment with Great Slave Helicopters. Mr. Bembridge is also prohibited, during his employment and for two years thereafter, from competing in the helicopter charter business and from soliciting Great Slave Helicopters’ customers, suppliers or employees or from intentionally acting in any manner that is detrimental to the relations between Great Slave Helicopters or its subsidiaries and their respective suppliers, customers, employees or others.
Perquisites	<ul style="list-style-type: none"> • automobile benefit of \$1,350 per month • helicopter allowance of \$3,000 per month • eligible to participate in any stock option plan, other share compensation arrangement or pension plan that may become available • reimbursement of reasonable out-of-pocket expenses necessary to carry out his duties • home office computer, fax and phone, as well as a cellular phone and blackberry service

Performance Graph

The following graph compares the total cumulative shareholder return of the Corporation’s Class A common shares on the date that the Corporation’s Class A common shares were listed on the TSX Venture Exchange, being April 10, 2006, on the date that the Corporation’s common shares were listed on the Toronto Stock Exchange, being June 9, 2006, and on the fiscal year ends of October 31, 2006, January 31, 2007, January 31, 2008, and January 31, 2009 with the cumulative total return of the S&P/TSX Composite Index for the same

periods, assuming reinvestment of all dividends.



For the time periods	April 10, 2006	June 9, 2006	October 31, 2006	January 31, 2007	January 31, 2008	January 31, 2009
DA.A	\$100.00	\$400.00	\$340.00	\$368.00	\$242.00	\$48.00
S&P/TSX Composite Index	\$100.00	\$93.21	\$101.84	\$108.24	\$111.98	\$76.41

As can be seen by the performance graph above, the Corporation's shareholder return as at January 31, 2009 fell below the S&P/TSX Composite Index return. This can, in part, be attributed to the performance of the Corporation during fiscal 2009. As is described above under *Compensation Discussion and Analysis - Base Salary and Short-term Incentive Bonus*, no bonuses were or will be awarded to any named executive officers in relation to the fiscal 2009 year. The bonus listed in the *Summary Compensation Table* for Mr. Jankura, while paid during fiscal 2009, related to performance in fiscal 2008.

Outstanding Option-Based Awards

The following table sets out for each Named Executive Officer the options outstanding at January 31, 2009. There are no share-based awards outstanding for our Named Executive Officers.

Name	No. of Securities underlying Unexercised Options (#)	Option Exercise Price (\$/share)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽¹⁾ (\$)
David Jennings	450,000	1.56	June 20, 2017	Nil
Richard Jankura	30,000	0.50	January 13, 2016	Nil
	100,000	1.64	May 31, 2016	Nil
	170,000	1.70	November 28, 2016	Nil
	25,000	1.51	June 11, 2017	Nil
Didier Toussaint	450,000	1.56	June 20, 2017	Nil
Paul Bouchard	450,000	1.56	June 20, 2017	Nil
Adam Bembridge	3,350	1.85	February 21, 2017	Nil

Notes:

- (1) The value of the unexercised in-the-money options is based on the closing price of the Discovery Air Class A common shares on the TSX on January 31, 2009, being \$0.24.

Incentive Plan Awards – Value Vested or Earned During the Year

The table below sets out the value of compensation under our two incentive plan awards (option plan and annual incentive cash bonus plan) earned by or vested in the Named Executive Officers for the year ended January 31, 2009. For a discussion of Discovery Air’s option plan see *Long-Term Incentive Awards – Option Plan* section above and for a discussion of the annual incentive cash bonus plan see *Base Salary and Short Term Incentive Bonus* section above.

Name	Option Plan – Value Vested during the Year ⁽¹⁾ (\$)	Annual Incentive Cash Bonus Plan (\$)
David Jennings	Nil	Nil
Richard Jankura	Nil	110,000
Didier Toussaint	Nil	Nil
Paul Bouchard	Nil	Nil
Adam Bembridge	Nil	Nil

Notes:

- (1) The value of vested options is determined by assuming the Named Executive Officer exercised those options which vested during the fiscal year ending January 31, 2009 on their vesting date. The value provided is the difference between the market price of the Discovery Air Class A common shares on the vesting date (based on their close price on the TSX on such date) and the exercise price of the options on the vesting date. Since no options were in-the-money on their vesting dates, all values are nil. The table below sets out the relevant market price and exercise price on each vesting date:

Name	Vesting Date	Market Value (\$/share)	Exercise Price (\$/share)
David Jennings	June 20, 2008	0.89	1.56
Richard Jankura	May 31, 2008	0.99	1.64
	June 11, 2008	0.95	1.51
	November 28, 2008	0.235	1.70
Didier Toussaint	June 20, 2008	0.89	1.56
Paul Bouchard	June 20, 2008	0.89	1.56
Adam Bembridge	February 21, 2007	1.20	1.85

Termination and Change of Control Benefits

See section above entitled *Executive Agreements* for a description of the entitlements of the Named Executive Officers upon a change of control or termination. The table below sets out the estimated amount of potential payments to the Named Executive Officers if their termination/change of control clauses were triggered on January 31, 2009.

Name	Entitlement
David Jennings	800,440
Richard Jankura	700,000
Didier Toussaint	807,428
Paul Bouchard	795,780
Adam Bembridge	625,184

Compensation of Directors

The following table sets out the compensation provided to directors for the year ended January 31, 2009.

Name	Fees Earned (\$)	Share-based Awards ⁽⁵⁾ (\$)	All Other Compensation (\$)	Total (\$)
Gilbert Bennett ⁽¹⁾	21,594	12,840	Nil	34,434
James Goodfellow ⁽²⁾	7,185	6,993	Nil	14,178
Alan Hibben ⁽³⁾	15,104	8,299	Nil	23,403
Joseph Randell ⁽³⁾	13,056	7,642	Nil	20,698
Wayne Sales ⁽³⁾	15,548	8,642	Nil	24,190
Brian Semkowski ⁽⁴⁾	16,120	7,026	Nil	23,146

Notes:

- (1) Mr. Bennett joined the Board on July 24, 2008.
- (2) Mr. Goodfellow joined the Board on October 24, 2008.
- (3) Mr. Hibben, Mr. Randell and Mr. Sales joined the Board on August 7, 2008.
- (4) Mr. Semkowski joined the Board on June 17, 2008.
- (5) The value of Share-based Awards represents the value of deferred share units (“DSUs”) granted to each director in relation to the fiscal year ended January 31, 2009. All DSUs vest on the date of grant. The value is calculated by multiplying the number of DSUs on the date of grant by the weighted average price at which the Corporation’s Class A common shares traded on the TSX during the 10 business day period prior to and including the last business day before the date of grant.

The compensation program for directors of the Corporation was amended during the fiscal year ended January 31, 2009. Unlike compensation for named executive officers, the directors compensation is not designed to pay for performance. Rather, directors receive a combination of retainer fees, chair fees and meeting attendance fees in order to help ensure unbiased decision-making. One-half of the compensation is received in the form of deferred share units (“DSUs”). The DSUs serve to align the directors’ interests with the Corporation’s shareholders, as the monetary benefit parallels that of the shareholders and cannot be accessed until the director resigns from the Board. The value of the DSUs received by the directors in relation to the fiscal year ended January 31, 2009 is provided in the chart above under the column entitled “Share-based Awards”. Since all directors joined the Board during the most recent fiscal year, the value of the Share-based Awards set out above discloses the aggregate dollar value realized by each director upon the vesting of their DSUs during the year.

Directors (other than the Chair of the Board) receive an annual retainer fee of \$30,000 payable quarterly in advance. One-half of the annual retainer fees is paid in cash and the other half is paid in DSUs. Directors (other than the Chair of the Board) are paid \$1,800 for attending a Board meeting (\$1,250 if by conference call). Committee members are paid \$2,000 for attending an audit committee meeting (\$1,400 if by conference call) and \$1,500 for attending a governance committee meeting or a human resources committee meeting (\$1,000 if by conference call). The Chair of the Board is not a member of any committee. For any Board or committee meeting of less than one hour’s duration, the Chair of the Board will, in his discretion, determine

the amount of the attendance fee to be paid, which amount will not be less than 50% or more than 100% of the relevant attendance fee specified above. One-half of the meeting attendance fees is paid in cash and the other half is paid in DSUs.

As his total compensation, the Chair of the Board receives an annual Chair fee of \$100,000. The Chair of the Audit Committee receives an annual chair fee of \$7,500 and the Chairs of the Governance and Human Resources Committees each receive an annual chair fee of \$5,000. One-half of chair fees (including the Chair's annual fee) is paid in cash and the other half is paid in DSUs.

Directors are reimbursed for reasonable travel and other expenses incurred when attending meetings.

The DSUs received by the directors are governed by a Deferred Share Unit Plan ("DSU Plan") approved by the Board. The DSU Plan governs the administration of the DSUs, as well as their settlement upon a director ceasing to be a director of the Corporation. Former directors who are not U.S. Persons (as defined in the DSU Plan) may elect to settle their DSUs over the period beginning with the date they ceased being a director of the Corporation and ending on the last business day in December of the first calendar year following such cessation date. Former directors who are U.S. Persons (as defined in the DSU Plan) automatically have all of their DSUs settled on the date they cease being a director of the Corporation. Settlement payments are payable in a lump sum cash amount equal to the number of DSUs to be settled multiplied by the weighted average price at which the Corporation's Class A common shares traded on the TSX during the 10 business day period prior to and including the last business day before the settlement date. The DSU Plan is unfunded and DSUs may not be assigned by the directors. The Board has the authority to amend or terminate the DSU Plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN AT JANUARY 31, 2009

The Corporation's only equity compensation plan is its Stock Option Incentive Plan approved by shareholders. The following table lists the number of securities to be issued upon the exercise of outstanding options and the weighted-average exercise price of the outstanding options as at January 31, 2009 under the Corporation's Stock Option Incentive Plan. As described above under *Key Elements of the Corporation's Stock Option Incentive Plan*, no new securities remain available for future issuances.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights
Equity compensation plans approved by shareholders	7,447,450	\$1.21
Equity compensation plans not approved by shareholders	Nil	Nil
Total	7,447,450	\$1.21

AUDIT COMMITTEE INFORMATION

Information pertaining to the Corporation's audit committee can be found in the Corporation's Annual Information Form for the year ended January 31, 2009 which is available on SEDAR at www.sedar.com. Copies of the Annual Information Form can be obtained free of charge upon request in writing to the Corporate Secretary, Discovery Air Inc., 1979 Otter Place, London, Ontario N5V 0A3.

CORPORATE GOVERNANCE PRACTICES

Information pertaining to the Corporation's corporate governance practices is included on Exhibit "A" attached hereto.

SHAREHOLDER PROPOSALS

There were no shareholder proposals submitted for consideration at this Meeting.

ADDITIONAL INFORMATION

The Corporation's Consolidated Financial Statements and Management's Discussion and Analysis for the year ended January 31, 2009 contain financial information about the Corporation. These documents, and other additional information about the Corporation, are available on SEDAR at www.sedar.com.

Copies of the information referred to above can be obtained upon request in writing to the Corporate Secretary, Discovery Air Inc., 1979 Otter Place, London, Ontario N5V 0A3.

DIRECTORS' APPROVAL

The contents and the sending of this Management Proxy Circular have been approved by the Board of Directors.

By Order of the Board



Tammie Ashton
Corporate Secretary
DISCOVERY AIR INC.
April 24, 2009
London, Ontario

EXHIBIT "A"

CORPORATE GOVERNANCE PRACTICES

Discovery Air is committed to the principles of good corporate governance and employs a variety of policies, mandates and practices to manage corporate governance and ensure compliance. This Exhibit sets out the Corporation's corporate governance practices, required pursuant to National Instrument 58-101. Information with respect to Discovery Air's audit committee, required pursuant to National Instrument 52-110, can be found in the Corporation's annual information form for the year ended January 31, 2009 which is available on SEDAR at www.sedar.com.

Board of Directors

All six of the current directors of the Corporation, all of whom management proposes to nominate for re-election at the Meeting, are independent as that term is defined by securities laws. The Board holds regular in-camera meetings at which members of management are not in attendance. During the last fiscal year, the Board held 4 in-camera meetings.

Gilbert Bennett, the Chair of the Board, is independent. The roles and responsibilities of the Chair are set out in the Position Description of the Chair of the Board, attached below as Exhibit "B".

In addition to being a director of the Corporation, a number of Discovery Air's directors sit on the Boards of other public companies. Alan Hibben is also a director of Pinetree Capital Corp. and HudBay Minerals Inc. Wayne Sales is also a director of Tim Hortons Inc., SuperValu Inc. and Georgia Gulf Corporation.

Board of Directors Attendance Record

For the year ended January 31, 2009

There were held the following number of Board and Committee meetings during the year ended January 31, 2009:

Board.....	18
Audit Committee.....	6
Human Resources and Corporate Governance Committee.....	3

The following table sets out the number of Board and Committee meetings attended by each person who was a director during the year ended January 31, 2009.

	Number of meetings attended			Percentage
	Board (18 meetings)	Audit Committee (6 meetings)	Human Resources & Corporate Governance Committee (3 meetings)	
Danny Anderson ⁽¹⁾	10 of 11		2 of 3	85.7%
Alex Arychuk ⁽²⁾	7 of 9			77.8%
Adam Bembridge ⁽³⁾	4 of 5			80%
Gilbert Bennett ⁽⁴⁾	9 of 9	2 of 2		100%
Fred Carmichael ⁽⁵⁾	1 of 4			25%
John Drake ⁽⁶⁾	7 of 9			77.8%
James Goodfellow ⁽⁷⁾	4 of 4			100%
David Jennings ⁽⁸⁾	5 of 5			100%
Alan Hibben ⁽⁹⁾	6 of 7	2 of 2		88.9%
Arnold Hillier ⁽¹⁰⁾	11 of 11	3 of 4	3 of 3	94.4%
Ian McLean ⁽¹¹⁾	11 of 13			84.6%
William Mitchell ⁽¹²⁾	11 of 11	4 of 4		100%
Paul Oliver ⁽¹³⁾	10 of 11	4 of 4		93.3%
Joseph Randell ⁽¹⁴⁾	6 of 7			85.7%
Wayne Sales ⁽¹⁵⁾	7 of 7	2 of 2		100%
Brian Semkowski ⁽¹⁶⁾	13 of 13			100%
Jonathan Taylor ⁽¹⁷⁾	11 of 11		3 of 3	100%
David Taylor ⁽¹⁸⁾	12 of 13			92.3%

(1) Danny Anderson resigned from the Board on August 7, 2008.

(2) Alex Arychuk resigned from the Board on July 24, 2008.

(3) Adam Bembridge resigned from the Board on June 17, 2008.

(4) Gilbert Bennett was appointed to the Board on July 24, 2008.

(5) Fed Carmichael was elected to the Board on June 17, 2008 and resigned from the Board on July 31, 2008.

(6) John Drake resigned from the Board on August 6, 2008.

- (7) James Goodfellow was appointed to the Board on October 24, 2008.
- (8) David Jennings resigned from the Board on June 17, 2008.
- (9) Alan Hibben was appointed to the Board on August 7, 2008.
- (10) Arnold Hillier resigned from the Board on August 7, 2008.
- (11) Ian McLean resigned from the Board on September 12, 2008.
- (12) William Mitchell resigned from the Board on August 7, 2008.
- (13) Paul Oliver resigned from the Board on August 7, 2008.
- (14) Joseph Randell was appointed to the Board on August 7, 2008.
- (15) Wayne Sales was appointed to the Board on August 7, 2008.
- (16) Brian Semkowski was elected to the Board on June 17, 2008.
- (17) Jonathan Taylor resigned from the Board on August 7, 2008.
- (18) David Taylor resigned from the Board on September 12, 2008.

Mandates, Position Descriptions and Board Committees

The Board has approved a written mandate to define the Board’s responsibilities. The Board has also approved a written mandate for each committee of the Board, being the Audit Committee, the Human Resources Committee and the Governance Committee. The mandate of the Board is attached below as Exhibit “C”. The mandate of the Human Resources Committee is attached below as Exhibit “D”. The Governance Committee mandate is attached below as Exhibit “E”. As mentioned above, information about the Corporation’s Audit Committee, including its written mandate, can be found in the Corporation’s annual information form for the year ended January 31, 2009 which is available on SEDAR at www.sedar.com.

The following directors are members of the following Board committees:

Audit Committee

James Goodfellow (Chair)
 Alan Hibben
 Brian Semkowski

Governance Committee

Wayne Sales (Chair)
 Alan Hibben
 Joseph Randell

Human Resources Committee

Joseph Randell (Chair)
 Wayne Sales
 Brian Semkowski

The Corporation has a Board-approved Position Description for the Chair of the Board and for the Chairs of the Board committees. The Board has also set out the authority levels and responsibilities of the Corporation’s Chief Executive Officer through a detailed Resolution of Delegated Authority.

Orientation and Continuing Education

New members of the Board are provided with a comprehensive orientation package which includes information on Board and Committee composition, officers, mandates of the Board and the Committees, the Corporate Disclosure Policy and Disclosure Controls and Procedures, the Code of Conduct, conflict of interest rules, policies and procedures respecting privacy, the current Business Plan and Budget and the Corporation’s most recent financial results and filings.

The continuing education of the members of the Board is accomplished through the preparation and presentation of written material to the directors by Management regarding various subject matters. In addition, members of Management give presentations on emerging issues in order to keep the Board up-to-date with relevant matters. This process may be initiated at the request of the Board, a Committee or an individual director, or it may be initiated by Management. In addition, the Committees have the authority to engage independent advisors as determined necessary to permit them to carry out their duties.

Ethical Business Conduct

The Board of Directors has adopted a written Code of Conduct for the directors, officers and employees of the Corporation. Pursuant to regulatory requirements, the Code of Conduct is available with the Corporation's other publicly disclosed documents on SEDAR at www.sedar.com. A copy may also be requested by contacting the Corporate Secretary at 1979 Otter Place, London, Ontario N5V 0A3. The Board reviews the Code of Conduct each year and receives reports from management regarding compliance with various aspects of the code.

In addition to the Code of Conduct, the Board has adopted a conflict of interest policy which applies to all directors, officers and employees. The policy defines conflicts and sets out the rules regarding conflicts within the Corporation. It further provides a mechanism where potential conflicts are to be identified and reported .

Nomination of Directors

From time to time it is both necessary and desirable for new candidates to be identified and appointed to the Board. The Governance Committee is, among other things, responsible for identifying and recommending candidates for election or appointment to the Board. All members of the Governance Committee are independent. See the mandate of the Governance Committee attached below as Exhibit "E".

Compensation

The Corporation has a Human Resources Committee which, among other things, is responsible for advising the Board with respect to the appointment, performance, evaluation and compensation of the Chief Executive Officer and other officers of Discovery Air and its subsidiaries. See the mandate of the Human Resources Committee attached below as Exhibit "D".

The Governance Committee is required, among other things, to review and recommend to the Board for approval the form and amount of the directors' compensation. See the mandate of the Governance Committee attached below as Exhibit "E".

The Corporation's former Human Resources and Corporate Governance Committee, which was disbanded upon the resignation of all of its members in August 2008, hired Watson Wyatt Canada ULC as a consultant to complete a review of the compensation paid to the executives of Discovery Air and its subsidiaries and to make suitable recommendations for change. Watson Wyatt completed preliminary market comparison information for the committee in June 2008, but with the resignation of all members of the committee, the mandate of Watson Wyatt was terminated.

In March 2009 the Corporation's current Human Resources Committee retained a Human Resources consultant to advise the committee regarding the compensation and terms of employment for the Corporation's Chief Executive Officer. The consultant has also been retained to assist with other human resources matters, including the transition of the Corporation's head office functions from London, Ontario to Yellowknife, Northwest Territories, which is expected to occur later in the fiscal year ending January 31, 2010.

Assessments

It is a part of the responsibilities of the Governance Committee that the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. See the mandate of the Governance Committee attached below as Exhibit "E". With the change in the composition of the Board

during the fiscal year ended January 31, 2009, no assessments were completed. The Governance Committee will be developing and recommending to the Board new processes which facilitate these evaluations during the current fiscal year.

EXHIBIT “B”

POSITION DESCRIPTION OF THE CHAIR OF THE BOARD

Section 1. The Chair of the Board’s Job Description, Broadly Stated

The Chair of the Board (“Chair”) of Discovery Air Inc. (the “Corporation”) is responsible for facilitating highly effective performance by the Board of Directors (“Board”) of the Corporation. The Chair is not an executive of the Corporation in the sense that the Chair is not responsible for the management of any aspect of the Corporation’s business.

In discharging his/her responsibility, the Chair will, from time to time, (i) provide leadership to the Board on specific issues, (ii) assist the Board in performing its duties and meeting its obligations, including the duties and obligations of the Board specified in the mandate of the Board relating to strategic planning, (iii) at and in accordance with the direction of the Board, act as the spokesperson for the Board, (iv) at the request of the Board and/or the chief executive officer of the Corporation (the “CEO”), act as an intermediary between the Board and the CEO, and (v) at the request of the Board and/or the CEO, provide advice and counsel to the CEO.

Section 2. Specific Responsibilities of the Chair

Without limiting the generality of the responsibility of the Chair as described in Section 1 above, the Chair shall:

Pre-Board Meeting Mechanics

- a) schedule the number and timing of Board meetings each calendar year so as to enable the Board to deal on a timely basis with all matters for which the Board is responsible and with which the Board as a whole chooses or is obliged to deal;
- b) in consultation with the chairs of the Board committees, the CEO and other members of management (as appropriate), establish the agenda for each Board meeting with a view to bringing before the Board (i) matters in respect of which the chairs of Board committees, the CEO or other members of management require or want Board direction or approval, and (ii) matters with which the Board wishes or is obliged to deal;
- c) use his/her best efforts to provide or to cause to be provided to the Board a reasonable time in advance of each Board meeting all reasonably required and available information relating to each matter to be dealt with by the Board at that meeting;
- d) where, in the Chair’s opinion, the subject matter and expected duration of a Board meeting or the particular circumstances of a member of the Board (a “Director”) would so warrant, encourage a Director or Directors to participate in the meeting by means of telephone, teleconference, videoconference or other methodology by which Directors participating in the meeting are able to speak to and be heard by each other;
- e) approve the general nature and length of all presentations to be made at each Board meeting and review every written presentation to be made to the Board or to any committee of the Board before such written presentation is provided to Directors;
- f) prior to any Board meeting, confer with one or more Directors on any matter to be discussed at the Board meeting, if in the Chair’s opinion, the discussion of that matter at the Board meeting would probably be thereby enhanced;

Conduct of Board Meetings

- g) act as the chair of each Board meeting;
- h) conduct the business of each Board meeting in a manner which will normally result in all matters on the meeting’s agenda being dealt with effectively;

- i) propose the termination of discussion on any matter at a Board meeting when he/she is of the opinion that the matter has been thoroughly canvassed and that no new points of view or information are being presented (with the understanding that the Chair's discretion in such cases will be exercised so as to err on the side of allowing excessive discussion rather than insufficient discussion);
- j) attempt to achieve a consensus of Directors on any matter discussed at a Board meeting in respect of which (i) the Board's decision, views or advice has been requested or is required, and (ii) Directors express conflicting positions, views or advice;
- k) ensure that all Directors who wish to address a matter at a Board meeting are afforded a reasonable opportunity to do so;
- l) in any case where a Director (the "conflicted Director") has an interest or potential conflict in or in respect of a matter to be discussed at a Board meeting, attempt to arrange for the conflicted Director to excuse himself/herself from all or a portion of the Board discussion of that matter if the Chair is of the opinion that the Board discussion of that matter would probably be enhanced by the absence of the conflicted Director;

Board Culture

- m) use reasonable efforts to promote and support a Board culture characterized by:
 - i. the Board's acceptance of its accountability for the performance of the Corporation;
 - ii. the acceptance by each Director of his/her responsibility to use his/her best efforts in carrying out his/her duties as a Director;
 - iii. the Board's insistence on the highest level of integrity and honesty in the actions of the Board and management;
 - iv. respect and trust amongst Directors;
 - v. the open and timely sharing of all relevant information amongst all Directors;
 - vi. acceptance by all Directors of the right of every Director to hold and express dissenting opinions;
 - vii. a genuine commitment by Directors to good governance practices; and
 - viii. a willingness on the part of Directors to function in a collaborative manner;

Board Composition, Education and Compensation

- n) in co-operation with the Governance Committee of the Board,
 - i. assist in the identification of appropriate Board candidates to be nominated for election by the shareholders of the Corporation;
 - ii. communicate on behalf of the Board with all proposed nominees for election by the shareholders of the Corporation;
 - iii. arrange for management of the Corporation to provide new Directors with a comprehensive orientation and education program with respect to the Corporation and its businesses;
 - iv. design and implement processes for evaluating the performances of the Board and individual Directors;
 - v. use reasonable efforts to cause the Board to be made aware on a timely basis of changes in the law and/or best practice respecting the duties of the Board and Directors; and
 - vi. provide the Board with information and recommendations regarding the amount and nature of Directors' compensation;

Board Committee Matters

- o) assist the Governance Committee in developing recommendations to the Board with respect to the composition and chairs of the committees of the Board;
- p) assist the Governance Committee and the other committees of the Board in regularly reviewing the mandates of all committees of the Board with a view to recommending to the Board appropriate amendments to the committees' mandates;
- q) assist the Governance Committee in regularly reviewing the mandate of the Board with a view to recommending to the Board appropriate amendments to the Board's mandate;
- r) attend all meetings of all committees of the Board as an observer for the purpose of assisting the committees to meet their obligations under their mandates;

Miscellaneous Matters

- s) assist the Board, each committee of the Board and management in understanding and respecting the boundaries between the responsibilities of the Board and Board committees and the responsibilities of management;
- t) at the request of any Director, meet or be available for discussion with that Director between meetings of the Board;
- u) following each meeting of the Board, settle with the secretary of the meeting draft minutes of the meeting for approval by the Directors;
- v) advise management of each decision made by the Board which requires implementation by management and monitor management's implementation of that decision;
- w) act as chair at all meetings of shareholders of the Corporation;
- x) oversee the corporate secretarial activities of the person who from time to time performs the function of the Corporate Secretary of the Corporation;
- y) where the Chair deems it appropriate to do so, authorize any Director to retain legal counsel or other person(s) possessed of relevant expertise to advise the Director in connection with the Director's discharge of his/her duties as a Director of the Corporation; and
- z) perform such other functions as the Board may reasonably specify from time to time.

EXHIBIT “C”

MANDATE OF THE BOARD

1. PRIMARY ROLE OF THE BOARD

The directors (collectively the “Board”) of Discovery Air Inc. (the “Corporation”) are responsible for the stewardship of the Corporation. The Canada Business Corporations Act (the “CBCA”), the statute which governs the Corporation, provides that the stewardship responsibility of the Board consists primarily of the duty to manage or supervise the management of the business and affairs of the Corporation. The CBCA further authorizes the Board, subject to certain exceptions, to delegate to an officer or officers of the Corporation powers to manage the business and affairs of the Corporation. As authorized by the CBCA and for the purpose of effectively discharging the Board’s stewardship responsibility,

- (a) the Board has delegated to the chief executive officer of the Corporation (the “CEO”) many of the Board’s powers and much of the Board’s authority to manage the business and affairs of the Corporation, and
- (b) the Board has assumed the duty to supervise the CEO’s management of the business and affairs of the Corporation.

2. THE ROLE OF BOARD COMMITTEES

As authorized by the CBCA, the Board may appoint committees of Directors (“Board committees”) and, subject to certain limitations set out in the CBCA, may delegate to any Board committee any of the powers of the Board. The Board may also require any such Board committee to take specified actions for the purpose of assisting the Board to discharge the Board’s duties.

3. STANDARD OF CONDUCT

As required by the CBCA, every member of the Board (a “Director”) must, in discharging his or her duties,

- (a) act honestly and in good faith with a view to the best interests of the Corporation, and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Accordingly, the action which the Board or a Board committee must take to discharge each of its duties in any circumstances is the action (the “Diligent Action”) which could reasonably be expected to be taken in comparable circumstances by a person (1) acting honestly and in good faith with a view to the best interests of the Corporation, and (2) exercising the care, diligence and skill that a reasonably prudent person would exercise.

4. CATEGORIES OF BOARD DUTIES

The Board believes that the Board’s duties fall broadly into two categories: (1) the duties (the “Ordinary Course Duties”) which the Board must discharge in the ordinary course of acting as the steward of the Corporation and supervising the CEO’s management of the business and affairs of the Corporation; and (2) the duties (the “Extraordinary Duties”) which the Board must discharge when the Board, the CEO or the Corporation is confronted with unusual circumstances such as (but not limited to) consideration of a take-over bid, merger, significant acquisition or other significant transaction or event outside the ordinary course of the Corporation’s business.

5. THE BOARD’S ORDINARY COURSE DUTIES

The Board acknowledges and accepts the following Ordinary Course Duties:

Financial Reporting and Disclosure

- A.** Governments, securities commissions, stock exchanges and other agencies and instrumentalities having jurisdiction over the Corporation (collectively the “Regulators”) have promulgated and will continue to promulgate laws, regulations, rules, policies and other requirements relating to financial reporting and disclosure by the Corporation (collectively the “Financial Reporting Rules”). The Board shall take, or require the appropriate Committee of the Board (the “Audit Committee”) to take, Diligent Action to gain and maintain reasonable assurance that the senior officers of the Corporation (“Management”), the Board and the Corporation meet all financial reporting and disclosure obligations (“Financial Reporting Obligations”) imposed on them by the Financial Reporting Rules. The Board recognizes that the most significant Financial Reporting Obligations are as follows:
- (a) Management must prepare (1) comparative financial statements of the Corporation relating separately to each financial year of the Corporation (the “Current Year”) and the financial year of the Corporation next preceding the Current Year (the “Preceding Year”), and (2) Management discussion and analysis (“MD&A”) relating to such financial statements;
 - (b) Management must prepare (1) comparative interim financial statements of the Corporation relating separately to each of the three-month, six-month and nine-month periods of the Current Year and the Preceding Year, and (2) MD&A relating to such financial statements;
 - (c) each comparative financial statement of the Corporation specified in subsection (a) above (a “Current Annual Statement”), each comparative interim financial statement of the Corporation specified in subsection (b) above (a “Current Quarterly Statement”) and the MD&A relating to each such financial statement must:
 - (i) in the case of each Current Annual Statement and each Current Quarterly Statement (a “Current Financial Statement”), present fairly, in all material respects, the financial position of the Corporation, the results of its operations and its cash flows in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”);
 - (ii) be made up and certified as required by the Financial Reporting Rules;
 - (iii) in the case of each Current Annual Statement, be accompanied by a report thereon (the “Required Report”) prepared in accordance with the Financial Reporting Rules by a firm of chartered accountants (the “external auditor”) which is objective and independent;
 - (iv) be approved by the Board and be filed with Regulators in compliance with the Financial Reporting Rules; and
 - (v) be sent to holders of the Corporation’s securities in compliance with the Financial Reporting Rules;
 - (d) in compliance with and subject to the Financial Reporting Rules, the Board must place before each annual meeting of shareholders of the Corporation and send to each shareholder of the Corporation each Current Annual Statement;
 - (e) subject to and in compliance with the Financial Reporting Rules, where a material change (as defined in the Financial Reporting Rules) occurs in the affairs of the Corporation, the Corporation must
 - (i) forthwith issue a news release authorized by a member of Management disclosing the nature and substance of the material change (a “Material Change News Release”), and
 - (ii) file a report of such material change (a “Material Change Report”) with Regulators as soon as practicable after (and in any event within ten days of) the date on which the material change occurs; and
 - (f) all financial information concerning the Corporation which is disseminated to the public by or on behalf of the Corporation must be accurate, complete and fairly presented.
- B.** The Board shall also take Diligent Action to:
- (a) gain and maintain reasonable assurance that the composition, authority and responsibilities of the Audit Committee conform to and comply with the Financial Reporting Rules;
 - (b) nominate a firm of objective and independent chartered accountants (the “proposed auditor”) for appointment as the external auditor by the holders of the Class A common voting shares and the Class B common variable voting shares (collectively the “Common Shares”) in the capital of the Corporation;

- (c) fix the compensation and the terms of engagement of the external auditor; and
- (d) gain and maintain reasonable assurance that the Corporation is in compliance with its obligations under tax, employment and similar laws and regulations (“Employment Obligations”).

C. The Board shall empower and require the Audit Committee to:

- (a) recommend to the Board:
 - (i) the proposed auditor to be nominated by the Board for appointment as the external auditor by the holders of Common Shares of the Corporation; and
 - (ii) the compensation of the external auditor;
- (b) take Diligent Action to oversee the work of the external auditor in preparing and issuing a Required Report and performing other audit, review and attest services for the Corporation;
- (c) take Diligent Action to resolve disagreements between Management and the external auditor regarding financial reporting;
- (d) when it is appropriate to do so, pre-approve all non-audit services proposed to be provided to the Corporation or its subsidiary entities by the external auditor; for purposes of this mandate,
 - (i) “audit services” means the professional services rendered by the external auditor for the audit and review of the Corporation’s financial statements and services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements, and
 - (ii) the term “non-audit services” means services other than audit services;
- (e) review the Corporation’s financial statements, related MD&A and related annual and interim news releases before the Corporation publicly discloses such information;
- (f) take Diligent Action to gain and maintain reasonable assurance that the Corporation has adequate procedures in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements;
- (g) establish procedures for
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters (“Financial Complaints”),
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters (“Financial Concerns”), and
 - (iii) the reporting to the Audit Committee of all such Financial Complaints and Financial Concerns;
- (h) review and approve the Corporation’s hiring policies regarding partners, employees and former partners and employees of the present and any former external auditor; and
- (i) review annually the expenses of the Chair of the Board and the CEO for the purpose of gaining reasonable assurance as to the reasonableness of such expenses.

D. Upon the demand of the external auditor, the Board shall:

- (a) furnish to the external auditor
 - (i) such information and explanations, and
 - (ii) such access to records, documents, books, accounts and vouchers of the Corporation and its subsidiaries,

as the Board is reasonably able to furnish and as are, in the opinion of the external auditor, necessary to enable the external auditor to make the examination (the “Required Examination”) of the Corporation’s financial statements required by the Financial Reporting Rules and to make the Required Report; and

- (b) obtain from the present or former directors, officers, employees and agents of any subsidiary of the Corporation and furnish to the external auditor the information and explanations
 - (i) that such present or former directors, officers, employees and agents are reasonably able to furnish, and
 - (ii) that are, in the opinion of the external auditor, necessary to enable the external auditor to make the Required Examination and the Required Report.
- E. The Board shall delegate to the Audit Committee the power and authority to communicate directly with the external auditor and the Corporation's internal auditor.

Strategic Planning

- A. The Board shall require the CEO, in collaboration with the Board, to develop and to present to the Board:
 - (a) the primary objective(s) which the CEO proposes to pursue in managing the business and affairs of the Corporation (the "Primary Objective(s)"), and
 - (b) a plan which the CEO proposes to implement which is designed to enable the Corporation to achieve the Primary Objective(s) (the "Strategy") and which takes into account, amongst other things, the Corporation's strengths and weaknesses, the opportunities for and threats to the Corporation's business and the Board's risk tolerance level.
- B. The Board shall take Diligent Action to gain reasonable assurance as to:
 - (a) the appropriateness of the Primary Objective(s);
 - (b) whether the Strategy, if executed, is reasonably likely to enable the Corporation to achieve the Primary Objective(s); and
 - (c) whether the Strategy is reasonably capable of being executed by Management.
- C. If the Board gains reasonable assurance as to the appropriateness of the Primary Objective(s), the Board may approve the Primary Objective(s) (the "Approved Primary Objective(s)").
- D. If the Board gains reasonable assurance that (1) the Strategy, if executed, is reasonably likely to enable the Corporation to achieve the Approved Primary Objective(s), and (2) the Strategy is reasonably capable of being executed by Management, then the Board may approve the Strategy (the "Approved Strategy").
- E. The Board shall take Diligent Action to monitor Management's implementation of the Approved Strategy and the Corporation's progress toward achieving the Approved Primary Objective(s).
- F. If at any time the Board is of the opinion that
 - (a) the Approved Primary Objective(s) is or are no longer appropriate,
 - (b) an Approved Strategy is no longer reasonably capable of being executed by Management, or
 - (c) an Approved Strategy is no longer reasonably likely to enable the Corporation to achieve the Approved Primary Objective(s),

the Board shall require the CEO to develop and present to the Board revised Primary Objective(s) and/or a revised Strategy, as the case may be, and the Board must then deal with the revised Primary Objective(s) and/or revised Strategy in the manner specified in sections B, C, D and E above.

Risk Management

The Board shall take, or require the appropriate Board committee (the “Risk Committee”) to take, Diligent Action to gain and maintain reasonable assurance that the strategic, operational, reporting and compliance risks of the Corporation’s business (“Risks”) are identified in a timely manner and are effectively assessed, monitored and managed. In particular, the Board shall take, or require the Risk Committee to take, Diligent Action to gain and maintain reasonable assurance that:

- (a) Management develops for the Corporation a formalized, disciplined and integrated enterprise risk management process (“ERM”) (1) which can reasonably be expected to enable Management to identify in a timely manner and to effectively assess, monitor and manage Risks, and (2) which is reasonably capable of being implemented and sustained by Management;
- (b) Management develops a policy (the “ERM Policy”) which accurately sets out the risk philosophy of the Corporation and the expectations and accountabilities for identifying, assessing, monitoring and managing Risks;
- (c) Management fully implements and sustains the ERM in compliance with the ERM Policy;
- (d) the ERM Policy continues to set out accurately the risk philosophy of the Corporation and the expectations and accountabilities for identifying, assessing, monitoring and managing Risks;
- (e) in a timely manner, Management identifies the most significant Risks (“Principal Risks”), including those Risks related to or arising from the Corporation’s weaknesses, the threats to the Corporation’s business and the assumptions underlying the Approved Strategy;
- (f) the insurance coverages maintained by the Corporation relating to Principal Risks are adequate; and
- (g) Management directly and effectively assesses, monitors and manages Principal Risks in compliance with the ERM Policy.

Human Resources

A. The Board shall take, or require the appropriate Board committee (the “Human Resources Committee”) to take, Diligent Action to gain and maintain reasonable assurance that there exist within the Corporation effective policies and practices to enable the Corporation to attract, develop and retain the human resources required by the Corporation to meet the Primary Objective(s). In particular, the Board shall take, or require the Human Resources Committee to take, Diligent Action to gain and maintain reasonable assurance that:

- (a) the Corporation’s overall compensation philosophy for all employees balances the objectives (the “Compensation Objectives”) of (i) attracting, developing and retaining highly competent employees, (ii) appropriately and fairly incenting and rewarding strong performance by employees and the Corporation in both the short term and the longer term, and (iii) maintaining the Corporation’s employee costs at a competitive level;
- (b) the compensation program for members of Management consists of an appropriate combination (an “Appropriate Compensation Combination”) of base salary, a short term incentive plan, a longer term incentive plan and other benefits;
- (c) the Corporation establishes and maintains an appropriate succession plan (a “Succession Plan”) which identifies the potential short-term and longer-term successors to the CEO and the holders of all other Management and senior manager’s positions in the Corporation; and
- (d) the Corporation establishes and maintains effective policies and practices (“Training Policies and Practices”) which, in conjunction with the Succession Plan, provide for training, monitoring and continuously improving the skills of senior managers and employees.

- B.** The Board shall also take, or require the Human Resources Committee to take, Diligent Action to:
- (a) establish and maintain a clear written position description for the CEO which reflects the Board's delegation to the CEO of powers and authority to manage the business and affairs of the Corporation and which delineates the CEO's responsibilities;
 - (b) employ as the CEO a person whom the Board believes is capable of managing the business and affairs of the Corporation in a manner which will enable the Corporation to achieve the Primary Objective(s);
 - (c) approve the terms and conditions of the CEO's employment by the Corporation, including any changes to such terms and conditions;
 - (d) establish, maintain and implement a formal process for annually assessing the performance of the CEO, taking into account the CEO's position description and the goals and objectives of the Corporation which have been approved by the Board and which the CEO is responsible for meeting; and
 - (e) after consultation with the CEO, appoint all other officers of the Corporation and approve the terms and conditions of each such officer's employment by the Corporation, including any changes to such terms and conditions.
- C.** The Board shall:
- (a) establish, maintain and communicate to the CEO a policy which defines the limits of the CEO's powers, authority and accountability to the Board in managing the business and affairs of the Corporation; and
 - (b) require the Human Resources Committee to:
 - (i) recommend for Board approval comprehensive compensation and benefit programs for the CEO, for other members of Management and for other senior managers, including the criteria (which shall incorporate relevant corporate goals and objectives) against which the performance of the Corporation, the CEO, other members of Management and other senior managers will be evaluated for purposes of any incentive plans ("Incentive Plans") included in such compensation programs;
 - (ii) advise the Board of the Human Resources Committee's evaluation of the actual performance of the Corporation, the CEO, each other member of Management and each other senior manager against the criteria approved by the Board for purposes of the Incentive Plans, and make recommendations to the Board with respect to compensation levels (including the CEO's compensation level) based on such evaluations; and
 - (iii) review and make recommendations to the Board respecting any proposed public disclosure of executive compensation by the Corporation before the Corporation publicly discloses such information.

Governance Structures and Practices

- A.** The Board or the appropriate Board committee (the "Governance Committee") shall take Diligent Action to gain and maintain reasonable assurance that:
- (i) the composition and structures of the Board and Board committees (the "Governance Structures"), and
 - (ii) Board and Board committee practices (the "Governance Practices")
- enable the Board to discharge the Board's duties in a highly effective manner. To that end, the Board shall establish and maintain Governance Structures and Governance Practices which include, amongst other things, the following:
- (a) a majority of the Directors shall be independent; for purposes of this mandate, a Director is independent if

- (i) the Director has no direct or indirect relationship with the Corporation which, in the view of the Board, could reasonably be expected to interfere with the exercise of the Director's independent judgment; and
 - (ii) the Director is not an individual who is considered to have a material relationship with the Corporation under the terms of section 1.4 of Multilateral Instrument 52-110 Audit Committees;
- (b) the Chair of the Board shall be an independent Director and shall not be a member of Management;
- (c) every member of the Human Resources Committee and the Governance Committee shall be an independent Director and every member of the Audit Committee shall be "independent" within the meaning of sections 1.4 and 1.5 of Multilateral Instrument 52-110 Audit Committees;
- (d) the Board, as a whole, shall possess the competencies and skills required to enable the Board to discharge the Board's duties;
- (e) the number of Directors constituting the Board shall facilitate effective decision-making by the Board;
- (f) each new Director shall engage in a comprehensive orientation process ("Comprehensive Orientation Process") directed to enabling the new Director to understand fully (i) the role of the Board and all Board committees, (ii) the contribution that every Director is expected to make to governing the Corporation, including the commitment of time and energy expected of every Director, and (iii) the nature and operation of the Corporation's business and affairs;
- (g) all Directors shall be provided with continuing education opportunities ("Continuing Education Opportunities") to maintain and enhance Directors' skills and abilities as directors and to permit Directors' knowledge and understanding of the nature and operation of the Corporation's business and affairs to remain current;
- (h) the form and amount of the Directors' compensation shall be appropriate;
- (i) the Governance Committee shall be responsible for developing and recommending to the Board the Corporation's approach to corporate governance, including a set of corporate governance principles and guidelines specifically applicable to the Corporation;
- (j) the Governance Committee shall be responsible for:
 - (i) identifying individuals qualified to become new Directors; and
 - (ii) after considering the competencies and skills that (1) the Board believes to be necessary for the Board, as a whole, to possess, (2) the Board believes each existing Director to possess, and (3) any proposed new nominee will bring to the Board, recommending to the Board qualified individuals as nominees for election to the Board at a meeting of shareholders of the Corporation or for appointment by the Board to fill casual vacancies in the Board;
- (k) as a part, or by means, of regularly scheduled meetings of the Board, the Board shall hold separate meetings of the Directors at which no member of Management is in attendance ("In-Camera Meetings");
- (l) the Board shall establish and maintain a written mandate for the Board and a written charter for each Board committee; the charter for each Board committee shall clearly establish the committee's purpose and responsibilities, committee member qualifications, member appointment and removal processes, structure and operations (including any authority of the committee to delegate powers to individual members and subcommittees) and the manner in which the committee will report to the Board;
- (m) the Board shall establish and maintain clear written position descriptions for the Chair of the Board and the Chair of each Board committee;
- (n) the Board shall establish and maintain a clear written position description for an individual Director which shall set out the expectations and responsibilities of a Director, including basic duties and responsibilities with respect to attendance at Board and Board committee meetings and advance review of meeting materials;

- (o) the Board shall establish, maintain and implement appropriate formal processes for regularly assessing (i) the effectiveness of the Board, taking into account the Board's mandate, (ii) the effectiveness of the Chair of the Board, taking into account the Chair of the Board's position description, (iii) the effectiveness and contribution of each Board committee, taking into account such committee's charter, (iv) the effectiveness of the Chair of each Board committee, taking into account such committee Chair's position description, and (v) the effectiveness and contribution of each individual Director, taking into account the position description for an individual Director as well as the competencies and skills which such Director is expected to bring to the Board;
- (p) the Board shall keep the Governance Committee advised of the Board's views as to (i) the competencies and skills which the Board, as a whole, should possess, and (ii) the competencies and skills which each existing Director possesses;
- (q) the Board shall establish and maintain a process by which any Director may, at the expense of the Corporation, engage independent counsel or other advisors to provide advice to the Director with respect to the Director's discharge of his or her duties as a Director;
- (r) the Board shall confer on each Board committee the authority (1) to engage independent counsel and other outside advisors as the committee deems necessary to carry out its duties, and (2) to set and (at the expense of the Corporation) pay the compensation for any independent counsel or other outside advisor engaged by the committee; and
- (s) the Board shall impose on each Board committee the obligation to report promptly to the Board all conclusions and decisions reached by the committee as a result of taking the Diligent Action and discharging the other duties imposed on the committee by the Board.

Governance Culture

The Board shall take Diligent Action to establish and sustain amongst all Directors a culture which incorporates the following attitudes, values, and convictions (the "Appropriate Culture"):

- (a) acceptance of the Board's accountability for the Corporation's performance;
- (b) the conviction that Directors owe each other their best efforts in carrying out their duties and exercising their authority;
- (c) insistence on the highest level of honesty and integrity in all actions of the Board, Management and other senior managers and employees of the Corporation;
- (d) trust and respect amongst Directors;
- (e) open sharing of all relevant information amongst Directors and amongst Directors and Management; and
- (f) the acceptance and respect of differing opinions.

Miscellaneous Duties

The Board shall also take, or require a Board committee to take, Diligent Action to:

- (a) establish, maintain and monitor compliance with a written code of business conduct and ethics (the "Code of Business Conduct") applicable to Directors, officers and employees of the Corporation; the Code of Business Conduct must constitute standards reasonably designed to promote integrity and to deter wrongdoing and must address the following issues:
 - (i) conflicts of interest, including transactions and agreements in respect of which a Director or member of Management has a material interest;
 - (ii) protection and proper use and exploitation of the Corporation's assets and opportunities;
 - (iii) confidentiality of private information relating to the business and affairs of the Corporation;

- (iv) fair and ethical dealing with the Corporation's security holders, customers, suppliers, competitors and employees;
 - (v) compliance with applicable laws, rules and regulations; and
 - (vi) reporting of any illegal or unethical behavior or other breaches of the Code of Business Conduct;
- (b) require waivers of compliance with the Code of Business Conduct granted for the benefit of any Director or member of Management to be granted only by the Board or an appropriately empowered Board committee;
 - (c) gain and maintain reasonable assurance as to the integrity, comprehensiveness and effectiveness of those elements of the Corporation (including its resources, management information systems, processes, culture, structure and tasks) which, taken together (the "Internal Controls"), support the Corporation's personnel in meeting the Corporation's objectives and obligations, including the Financial Reporting Obligations;
 - (d) establish, maintain and monitor compliance with a written communications policy for the Corporation (the "Communications Policy"); the Communications Policy must, amongst other things, establish and assign accountability for monitoring Internal Controls relating to the issuance of Material Change News Releases and the filing with Regulators of Material Change Reports;
 - (e) to the extent feasible, gain and maintain reasonable assurance (i) as to the integrity of the CEO and the other members of Management, and (ii) that the CEO and the other members of Management create and maintain a culture of integrity throughout the Corporation;
 - (f) gain and maintain reasonable assurance that appropriate policies and processes relating to protection of the environment and to the health and safety of the Corporation's employees, customers and other stakeholders ("E, H&S Policies") exist and are implemented throughout the Corporation;
 - (g) require the CEO to develop, and to present to the Board for assessment and approval, a statement of the philanthropic activities in which the Corporation will engage;
 - (h) gain and maintain reasonable assurance that appropriate policies and processes governing the Corporation's philanthropic activities ("Charitable Policies") exist and are implemented; and
 - (i) gain and maintain reasonable assurance that Management, the Board and the Corporation comply with the applicable laws, regulations, rules, policies and other requirements promulgated by Regulators relating to the following matters (the "Corporate Rules"):
 - (i) the composition of the Board;
 - (ii) calling and holding of meetings of the Board;
 - (iii) the composition of Board committees;
 - (iv) the disclosure of conflicts of interest by Directors and members of Management;
 - (v) securities registers and registers of transfers of securities;
 - (vi) the calling and holding of meetings of shareholders;
 - (vii) soliciting proxies, including providing shareholders with forms of proxy, information circulars and notices of meetings;
 - (viii) filing forms of proxy, information circulars and notices of meetings with Regulators; and
 - (ix) filing annual information forms and material contracts with Regulators.

6. THE BOARD'S EXTRAORDINARY DUTIES

When the Board, the CEO or the Corporation is confronted with unusual circumstances which give rise to Extraordinary Duties, the Board or a Board committee shall:

- (a) seek expert advice as to (1) the nature of the Extraordinary Duties arising from such unusual circumstances, and (2) the Diligent Action which the Board or the Board committee must take to discharge those Extraordinary Duties; and
- (b) where appropriate, take the Diligent Action specified by such expert advice.

EXHIBIT "D"

MANDATE OF THE HUMAN RESOURCES COMMITTEE

The Board of Directors has established a Human Resources and Compensation Committee, which shall be re-named the Human Resources Committee (the "Committee"), to oversee the Corporation's human resources and compensation strategy, plans, policies, procedures and practices.

This mandate (the "Mandate") sets out the Committee's purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board, annual evaluation and compliance with this Mandate, and certain other items.

1. Purpose of the Committee

The Committee is empowered to perform and responsible for performing the duties set out in this Mandate to enable the Board to fulfill its oversight responsibilities in relation to the Corporation's:

- (a) recruitment, development and retention of employees;
- (b) appointment, performance evaluation and compensation of the Chief Executive Officer and other officers of the Corporation and its subsidiaries ("Officers");
- (c) succession planning systems and processes relating to Officers;
- (d) compensation structure for Officers including salaries, annual and long-term incentive plans and plans involving share issuances and share unit awards;
- (e) benefit plans; and
- (f) share ownership guidelines.

2. Composition of the Committee

The Committee shall be comprised of at least three Directors as appointed by the Board, all of whom shall be independent (as defined by securities law or regulation). One of the Committee members shall be designated by the Board as the Committee Chairman. A Committee member may be removed or replaced at any time in the discretion of the Board.

Committee member shall be appointed by the Board annually at the first Board meeting following the meeting of shareholders at which Directors are elected each year and from time to time thereafter to fill vacancies on the Committee.

3. Member Qualifications

Each member of the Committee shall have or develop an understanding of management resources and compensation principles and practices.

4. Responsibilities of the Committee

- (a) The Committee shall be responsible to review and recommend to the Board:
 - (i) the appointment and terms of employment of Officers and, at the request of the Committee, other persons who are proposed for appointment as the head of a business unit or significant corporate function, ("Other Persons");
 - (ii) the design of short-term, long-term and other incentive plans for Officers;
 - (iii) periodic changes to compensation guidelines and benefit plans; and
 - (iv) significant changes to employee benefit programs.
- (b) The Committee shall be responsible to review and approve:
 - (i) any profit sharing awards to eligible employees of the Corporation and its subsidiaries in accordance with the formula for such awards approved by the Board;
 - (ii) the base salaries of Officers and Other Persons other than the CEO;
 - (iii) any payouts under the Corporation's short-term incentive plan;

- (iv) any discretionary bonuses for Officers proposed by the CEO;
 - (v) any severance arrangements with Officers and Other Persons; and
 - (vi) the adjudication of matters impacting the Corporation's short-term or long-term incentive plans.
- (c) The Committee shall review at least annually the Corporation's compensation philosophy and the general design and make-up of its broadly applicable benefit programs as to their general adequacy, competitiveness, internal equity and cost effectiveness. In its review the Committee will assess the linkage of executive compensation philosophy and executive incentive plans to the Corporation's financial and non-financial performance, support for the Corporation's business strategy, and alignment with the Corporation's employee compensation philosophy.
 - (d) The Committee shall approve a process for appraising annually the performance of the Chief Executive Officer against agreed quantitative and qualitative performance objectives, both short and long-term.
 - (e) The Committee shall oversee the annual appraisal of the Chief Executive Officer's performance and shall report thereon to the Board.
 - (f) The Committee shall obtain reasonable assurance that the Corporation has appropriate systems and processes for the evaluation of Officers' development and succession within the Corporation, and shall review at least annually with the Chief Executive Officer the performance of and potential for advancement of each Officer and their respective successors. The Committee may also at its discretion request information on the management resources of any part of the Corporation or its subsidiaries.
 - (g) The Committee shall report to the Board at least annually its appraisal of the Corporation's Officer succession circumstances and practices, including preparing high-potential candidates for advancement.
 - (h) The Committee shall determine at least annually, as a separate and supplementary contingency plan to the succession process, the identity of immediate replacements in the event of an emergency for the Chief Executive Officer, the Chief Financial Officer, and the presidents of large strategic business units.
 - (i) The Committee shall review with the Chief Executive Officer any proposed major changes in organization or personnel of the Corporation and its subsidiaries and, if advisable, recommend approval to the Board.
 - (j) The Committee shall establish the terms and conditions, and shall approve in each instance, the participation by the Chief Executive Officer on the board of directors of any other corporation, commercial or not-for-profit, not directly related to the interests of the Corporation (an "Outside Board"), and the Committee shall review participation by any Officer, as approved by the Chief Executive Officer, on any Outside Board (except for any appointment to a not-for-profit Outside Board if the officer so requests).
 - (k) The Committee shall review and approve annually share ownership guidelines for Officers, if any. The Committee shall review as required the actual ownership position relative to ownership guidelines and transactions in the Corporation's securities and other long-term incentive arrangements by Officers, if any.
 - (l) The Committee shall review the results of periodic employee opinion surveys.
 - (m) The Committee shall oversee the preparation and shall approve annually the Committee's report for inclusion in the Corporation's management information circular.
 - (n) The Committee shall perform such other functions as may from time to time be assigned to the Committee by the Board.

5. Operations of the Committee

- (a) Committee meetings shall be held at the call of the Committee Chairman, or upon the request of two Committee members, and a majority of members shall constitute a quorum.
- (b) The powers of the Committee may be exercised at a meeting at which a quorum is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee. Each Committee member (including the Chairman) is entitled to one vote in Committee proceedings. For greater certainty, the Chairman does not have a second or casting vote.

- (c) The Committee Chairman shall develop the agenda for and conduct all meetings of the Committee at which he or she is present.
- (d) Unless the Committee otherwise specifies, the Secretary of the Corporation shall act as secretary of the meetings of the Committee and minutes shall be kept for each Committee meeting
- (e) In the absence of the Committee Chairman, the Committee members shall appoint an Acting Chairman.
- (f) A portion of each of the Committee's meetings shall be conducted with no members of management present.
- (g) The Committee may at its discretion invite management to attend and participate in meetings of the Committee.
- (h) Any Director is entitled to attend meetings of the Committee.
- (i) A copy of the minutes of each meeting of the Committee shall be provided to each Director.

6. *Reporting to the Board*

The deliberations, decisions and recommendations of the Committee shall be reported to the Board in a timely manner.

7. *Annual Evaluation of this Mandate, the Committee and its Compliance with this Mandate*

Annually, or more frequently at the request of the Secretary of the Corporation as a result of legislative or regulatory changes, the Committee shall:

- (a) review and assess the adequacy of this Mandate taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Corporation has a reporting relationship and, if appropriate, recommend changes to the Mandate to the Board for its approval, except for minor technical amendments to this Mandate, authority for which is delegated to the Secretary of the Corporation, who will report any such amendments to the Board at its next regular meeting;
- (b) conduct a review and evaluation of the Committee's performance including its ability to meet the requirements to this Mandate, in accordance with the evaluation process developed by the Committee and approved by the Board, and provide the results of the performance evaluation to the Board.

8. *Miscellaneous*

To assist the Committee in discharging its responsibilities, the Committee may conduct any investigation and have access to any officer, employee or agent of the Corporation in connection with its Mandate.

The Committee may at the expense of the Corporation retain advisors having particular expertise, and shall be entitled to rely in good faith upon any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

EXHIBIT “E”

MANDATE OF THE GOVERNANCE COMMITTEE

The Board of Directors (the “**Board**”) bears responsibility for the stewardship of Discovery Air Inc. (the “**Corporation**”). The Board believes that the development and maintenance of the Corporation’s approach to corporate governance is an essential aspect of this stewardship responsibility.

Corporate governance, as defined by the Organization for Economic Co-operation and Development, “is the system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as, the board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the company objectives are set, and the means of attaining those objectives and monitoring performance”.

The objective of the Board’s development and maintenance of the Corporation’s approach to corporate governance is to enable the Board to discharge its duties in a highly effective manner (the “**Governance Objective**”). The Board has established a committee of the Board called the Corporate Governance and Nominating Committee which shall be renamed the Governance Committee (the “**Committee**”), the mandate of which is to assist the Board in achieving its Governance Objective.

This mandate sets out the Committee’s purpose, composition, member qualifications, member appointment and removal, responsibilities, annual evaluation of this mandate, operations, manner of reporting to the Board and certain other items. The Committee is responsible for meeting the requirements of this mandate and in so doing, will assist the Board to fulfill its Governance Objective.

1. ***Purpose of the Committee***

The purpose of the Committee is to provide reasonable assurance to the Board that the Board is discharging its Governance Objective.

2. ***Composition of the Committee***

The Committee shall be comprised of at least three Directors as appointed by the Board, all of whom shall be independent (as hereinafter defined). One of the Committee members shall be designated by the Board as the Committee Chairman. A Committee member may be removed or replaced at any time in the discretion of the Board.

Committee member shall be appointed by the Board annually at the first Board meeting following the meeting of shareholders at which Directors are elected each year and from time to time thereafter to fill vacancies on the Committee.

3. ***Member Qualifications***

- (a) In addition to possessing the qualities required for Directors generally, each member of the Committee shall have an understanding of corporate governance issues or shall commit to understanding such issues in a timely manner.
- (b) Each member of the Committee shall be independent. A Director is independent if:
 - (i) the Director has no direct or indirect relationship with the Corporation which, in the view of the Board, could reasonably be expected to interfere with the exercise of the Director’s independent judgment; and
 - (ii) the Director is not an individual who is considered to have a material relationship with the Corporation under the terms of section 1.4 of Multilateral instrument 52-110 Audit Committees, as amended or replace from time to time.

4. ***Responsibilities of the Committee***

- (a) *Oversight of the Corporation’s Corporate Governance Practices and Principles*
 - (i) The Committee shall be responsible for:

- (1) developing and recommending to the Board for approval the Corporation's corporate governance practices and principles;
 - (2) reviewing and evaluating on an ongoing basis the Board's approach to corporate governance, the Corporation's corporate governance practices and principles, and reporting and making recommendations thereon annually to the Board with a view to maintaining the Board's corporate governance standards for the Corporation;
 - (3) monitoring best practices for governance globally and reviewing the Corporation's corporate governance practices and principles annually with a view to continuously improving them;
 - (4) reviewing the disclosure of the Corporation's corporate governance practices and principles and the operation thereof required by applicable regulatory authorities or stock exchanges before such disclosure is submitted to the Board for its approval; and
 - (5) keeping abreast of the latest regulatory requirements, developments and guidance in corporate governance issues as necessary.
- (ii) The Committee Chairman shall:
- (1) together with the Chairman of the Board, meet annually and privately with each Director for the purpose of discussing any aspects of the Corporation's corporate governance (including the effectiveness of the Board or any committee of the Board) which the Chairmen or such Director may wish to address; and
 - (2) Report to the Committee with respect to the results of such meetings.
- (b) Nominating Directors
- The Committee shall be responsible for:
- (i) identifying and recommending to the Board the appropriate criteria for selecting new Directors (the "Selection Criteria"), annually reviewing the Selection Criteria adopted by the Board and, where appropriate, recommending to the Board changes to the Selection Criteria.
 - (ii) identifying and recommending to the Board the competencies and skills required to be possessed by individual Directors to enable the Board to discharge its duties as required by National Policy 58-201 – Corporate Governance Guidelines and the Discovery Air Inc. Board of Directors Mandate (the "Requisite Competencies and Skills"), annually reviewing the Requisite Competencies and Skills adopted by the Board and where appropriate, recommending to the Board changes to the Requisite Competencies and Skills;
 - (iii) in conjunction with annually reviewing the Requisite Competencies and Skills required to be possessed by individual Directors, determining whether the current Directors individually or collectively possess the Requisite Competencies and Skills;
 - (iv) if the Board determines that the Board, as a whole, does not possess all of the Requisite Competencies and Skills, either: (1) taking appropriate steps to enable one or more of the current Directors to develop the Requisite Competencies and Skills which the Board does not possess, or (2) taking appropriate steps to recommend for election or appointment to the Board, one or more individuals who have the Requisite Competencies and Skills which the Board does not possess;
 - (v) identifying and maintaining an evergreen list of candidates qualified to become new Directors;
 - (vi) recommending to the Board qualified individuals as nominees for election to the Board by the shareholders of the Corporation at a meeting of shareholders of the Corporation and for appointment by the Board to fill any vacancies in the Board if a Director elected by the shareholders ceases to be a Director, having regard for the competencies and skills listed below and consultation with such persons as it determines appropriate, including current Directors and prospective nominees as Directors. The competencies and skills to be considered are those that:
 - (1) the Board believes to be necessary for the Board as a whole, and the Chairman of the Board to possess;
 - (2) the Board believes to be necessary for individual committees, particularly with respect to upcoming retirements of committee Chairmen and committee members;
 - (3) the Board believes to be necessary for Board succession planning in light of the opportunities and risks facing the Corporation;
 - (4) the Board believes each existing Director to possess; and
 - (5) any proposed new Director nominee will bring to the Board;
 - (vii) recommending to the Board persons to serve or fill vacancies on the committees of the Board, including recommendations for vacancies in the chairmanships thereof.

(c) Evaluation of the Board, Committees of the Board and Individual Directors

The Committee shall be responsible for:

- (i) developing and recommending to the Board processes which facilitate the evaluation of the Board as a whole and the committees of the Board, and reviewing such processes with the Chairman of the Board and the relevant committee chairmen;
- (ii) conducting not less than bi-annually, an evaluation of the effectiveness of the Board including an evaluation as to whether the Board has appropriate composition and procedures to allow it to function independently from management, and reporting thereon to the Board;
- (iii) recommending to the Board criteria for:
 - (1) the composition and size of the Board; and
 - (2) evaluating any other applicable considerations.
- (iv) reviewing at least annually the effectiveness of the committees of the Board, including the composition and membership of each such Board committee, and whether there is a need for cross appointments to promote greater committee effectiveness.
- (v) reviewing annually the adequacy of the mandates applicable to the Board of Directors and each Board committee, ensuring that each Board committee annually reviews its respective mandate and, where required, recommending changes to the Board for its approval.
- (vi) Developing, recommending for the approval of the Board and reviewing annually the adequacy of the position descriptions for the Chairman of the Board, the committee chairmen and the Directors and, where required, recommending to the Board for approval changes thereto.
- (vii) reviewing annually the delegation of authority by the Board to the committees of the Board and, where appropriate, recommending changes to the Board for its approval.
- (viii) developing and recommending to the Board a process for assessing not less than bi-annually the contributions, effectiveness and qualifications of individual Directors considering, among other things:
 - (1) the Directors' position description;
 - (2) the competencies and skills each individual Director is expected to bring to the Board, including the finance literacy and expertise of each individual Director.
 - (3) each individual Director's continuing qualification under the *Canada Business Corporations Act* and other applicable laws, rules and policies; and
 - (4) the continuing validity of the assumptions underlying the appointment of each individual Director;
- (ix) providing feedback to each Director on his or her effectiveness;
- (x) establishing criteria for evaluating the independence of individual Directors in accordance with the terms of section 1.4 (and section 1.5 for Audit Committee members) of Multilateral Instrument 52-110 Audit Committees, as amended or replaced from time to time;
- (xi) assessing annually individual Director independence and determining those Directors to be identified as independent in the Corporation's annual continuous disclosure documents in accordance with regulatory requirements;
- (xii) gaining and maintaining reasonable assurance that a majority of Directors, the Chairman of the Board and every member of the Audit Committee, the Human Resources Committee and the Committee are "independent", and in so doing the Committee shall:
 - (1) obtain annually from each Director a written declaration (a "Declaration") containing:
 - (i) a description of every direct or indirect relationship (an "Actual Relationship") which such Director has with the Corporation;
 - (ii) a statement as to whether such Director is an individual who is considered to have a material relationship (a "Considered Relationship") with the Corporation under the terms of section 1.4 (and section 1.5 for Audit Committee members) of Multilateral Instrument 52-110 Audit Committees as amended or replaced from time to time.
 - (iii) if such Director has a Considered Relationship or Considered Relationships with the Corporation, a description of each such Considered Relationship, and
 - (iv) an undertaking by such Director to advise the Board or the Committee promptly of (1) any changes to any Actual Relationship or Considered Relationship described in the Declaration, and (2) any Actual Relationship or Considered Relationship which such Director has with the Corporation which comes into existence subsequent to the time the Declaration is obtained by the Board of the Committee from such Director;
 - (2) evaluate whether any Actual Relationship which a Director has with the Corporation could reasonably be expected to interfere with the exercise of such Director's independent judgment, and making recommendations thereon to the Board, and

- (3) promptly recommend to the Board any changes to the composition of the committees and to the Chairmanship of the Board required as a result of any Director or Director's having Actual Relationships or Considered Relationship with the Corporation in order to maintain the independence of the Chairman of the Board and the members of each such committee;
- (xiii) developing and recommending to the Board a process for annually assessing the performance of the Chairman of the Board in that role;
- (xiv) conducting an annual performance review of the Chairman of the Board and reporting thereon to the Board;
- (xv) reporting annually to the Board the results of the Committee's assessments of the performance of the Board as a whole and the committees of the Board;
- (xvi) following consultation with the Chairman of the Board, removing a Director from a Board committee (other than the Committee), if in the Committee's view, or under applicable laws, rules or policies such Director is no longer competent or is disqualified from serving as a member of a Board committee; and
- (xvii) carrying out any other evaluation processes adopted by the Board and delegated to the Committee.

(d) Director Education and Orientation

- (i) The Committee shall develop, review and evaluate on an annual basis the Board's processes for orientation and education of Directors.
- (ii) The Committee shall ensure that:
 - (1) each new Director participates in a comprehensive orientation process in relation to his or her Board responsibilities, the role of the Board and its committees, and the contributions and commitment of time and resources that the Corporation expects each individual Director will make;
 - (2) each Director is provided with written materials (which shall be updated by the Secretary of the Corporation from time to time as required), covering topics including, but not limited to:
 - (i) the Corporation's Directors' and Officers' insurance coverage;
 - (ii) copies of the articles and by-laws of the Corporation;
 - (iii) copies of the mandates of the Board and the mandate of each Board committee;
 - (iv) copies of the position descriptions for the Chairman of the Board and the chairman of each Board committee;
 - (v) the Corporation's share structure and significant shareholders;
 - (vi) a copy of the Corporation's current strategic plan;
 - (vii) copies of the Corporation's Annual Reports, Management's Discussion & Analysis (*MD & A*) and Management Information Circulars for the most recent financial year of the Corporation preceding such new director's election or appointment to the Board;
 - (viii) a copy of the Corporation's current Annual Information Form;
 - (ix) a copy of each of the Corporation's Codes of Business Conduct
 - (x) a copy of each of the Corporation's Board Policies
 - (xi) a description of (1) the amount, form and timing of remuneration payments made to each director by the Corporation including the Directors' Deferred Share Unit Plan, and (2) the Corporation's equity ownership guidelines for directors, if any;
 - (xii) a copy of the Director's and Officers' indemnification agreement;
 - (xiii) a copy of the Corporation's most recent investor presentation;
 - (3) at his or her request, each new Director is provided with written materials covering the following topics:
 - (a) copies of the agendas and minutes for all Board and Board committee meetings held in the 12-month period immediately preceding such new director's election or appointment to the Board; and
 - (b) copies of the Corporation's Interim Financial statements and related MD & As for the two financial years of the Corporation immediately preceding such new director's election or appointment to the Board
 - (4) the Chairman of the Board meets with each proposed new Director and explains to such proposed new Director the culture of the Board, and the commitment of time and energy expected of every Director;
 - (5) whenever practical, the committee chairmen meet with each proposed new Director to review the responsibilities and mandates of the committees of the Board for which such proposed new Director will serve; and
 - (6) relevant orientation and continuing education is made available to all Directors to enable the Directors to maintain or enhance their skills and capabilities as Directors and to maintain the currency of their knowledge and comprehension of the Corporation's business including the opportunity, at the expense of the Corporation to:

- (a) attend any conference, seminar, course or other educational experience (i) which is intended to expand corporate directors' knowledge and skills, and (ii) which is approved by the Chairman of the Committee and, where the expense could be significant, the Chairman of the Board; and
- (b) meet with the President and Chief Executive Officer, other corporate officers and the senior officers of all of the Corporation's business units for the purpose of discussing the nature and operation of Corporations business and affairs.

(e) *Other Duties and Responsibilities*

The Committee shall be responsible for:

- (i) monitoring, reviewing annually and recommending to the Board for approval the form and amount of the Directors' remuneration for Board and committee service, as well as service as Chairman of the Board or a committee of the Board, to ensure that it is both commensurate with the responsibilities and risks assumed and competitive with other companies which are comparable in terms of size and complexity to the Corporation's business, and recommending any changes to the Board for approval;
- (ii) in conjunction with the Chairman of the Board, developing and reviewing at least annually a succession and emergency preparedness planning process for the Chairman of the Board position, and recommending this process to the Board for approval;
- (iv) recommending to the Board the appointment of the Chairman of the Board, the removal of the Chairman of the Board for any reason the Committee sees fit, and, upon the vacancy in this position, recommending to the Board an individual to replace the Chairman of the Board, based on the applicable succession planning process;
- (v) reviewing through the President and Chief Executive Officer any management concerns about its relationship with the Board and reporting to the Board its findings therewith;
- (vi) reviewing the Corporation's articles and by-laws from time to time with a view to identifying potential amendments and recommending those amendments to the Board for its review;
- (vii) reviewing as necessary legal and regulatory developments and changes and referring such matters to other committees of the Board for their review as appropriate; and
- (viii) performing such other functions as may from time to time be assigned to the Committee by the Board.

5. *Operations of the Committee*

- (a) Committee meetings shall be held at the call of the Committee Chairman, or upon the request of two Committee members, and a majority of the members of the Committee shall form a quorum.
- (b) The powers of the Committee may be exercised at a meeting at which a quorum of the Committee is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee. Each Committee member (including the Chairman) is entitled to one vote in Committee proceedings. For greater certainty the Chairman does not have a second or casting vote.
- (c) The Committee Chairman shall develop the agenda for and conduct all meetings of the Committee at which he or she is present.
- (d) Unless the Committee otherwise specifies, the Secretary of the Corporation shall act as secretary of the meetings of the Committee and minutes shall be kept for each Committee meeting.
- (e) In the absence of the Committee Chairman, the Committee members shall appoint an Acting Chairman.
- (f) A portion of each of the Committee's meetings shall be conducted with no members of management present.
- (g) Any Director is entitled to attend, and the Committee may invite any officer or employee of the Corporation or any other person to attend, any Committee meetings to participate in the discussion and review of the matters considered by the Committee.
- (h) A copy of the minutes of each meeting of the Committee shall be provided to each Director.

6. *Reporting to the Board*

The deliberations, decisions and recommendations of the Committee shall be reported to the Board in a timely manner.

7. *Annual Evaluation of this Mandate, the Committee and its Compliance with this Mandate*

On an annual basis, or more frequently at the request of the Secretary of the Corporation as a result of legislative or regulatory changes, the Committee shall:

- (a) review and assess the adequacy of this mandate taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Corporation has a reporting relationship and, if appropriate, recommend changes to the mandate to the Board for its approval except for minor technical amendments to this Mandate, authority for which is delegated to the Secretary of the Corporation, who will report any such amendments to the Board at its next regular meeting; and
- (b) conduct a review and evaluation of the Committee's performance including its ability to meet the requirements of this Mandate, in accordance with the evaluation process developed by the Committee and approved by the Board, and provide the results of the performance evaluation to the Board.

8. *Miscellaneous*

To assist the Committee in discharging its responsibilities set out in this mandate, the Committee may, as it deems necessary or advisable for its purposes conduct any investigation and access any officer, employee or agent of the Corporation.

The Committee may at the expense of the Corporation retain advisors having particular expertise, and shall be entitled to rely in good faith upon any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.