

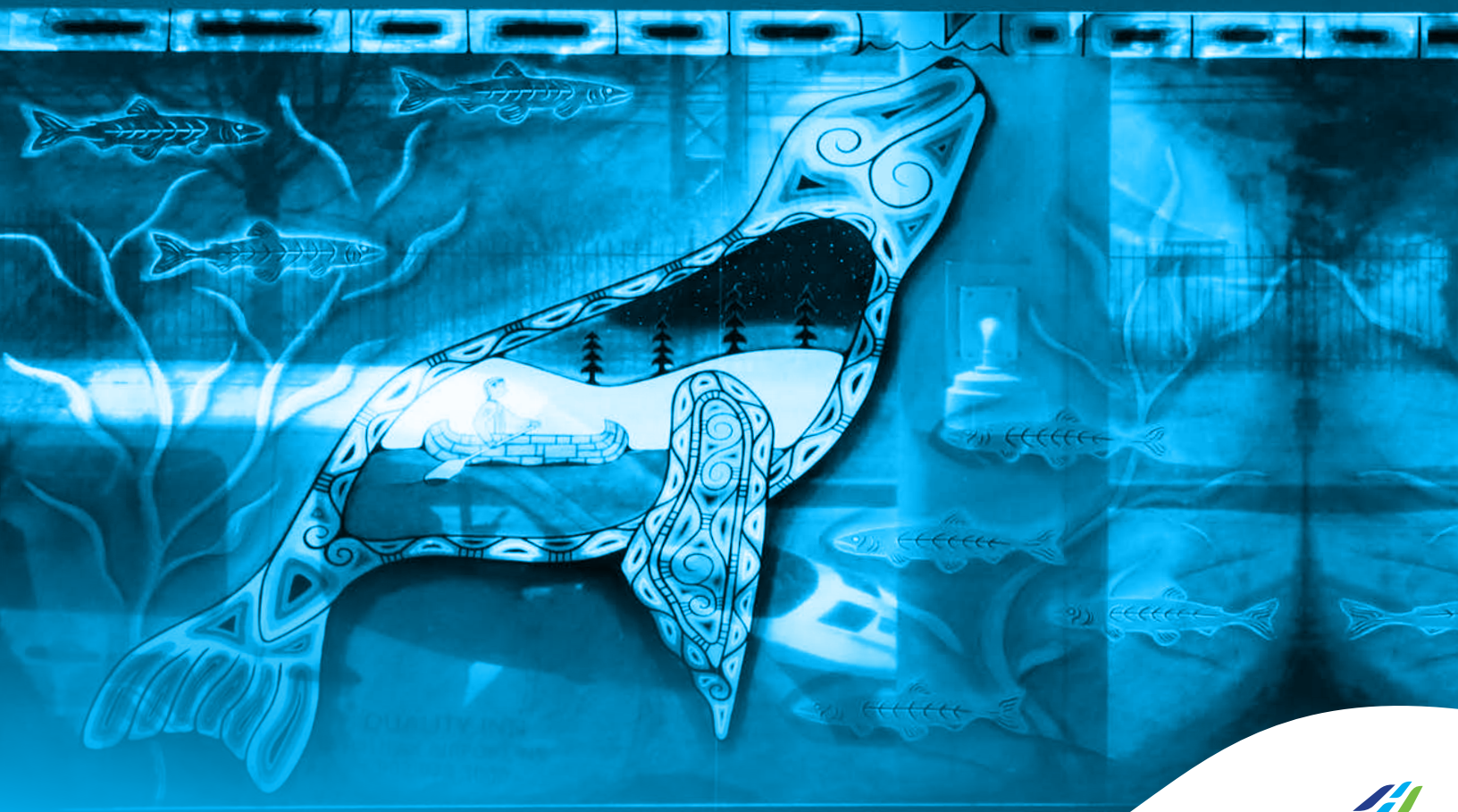
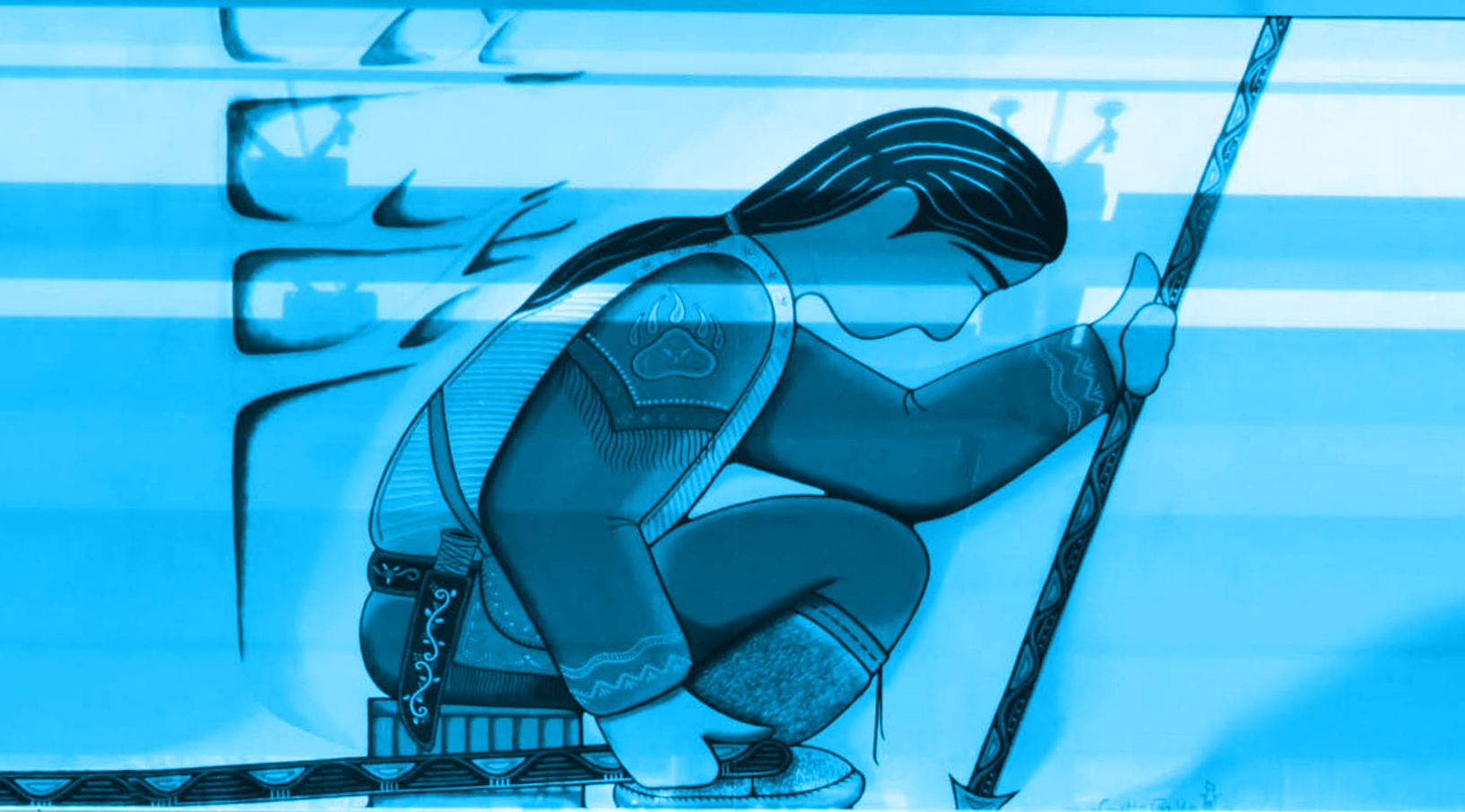


Elevate

2022 Annual Report

Halifax International
Airport Authority


HalifaxStanfield



Land Acknowledgment

Halifax Stanfield International Airport is located in Mi'kma'ki, the ancestral and unceded territory of the Mi'kmaq People. We acknowledge the Peace & Friendship Treaties which Mi'kmaq Wəlastəkwiyyik (Maliseet), and Passamaquoddy Peoples signed with the British Crown in this Territory. We recognize that we are all Treaty People.



Above: Halifax International Airport Authority was pleased to partner with Canoe '22 and the 2023 North American Indigenous Games on the installation of a 19-foot Mi'kmaq canoe which is on display at the airport. The canoe was built by Todd Labrador, Melissa Labrador, and family in 2019.



Left: World-renowned Mi'kmaq artist Alan Syliboy's 3D Butterfly mural is located in the main lobby.

Below: Mi'kmaq quilter and painter Loretta Gould's collection of twenty-four paintings were installed in the check-in hall in October 2022, in recognition of Mi'kmaq History Month.



Vision

Inspired people and partners creating Canada's best gateway airport



Mission

Accelerating the growth of our communities by connecting people and goods to the world

Strategic Priorities



Champion People and Community



Reinforce our Foundation



Chart New Territory



Advance the Stanfield Experience



Lead a Sustainable Future

Message from the Chair of the Board

Stephen Dempsey



Reflecting on the past year, I am struck by the relentless pursuit of excellence and unwavering determination demonstrated by our employees, partners, board members and entire leadership team.

Having assumed the role of Board Chair of Halifax International Airport Authority (HIAA) just after the pandemic began, I have had a front row seat to some of the most challenging years in aviation history.

At the beginning of the pandemic, our focus was very much on supporting our people, while ensuring the airport's long-term financial viability. But as restrictions began lifting in mid-2022, we faced a new hurdle – balancing responsible fiscal management with the investments HIAA needed to make to position us for recovery and future growth. Thanks to the tireless efforts of the board and entire HIAA team, I am pleased to say we are charting a path to financial sustainability.

To make the right choices, at the right times, having the right people around the table is

key. I have been humbled to lead a team of incredible people whose decades of experience in business and weathering tough times, proved invaluable to me and HIAA as a whole.

As we navigated through 2022's many challenges, our focus was on people and ensuring we never lost sight of the direction we had laid out in our new five-year strategic plan. Critical to this work was recognizing the requirement to reopen and restart airport operations while continuously meeting passengers' evolving health and travel needs.

At Halifax Stanfield, we connect our communities to the world. Our people and products are a representation of our region, just as we are the gateway to Atlantic Canada for millions of business and leisure travellers.

As Chair, I feel a deep responsibility towards advancing diversity, equity and inclusion both at the leadership level but also across all facets of our airport so that everyone feels welcome in our airport and has a positive travel experience.

While these things can take time, I am proud that our board has been laying the foundation for change, and working to reflect the diverse communities we serve.

In everything we do, we need to be authentic, embrace diversity, and use our positions as leaders to develop a workplace culture that celebrates our differences and embraces opportunities for lifelong learning and improvement.

Reconciliation, respect, education, and meaningful change require more than just words. Our actions must live up to the commitments we make.

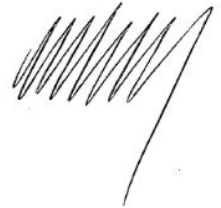
Over the course of my 12 years on the board, I have often been asked what makes Halifax such a competitive hub for the aviation industry. Located on the edge of Atlantic Canada, our convenient proximity to Western Europe and Northeastern United States is a unique advantage and one that has been central to restoring and attracting new routes in the latter half of 2022. I'm optimistic about our future growth in this area as our industry recovers, and the benefits which will be realized in Halifax, Nova Scotia, and across the entire region.

Thanks to the tireless efforts of our team, I am pleased to have the opportunity to hand over a financially stable, well-resourced organization to the next Chair in 2023. It will be that individual's job to continue to support Halifax Stanfield and help it reach its future potential.

On behalf of my colleagues on the board, I would like to thank our President & CEO, Joyce Carter, for her leadership and perseverance. I've led a number of teams throughout my professional life and had the privilege to work with many exemplary leaders. Joyce is truly second to none. She has built an incredible team deeply committed to elevating the Halifax Stanfield experience, and her personal work ethic, integrity and intellect make her a formidable ally no matter the challenge. I can't imagine having gone through the pandemic with anyone else.

I would also like to thank my colleagues on the board for their commitment to the success of Halifax Stanfield over the past year. The combined efforts of our team have put us on a solid footing for 2023 and beyond.

Looking ahead, I am incredibly optimistic about our path to recovery and long-term success. Thanks to our people, their dedication, and focus, I am confident that we will continue to elevate all aspects of our business in service of our communities.

A handwritten signature in black ink, consisting of several overlapping, wavy lines that form a stylized, somewhat abstract shape. The signature is positioned in the lower right quadrant of the page.

Message from the President & CEO

Joyce Carter



This year's Annual Report provides us with an opportunity to reflect on the ongoing impact of the pandemic on Halifax International Airport Authority (HIAA), and our ability to push boundaries and reach new heights in the face of global uncertainty.

At Halifax Stanfield, 2022 was the tale of two airports. From record-low passenger volumes to peak travel days occasionally surpassing pre-pandemic levels, Halifax Stanfield experienced a rapid and dramatic increase in travel demand. While this certainly created challenges for our team and our partners, both in terms of anticipating passenger needs and rehiring the required labour force to meet them, our size allowed us to be nimble and quickly shift mid-year as travel restrictions lifted. I'm proud to say we ended the year as Canada's second fastest-recovering Tier 1 airport, and the country's sixth busiest airport, serving more than three million passengers.

Our momentum in the second half of the year was made possible by the incredible collaboration between HIAA and our many airline and industry partners, concessions, and stakeholders. The effort that went into providing passengers with the quality customer service we are known for was significant, but

thanks to close relationships developed over many years, our teams rose to the challenge.

In 2022, we launched our new five-year strategic plan, which puts people first. I must say, in January, meeting the goals we had set for ourselves seemed like a daunting task, with the resurgence of COVID-19 and Halifax Stanfield served by only four domestic routes. We all hoped the year would allow for a gradual, safe, and effective restart of our passenger operations, leading to the beginning of the post-pandemic recovery. The reality was all that and more. And while there were certainly bumps along the way, I was so impressed by our team's and partner's commitment to making the best possible decisions to support our passengers at every stage.

Our team successfully managed evolving public health and travel requirements, such as the gradual removal of requirements for masking, testing, and vaccination. It wasn't easy, but I am proud of how we collaborated with our partners to provide passengers with a sense of comfort and confidence throughout their journey.

Through the ups and downs, championing people and community remained a top priority. Significant work was done to assess the diversity, equity and inclusion commitments and achievements of HIAA as an organization, leadership team, and board. We are actively working to chart a better path forward that creates a safe, welcoming, and inclusive environment for everyone.

The airport is located on the ancestral and unceded lands of the Mi'kmaq people, and as such, it is our duty to honour the stewards of these lands who were here for generations before us. As a key gateway for the region, our airport often makes a first impression for visitors and travellers. We want to make sure that impression reflects the diverse communities we serve.

My sincere hope is that whether you call Nova Scotia home, are arriving as a first-time visitor or new immigrant, are here on business or just passing through, that at Halifax Stanfield you feel welcome, represented, and that you can be your full self.

The unique experience and sense of place we are working to create at the airport, pays homage to the warmth and vibrance of our local communities. The pandemic reminded us all of the importance of supporting local, as our small businesses were some of the hardest hit, but also the first to step up and help their neighbours. Through our concessions, and the local products featured in our stores, we offer travellers a taste of Nova Scotia they can take home with them.

Another key priority in our strategic plan is sustainability. Globally and locally, the aviation industry is actively taking steps to reduce its environmental impact. In 2022, HIAA developed a new sustainability framework and created a carbon management plan to guide us toward achieving our emissions reduction goal of net-zero by 2050. We recognize the responsibility

we have individually and corporately to invest in our future and are committed to acting today for tomorrow.

Here at Halifax Stanfield our competitive advantage stems from our desirable location on the Eastern seaboard, our ability to transport connecting passengers seamlessly through our international connections facility, and our point-to-point services. But what truly sets us apart is our people.

I would like to thank the tenacious and dedicated HIAA team, without whom none of our accomplishments over the past year would have been possible. Your commitment to excellence is inspiring and is a hallmark of the welcoming and inclusive Halifax Stanfield experience we strive to offer travellers every day.

Special thanks to Rob Batherson whose nine-year term on our board ended in July 2022. A nominee of Halifax Regional Municipality with significant communications and government relations experience, Rob provided thoughtful contributions during his board tenure as a Director and Chair of the Governance Committee.

I would also like to thank Board Chair Stephen Dempsey for his leadership, guidance, and personal support, as he wraps up 12 years of service on our board. Stephen became Board Chair at the height of the pandemic and I truly can't imagine navigating the challenges we faced without his steady hand at the helm and his unwavering belief in our entire team.

Looking ahead to 2023, I feel a tremendous sense of optimism, both for the aviation industry as a whole and our airport in particular, fueled by our vision, tenacity, and incredible team. While there are ongoing global challenges, we at Halifax Stanfield are well-positioned for continued growth.





Champion People and Community



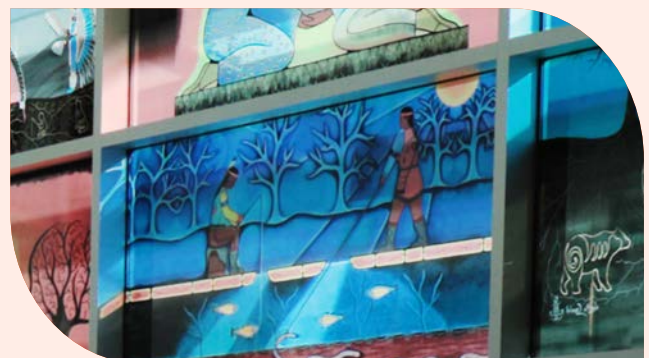
Loretta Gould

Featured Artist

Creating a more equitable and inclusive airport, strengthening our Indigenous connections, and investing in community partnerships and opportunities that reflect our organizational values are key priorities at Halifax Stanfield, which we continued to advance in 2022.

In recognition of Mi'kmaq History Month, a permanent collection of twenty-four paintings created by local Mi'kmaq artist Loretta Gould were installed on windows throughout the airport's check-in hall in October. The ability to digitally reproduce and display these images was provided as a courtesy by the Friends United Initiative, of which Loretta Gould is a member. More information on the Friends United Initiative can be found at www.friends-united.ca. The Friends United Initiative was founded by Rolf Bouman to assist Indigenous artists in their spiritual and entrepreneurial endeavors. "We are so very proud of our friend Loretta and her whole family as they are truly spiritual and cultural ambassadors for Indigenous communities and Canada," says Bouman.

The beautiful images, which depict Mi'kmaq culture and traditions, join world-renowned Mi'kmaq artist Alan Syliboy's 3D Butterfly mural in the main lobby, and artist Arjun Lal's 'Identities', inspired by the individuality of people in Canadian culture, at the bottom of the escalators before the domestic baggage claim.





The Gould Collection reminds everyone who enters Halifax Stanfield's doors that we are in Mi'kma'ki, the ancestral and unceded land of the Mi'kmaq people. It also showcases some of the province's incredible talent and helps create an immediate and unique sense of place.



Kwasi Brefo, HIAA

"People from all over the world make Nova Scotia their home. From the moment they step off the plane, we want them to see themselves among the diverse

communities represented in our airport," says Kwasi Brefo, Project Manager, Planning & Infrastructure Department at HIAA. "Loretta's artwork is one of many ways we are working to create a welcoming space that celebrates our collective rich history and vibrant culture."

A self-taught artist, who grew up in Waycobah First Nation, in Cape Breton, Gould's art expresses her spiritual feelings on canvas.

"I've had to work really hard to get to where I am now, but I hope my story can inspire others. Dreams really do come true, so never give up."

- Loretta Gould

"I've always had art in my life; when I grew up, I wanted to be a fashion designer," says Gould, reflecting on how she became an artist. "I started with quilting but then I was drawn to painting instead at the Friends United Art Gallery. That was 10 years ago and the pieces you see at the airport were all created over time."

For Gould, having her art on display at the airport is an opportunity to raise awareness of the Mi'kmaq culture, to share their stories and the way they live. She says it's an exciting experience, but also an overwhelming one. "All of the paintings have a meaning; they represent moments in my life and experiences I have had - both happy and sad. I want people to feel what I felt when I was painting them, but that also means putting a little piece of my soul on display."

The semi-transparent material used to display the artwork allows the sun to shine through, and in the afternoon, the artwork creates colourful reflections throughout the check-in hall.

Gould's natural talent and passion for sharing Mi'kmaq culture through her art also shines through as she reflects on her journey and some of her favourite pieces. "I've painted more than 500 unique pieces so far, but the Seal Hunter is my favourite because it's where I started to do more blending of the colours. Another special one is Montanna's Friend Bear, which came from a story my daughter told me one night before bed. Getting to share my passion for art with my daughter is really special. She picked out the colours for the bear, and I painted the dress purple because it's her favourite colour. Family is everything."



HIAA is committed to reconciliation and has been taking steps to be a better ally to Indigenous communities and partners. “This airport is located on the ancestral and unceded lands of the Mi’kmaq people, and as such, we honour the stewards of these lands who were here for generations before us,” says Joyce Carter, President & CEO at HIAA.

HIAA will continue to showcase Mi’kmaq art, history, and culture at the airport, through ongoing collaboration with the 2023 North American Indigenous Games, Mi’kmaq community members and other partners.

2022 Highlights

Strong employee engagement: 87% of HIAA employees agree or strongly agree they know how their job contributes to corporate strategy and goals (Source: 2022 HIAA Employee Engagement Survey).

Progress on Equity and Inclusion: HIAA employees scored the organization higher in 2022 (4.1/5) than in 2021 (3.9/5) on the following Equity, Diversity and Inclusion question: *HIAA is committed to equity, diversity and inclusion* (Source: 2022 HIAA Employee Engagement Survey).

31 stakeholder sessions conducted, including several with equity-deserving groups, to strengthen its connections with community.

Welcomed 4 Ukrainian and Afghan refugee charter flights and 1,400 refugees, in partnership with government agencies and community support organizations.

In partnership with 2023 North American Indigenous Games and Canoe 2022, a traditional Mi’kmaq birchbark canoe was installed at Halifax Stanfield on National Indigenous Peoples Day.

HIAA’s Connections ERP Program was successfully completed. New Oracle modules rolled out in 2022 included Time & Labour, Expense & Credit Card Management, and Talent Management, Learning & Onboarding.



Reinforce Our Foundation



Chris de Man

Director, Air Service

The resurgence of the pandemic with the Omicron variant had a significant impact on flight demand early in the year. Fortunately, cases quickly declined in the spring and allowed for pandemic travel restrictions to ease.

June was a pivotal month at Halifax Stanfield, with the launch of the summer season, and the resumption of U.S. and European services. Over the course of the year, Halifax Stanfield experienced a dramatic increase in travel demand and ended the year serving 3,107,425 passengers. With passenger activity up 189 per cent from the previous year, Halifax Stanfield was Canada's second fastest-recovering Tier 1 airport and was the country's sixth busiest airport in 2022.

"The rapid recovery and resumption of flights in summer 2022 saw significant growth in travellers utilizing Halifax Stanfield as their Atlantic Canada gateway," says Chris de Man, Director, Air Service at HIAA. "A tremendous amount of preparation and forecasting helped prepare Halifax Stanfield, our airline and airport partners to be ready to welcome back passengers at our airport."

To meet passenger demand, Halifax Stanfield and its airline partners went from only four passenger air service routes to 39 over the course of the year, launching more than a dozen new and returning domestic, U.S. and

international air service routes in a single week. Two new airline partners, Lynx Air and Eurowings Discover, began offering expanded domestic and European connections, and two new destinations not previously served from Halifax – Windsor, ON and Washington, DC – were added to the airport's route map, as well as the welcomed return of Air Canada's service to London-Heathrow which had been suspended prior to the pandemic.

"Our strong summer and fall travel seasons were bolstered by the long list of new and returning routes to domestic destinations, as well as the return of U.S. and international services, resulting in a more successful year than anticipated," says Marie Manning, Vice President, Business Development & Chief Commercial Officer at HIAA. "This momentum was possible because of the incredible collaboration with our many airline and industry partners, concessions, and stakeholders. We are grateful to everyone who has played a role in supporting our passengers and partners in recovery."

HIAA's air service development team continues to work closely with existing and prospective airlines to increase Nova Scotia's connections to the world. As the gateway to Atlantic Canada and a central hub airport for both passengers and cargo, Halifax Stanfield was connected to 46 destinations at year end.



The importance of connection and the essential role the airport plays in helping people, businesses, and communities establish, maintain and grow relationships is driving growth in new markets and reinforcing Halifax’s position as a top destination.

For travellers like Shelly Young, who was featured in Halifax Stanfield’s 2022 ‘Together Again’ campaign, the pandemic meant not being able to visit loved ones, something she was eager to rectify. “During the pandemic I couldn’t fly home. I just missed my family. My youngest grandson was born during the pandemic, and I couldn’t be here for it, which was heartbreaking. But now that things are getting back to normal, I am going to be flying back to Halifax.”



Above: Shelly Young reunites with her family at Halifax Stanfield

Halifax Stanfield’s team worked hard to elevate its services in 2022 and instill consumer and business confidence through seamless airport operations. Targeted investments in the renewal of assets and infrastructure were made to continuously improve the safe and secure operation of the airport.

In 2022, construction began on a new taxiway at the end of Runway 14. This new taxiway will improve airport efficiency, enhance safety, and reduce carbon emissions.

Inside the airport, concessions like Liquid Assets let travellers take Nova Scotia’s local products home with them to enjoy and share, and the upstairs observation deck keeps families connected until the very last moment, letting loved one’s wave goodbye as planes take off.



As someone who travels often, it's the little touches that really make Halifax Stanfield such a welcoming and comforting space in Shelly Young's view. "I love the rocking chairs, and the people are just fantastic. Very warm and hospitable."

"Halifax Stanfield airport is such a hub of love; it means we can all be together."

- Shelly Young

2022 Highlights

30+ employers and 120 applicants participated in an airport job fair, some of whom were hired on the spot.

Halifax Stanfield was recognized as the **2nd Most Reputable Airport in Canada** according to Leger's 2022 Reputation survey.

Halifax Stanfield was **connected to 46 passenger and cargo destinations** in 2022.

The Government of Nova Scotia recognized the value and importance of air service to the province and region by adding **\$13 million to the Air Access Fund** managed by HIAA.

Passenger volume targets were surpassed, **welcoming 3,107,425 passengers** in 2022.

Construction began on a new taxiway at the end of Runway 14. This new taxiway will improve airport efficiency, enhance safety, and reduce carbon emissions.

Air Service Summary

Scheduled Passenger Services

Halifax Stanfield, like many airports around the world, continued to be impacted due to the resurgence of the pandemic and the Omicron variant early in the year. Air service offerings and frequencies were impacted at a low point with just four routes. The spring recovery saw the resumption of many previously suspended services domestically, internationally, and to the United States, bringing our total passenger routes for the year to 39. In 2022, we also welcomed two new airlines to our airport for the first time, Lynx Air and Eurowings Discover.

Below is an overview of all the destinations served and air carriers, both passenger and cargo, that operated during 2022.

Scheduled & Charter

Air Carriers

Air Canada
 Air Canada Jazz
 Air Canada Rouge
 Air Saint-Pierre
 Air Transat
 American Airlines
 Condor Flugdienst
 Eurowings Discover
 Flair Airlines
 Lynx Air
 PAL Airlines
 Porter Airlines
 Sunwing Airlines
 Swoop
 WestJet
 WestJet Encore

Cargo Carriers

Air Canada Cargo
 Air Saint-Pierre
 ASL Airlines Belgium
 Atlas Air
 Cargojet
 Condor Flugdienst
 Eurowings Discover
 EVAS
 FedEx
 Kalitta Air Cargo
 Korean Air Cargo
 WestJet

Domestic Destinations

Calgary, AB
 Deer Lake, NL
 Edmonton, AB
 Gander, NL
 Goose Bay, NL
 Hamilton, ON
 Kitchener-Waterloo, ON
 Moncton, NB
 Montréal-Trudeau, QC
 Ottawa, ON
 St. John's, NL
 Sydney, NS
 Toronto-Billy Bishop, ON
 Toronto-Pearson, ON
 Vancouver, BC
 Windsor, ON
 Winnipeg, MB

U.S. (Transborder) Destinations

Boston, Massachusetts
 New York - Newark
 Orlando, Florida
 Orlando-Sanford, Florida
 Philadelphia, Pennsylvania
 Tampa, Florida
 Washington-Reagan, Virginia

International Destinations

Cancun, Mexico
 Cayo Coco, Cuba
 Dublin, Ireland
 Frankfurt, Germany
 Glasgow, Scotland
 Holguin, Cuba
 London-Gatwick, UK
 London-Heathrow, UK
 Montego Bay, Jamaica
 Paris, France
 Puerto Plata, Dominican Republic
 Punta Cana, Dominican Republic
 Santa Clara, Cuba
 St. Pierre, St. Pierre and Miquelon
 Varadero, Cuba





Chart New Territory



Craig Paul

Director, Technology & Innovation

Halifax Stanfield has consistently been recognized for its innovative efforts to create a seamless traveller experience. Good data drives good decision making, which in turn allows for a more sustainable use of resources, enhanced safety, and a better traveller experience.

As part of HIAA's commitment to explore new and sustainable business operations, the airport partnered with Assaia International AG, an aviation software company, to deploy its Turnaround Control solution. The sudden spike in travel as COVID-19 travel restrictions eased made the need for more efficient and effective aircraft turnaround times all the more imperative.

"We're always looking for ways to leverage technology to improve our service and operations, and make the best use of the facilities we have," says Craig Paul, Director, Technology & Innovation at HIAA. "For us, the goal is to be as efficient as possible to improve the passenger experience and support the modernization of airline operations. Shorter turnaround times create potential to accommodate more aircraft. That also means we can potentially introduce new routes to better meet customer demand and defer significant investments in new infrastructure."





“The goal is to be as efficient as possible to improve the passenger experience and support the modernization of airline operations.”

- Craig Paul

The platform leverages artificial intelligence, gathering and analyzing data from aircraft gates and the de-icing area of the airport, analyzing everything from refueling, to baggage and food service turnaround times. Coupled with relevant climate and flight planning data, the analysis will help maximize the use of assets and find operational efficiencies. For example, to reduce congestion at de-icing, the system helps ensure pilots only receive push-back clearance when there is sufficient processing capacity.

By monitoring operations in real time and highlighting areas for improvement, the technology provides invaluable data to predict on-time performance and identify opportunities for greater efficiency. As the project progresses, HIAA plans to expand its offering and broaden the scope of the information the system provides to its partners to better support and help optimize their operations.

“What’s neat about this project is the opportunity to collaborate and share data insights between airport operations and our

airline partners. This technology not only provides the ability to decrease turnaround times for the benefit of the passenger by getting them to their destination faster, but also enables us to look at how we can collaborate to enhance our operations and provide greater visibility to our airline partners,” says Paul.

The rollout of this project, coupled with the introduction of new passenger processing efficiencies, have reinforced Halifax Stanfield’s competitive advantage with airlines and travellers.

Enhanced cargo capacity at the airport is also driving regional economic growth. In 2022, HIAA officially opened its new Halifax Stanfield Air Cargo Logistics Park (ACLP), the largest cargo processing facility in Atlantic Canada.

The ACLP includes a new building with cold storage space, cargo processing facilities and offices, which is fully leased to two tenants: Cargojet and First Catch Fisheries. Five new cargo aircraft aprons, or aircraft parking spaces, were also constructed alongside the building.

The expansion complements existing cargo processing capabilities offered at Halifax Stanfield, enabling more commercial and logistics businesses in Atlantic Canada to connect to global air cargo opportunities.

While the pandemic created significant uncertainty for the aviation sector, it underscored the importance of air cargo to global supply chains.



“Air cargo supported our collective fight against COVID-19 through deliveries of personal protective equipment and vaccines, maintained local jobs through exports of Nova Scotia products, and aided our communities through efficient transport of e-commerce orders,” says Joyce Carter, President & CEO at HIAA. “As we look towards the recovery, air cargo remains a bright light for future growth and opportunities.”

In 2022, Halifax Stanfield processed 36,979 metric tonnes of cargo, up 6.4 per cent from 2021. The value of exports in 2022 was \$540 million CAD, up 8.9 per cent from the previous year and the second highest ever recorded. Over the course of the year, air cargo was transported by 12 carriers, and Nova Scotia seafood, specifically live lobster, continued to be the top export.

2022 Highlights

Completed detailed design and planning for **expanded International Connections Facility**.

70% of airport concessions were open by the end of the year, including three new concepts.

36,979 metric tonnes of cargo was processed, the second best year on record.

Halifax Stanfield Air Cargo Logistics Park officially opened in August, with a new building and five new cargo aircraft parking aprons. The new facility more than doubles previously existing cold storage capabilities and large aircraft parking positions.

Air Canada Cargo launched **new dedicated freighter services** to Europe.



Advance the Stanfield Experience





Melissa Nguyen

Terminal Business and Airport Experience Coordinator

Happy, helpful, courteous, caring and kind, that's the Halifax Stanfield way.

Few people better represent these values than the Tartan Team volunteer hosts, a dedicated group of volunteers who are always looking for new ways to elevate the passenger experience. From welcoming travellers, to helping them find washrooms, a bite to eat, or their gate, they provide an essential service.

“After over 20 years of the Tartan Team welcoming visitors to Halifax Stanfield, we certainly felt their absence during the pandemic,” says Melissa Nguyen, Terminal Business and Airport Experience Coordinator at HIAA.

“The Tartan Team’s reputation is known world-wide for the warm and helpful support they provide, and we are so happy to have them back at the airport.”

- Melissa Nguyen





Volunteers are asked to commit to one four-hour shift per week. With three shifts per day and up to four volunteers on each shift, the program requires lots of community support.

“We were fortunate to have had about 100 volunteers pre-pandemic, and since restarting the program in 2022, we have had approximately half, or 50, return,” says Nguyen. “Our top priority was, and is, to ensure that our volunteers are safe and have the supplies and tools they need to welcome passengers.”

To safely restart the volunteer program, plexi-glass was installed around the welcome kiosks and volunteers received PPE, including masks and gloves, as well as additional training on how to best support travellers.

“We definitely saw an increase in traveller stress as pandemic restrictions lifted. For many people, it was the first time they had flown in years, so just having that extra support our Tartan Team provides was so essential,” says Nguyen.

Asked what makes him want to volunteer, Jerry Jackson says, “It’s so rewarding to help people. Not everyone at the airport is off on vacation. Some people are travelling for funerals or because a loved one is sick. You come across people who are really struggling and just being able to talk with them and help them in any way you can really makes a difference.”

While not all volunteers chose to return as pandemic restrictions lifted, for a variety of reasons, Jackson wasn’t worried for a second. “The entire HIAA team is amazing. This is definitely the best run and most supportive

volunteer experience I’ve ever had, so I never hesitated to come back. I knew that the airport team would do everything possible to ensure we were safe and looked after.”

Gina Sanford has been a volunteer at HIAA since the program first began in 2000. “I’ve always been interested in travel and I am a people person, so when I saw an ad on TV for the program I was intrigued by the opportunity. I’ve been coming out to the airport for over 20 years now, and no two days are ever the same.”

“It’s not something that everyone can do. You have to have lots of patience, but for the most part the interactions are really positive,” says Sanford. “I remember there was this one day where a family came down to arrivals and the little girl was crying because she’d forgotten her doll upstairs and they couldn’t go back and get it. Being able to go back through security and get the doll for her, and the look on her face, really made me feel like I made a difference.”

Driving customer service excellence among all airport partners and creating a sense of place that reflects the communities we serve are priorities at Halifax Stanfield. Local ingredients and flavour are integrated into many aspects of the airport, including a number of restaurants and shops. By the end of 2022, Halifax Stanfield had 70 per cent of its concessions operational compared to 2019. The Fine Company Gastropub, La Cocina Mexicana, La Cocina Mexicana Patio, and Connected Coffee (in arrivals) are all new offerings that focus on creating a unique and memorable experience while using quality, local ingredients.



Increasing access for all was another focus area in 2022. HIAA launched a new website that provides users with improved navigation, content and graphic elements, enhanced site accessibility, and equality in bilingual content and design elements. A new curbside paging system was installed for persons with disabilities to request assistance. And, flight information display boards and gate screens were reconfigured to visually display text of all airport audio announcements in both English and French.

To help passengers relax and de-stress, HIAA also welcomed back two St. John Ambulance therapy dogs and their handlers. Since the program's inception in 2015, it has brought smiles, stress relief, and comfort to thousands of passengers, employees, and visitors.

2022 Highlights

New Halifax Stanfield website launched to improve overall user experience and accessibility.

Developed and launched virtual Stanfield Way customer service training.

Renewed Airports Council International (ACI) Customer Experience Accreditation Level 1.

Recognized several cultural events and milestones at the airport and through various communications channels, including: Lunar New Year, African Nova Scotia Heritage Month, International Women's Day, National Indigenous Peoples' Day, Halifax Pride, National Truth and Reconciliation Day, and Mi'kmaq History Month.

4 new concessions opened: The Fine Company Gastro Pub, Connected Coffee (second location pre-security) and La Cocina Mexicana and a patio version of La Cocina Mexicana.



Lead a Sustainable Future





Michael Eakins

Airside/Groundside Infrastructure Manager

Halifax Stanfield intends to be an active leader in advancing environmental, financial, and social sustainability practices. To achieve this objective, HIAA is integrating sustainability measures throughout all aspects of the airport's management and operations.

To date, HIAA has made considerable progress in advancing its sustainability initiatives and is continuing to work to better promote current and future achievements within the communities it serves and with its industry partners.

In 2022, HIAA renewed its Airport Carbon Accreditation Level 2 from Airports Council International. This level of accreditation guides airports as they set up their own carbon management plan, including measuring progress towards a reduced carbon footprint, providing evidence of effective carbon management procedures, and showing that a reduction in the carbon footprint has occurred. In 2023, HIAA plans to achieve Airport Carbon Accreditation Level 3, which includes engaging third parties at and around the airport to reduce carbon emissions.

The aviation industry worldwide has a significant carbon footprint. To mitigate its environmental impact and reduce carbon emissions to achieve an industry goal of net-zero emissions by 2050, HIAA developed a carbon management plan, which it will begin implementing in 2023. This includes plans to reduce electricity consumption within the air terminal building, transition to electric vehicles and install charging stations to better support the needs of employees, passengers, and airport partners.





As examples, 21 per cent less energy was used in the terminal building in 2022 compared to 2019. This was due to a number of energy and cost saving initiatives, including the installation of a new chiller plant with improved energy efficiency, replacing over 2,000 conventional lightbulbs with LED technology, and temporarily shutting down unused equipment during the first part of the year when passenger numbers were low.

In collaboration with a broad range of aviation partners, HIAA is a founding member of the Canadian Council for Sustainable Aviation Fuels, with the goal of facilitating the production and supply of affordable, low-carbon, Canadian-made sustainable aviation fuels.

Like all businesses and communities, Halifax Stanfield, and the communities it serves are vulnerable to the impacts of climate change.

To reduce Halifax Stanfield's vulnerability to future climate change events, and ensure operational resilience, a year-long study of the airport's stormwater infrastructure was completed in 2022. This study is the first of many steps HIAA will take in the coming years to safeguard against more frequent and intense weather events.

"We know that traditional engineering methodologies surrounding stormwater management are being challenged by climate change," says Michael Eakins, Airside/Groundside Infrastructure Manager at HIAA. "We are working alongside our national colleagues to plan for the future needs of the airport's infrastructure."

The airport was built in the late 1950s on pyritic slate bedrock, which can create acidic runoff when it comes into contact with stormwater. To ensure that there is no negative environmental

impact on surrounding land and waterways, the airport collects and transfers stormwater to its onsite facility for treatment before releasing it back into the ecosystem.

An engineering consultant was retained to review and assess all aspects of Halifax Stanfield's existing stormwater system across the airfield. As the airfield was fully operational, it created unique limitations on when and how the study could be conducted.

"While all of our stormwater infrastructure is well within its life cycle, the documentation for various systems dates back decades, which required the team to go out and conduct a fairly exhaustive assessment," says Eakins. "As a 24/7, international airport, we always work diligently to minimize the impact of our work on passengers and airlines. Wherever possible, we put alternate infrastructure in place or conduct testing during routine maintenance."

Another aspect of the study was looking at the water flow in and around the airfield. In doing so, the team placed sensors at key points in the stormwater system to assess the water flow-through during weather events. Data collected throughout the year contributed to the development of a digital model of the airport's stormwater system.

"The digital model allows us to anticipate the impact of certain weather events on our stormwater system," says Eakins. "As we plan for more severe future weather events, we can use the model to predict potential pain points in the system and ensure the necessary upgrades are completed well in advance, or mitigation strategies are put in place."

The stormwater study represents the first step in a multi-year program that will include improvements at the airport's treatment facility and in the stormwater collection system.



“At HIAA, we apply sustainability principles and innovative approaches to all aspects of our organization, including capital projects. We undertake design that allows our infrastructure to be ready for the needs of today and of the future.”

- Michael Eakins



“Our strategic priorities guide our work at Halifax Stanfield,” says Eakins. “Understanding and addressing storm water quantity and quality are key to responsible environmental management and a sustainable future.”

2022 Highlights

Completed a **Sustainability Framework and Carbon Management Plan** for implementation beginning in 2023.

Developed and adopted a **new People Plan** that will guide the successful delivery of the 2022-2026 strategic plan and ensure the organization is well positioned for the safe and efficient operation of the airport in future.

Renewed Airports Council International **Carbon Reduction Accreditation Level 2**.

Founding member of **Canadian Council for Sustainable Aviation Fuels**.

Green building principles incorporated in the design of the new International Connections Facility.



Acting Today for Tomorrow

2022 Sustainability Report

2022 Sustainability Report

Sustainability is a key priority for Halifax International Airport Authority to help create a better airport and healthier communities - now and into the future.

We work with industry, community, and government partners in our shared commitment to create a more sustainable planet for future generations.

With this in mind, we conducted a materiality assessment to identify the focus areas that

are most important to our business and stakeholders. This assessment consisted of a series of interviews, workshops, and surveys to help rank the importance of a wide range of sustainability topics. The insights gained from this assessment have guided our plans going forward and have informed the following reporting structure. 2022 will serve as the baseline year for our reporting moving forward. Therefore, not all data will be available at the time of this report, but it will serve as an indicator of the information that will be provided in subsequent years.

Everything we do is in alignment with our environmental, social, and governance objectives and the United Nations Sustainable Development Goals, creating a pathway that ensures the long-term viability of our airport and the global communities we serve.



Sustainability Reporting

2022 Sustainability Results

The following information illustrates HIAA's 2022 performance on its sustainability goals that were developed in alignment with the materiality assessment and HIAA's 2022-2026 Strategic Plan. HIAA will continue to measure and report on these goals and additional goals as data becomes available in future years.

ENVIRONMENT



Waste Management

35% (250 tonnes) of air terminal building waste diverted from landfill

Includes cardboard, paper, recycling (such as plastic items and aluminum cans), and organics.



Stormwater Management

100% conformance with provincial requirements



Climate Change Adaptation

See pages 26-29 for narrative of annual initiatives



Carbon Management

19% reduction (3,115 tonnes) in carbon dioxide equivalent emissions (CO₂e Scope 1 & 2)

5-Year Goal

Over 30% CO₂e reduction compared to 2019 baseline of 16,470 tonnes

SOCIAL



Diversity, Equity, and Inclusion

13% of HIAA employees are from one of the Government of Canada Employment Equity Act's designated groups (Indigenous, disability and racial minority)*

5-Year Goal

≥ 33% increase compared to 2020 baseline of 11%



Health, Safety and Security

95% of employees identify HIAA as a safe place to work

0 lost time workplace injuries



Community Investment

62% of community investment supported DEI focused organizations or initiatives



*These data sets are representative of the prior year due to the timing of data release.

Sustainability Reporting

2022 Sustainability Results

SOCIAL



Diversity, Equity, and Inclusion

47% of HIAA's senior leadership team positions are held by women

26.5% of HIAA's workforce are women compared to labour market availability of 26.9%*

4% of all interviews conducted with qualified external candidates self-identified as being in an equity-deserving group



Organizational Reputation

11th most reputable organization in Atlantic Canada

5-Year Goal
HIAA named a Top 3 organization in Atlantic Canada in the Atlantic Reputation Monitor Report



Airport Experience

84.4% Airport Service Quality annual cumulative score

5-Year Goal
≥ 80%

*These data sets are representative of the prior year due to the timing of data release.

GOVERNANCE



Passenger Activity

3,107,425
passengers

5-Year Goal

Passenger volume over 4.6 million annually



Cargo Activity

1,585
flights

5-Year Goal

More than 1,600 air cargo flights annually



Economic Performance

\$7.4 million Net Loss

5-Year Goal

\$13.6 million Net Income

\$9.09 per passenger in non-aeronautical revenue

5-Year Goal

Non-aeronautical revenue per passenger is more than \$7.80



*These data sets are representative of the prior year due to the timing of data release.

2022 Financial Overview

HIAA has taken a significant step forward in 2022 towards returning to financial stability and sustainability. After two years of depressed travel demand and limited revenue, 2022 brought a resurgence in passenger activity that ultimately generated a significant improvement in financial performance compared to the prior two years.

Total revenue in 2022 was \$111.4 million, up 131% from 2021 as passenger volumes almost tripled from 1.1 million in 2021 to 3.1 million in 2022. This resurgence in passenger activity stimulated growth in both aeronautical and non-aeronautical revenue along with a \$29.4 million increase in airport improvement fee revenue. This improved revenue performance helped offset increased operating expenses and the loss of pandemic related government support, which was reflected in HIAA's 2021 financial performance. Excluding airport improvement fees and government assistance received in 2021, HIAA's revenue was \$67.1 million, compared to \$27.7 million in 2021, an increase of 142%. Passenger volume recovery across the Canadian aviation sector exceeded expectations in 2022 and challenged airport operators and their strategic partners to meet service expectations. HIAA continued to support its concession partners, helping them respond to the significant increase in demand and maintain positive passenger experiences.

After reporting significantly reduced revenues in 2020 and 2021, the upturn in activity in 2022 brought revenues close to pre-pandemic

levels. This rapid recovery is illustrative of HIAA's ability to leverage increased air carrier activity and passenger volumes, which rose in 2022 to 74% of pre-pandemic levels. While HIAA's financial and activity level recovery is not complete, continued moderate passenger growth over the next several years will eliminate the financial losses experienced over the course of the pandemic and support ongoing financial stability.

Total expenses for 2022 were \$119.2 million, up from \$84.1 million in 2021. While HIAA continued its efforts to limit expense growth, the increase in overall activity levels directly impacted general operating costs. Increased amortization, higher debt servicing costs, and additional investments in air service stimulus programs added to total expenses in 2022 when compared to 2021. In addition, the expiration of government support programs in 2022 added \$12.5 million in additional costs compared to 2021, related to the loss of support under the Canada Emergency Wage Subsidy program and the waiver of required ground lease rent payments to the federal government, neither of which continued into 2022.

HIAA reported a gain related to its defined benefit pension plan of \$0.4 million in 2022, which represented a decrease of \$0.5 million compared to 2021.

Together, the combined impact of year over year changes in revenue, expenses and defined benefit pension accounting resulted in HIAA reporting a loss of \$7.4 million in 2022, compared to a loss of \$34.9 million in 2021.

In 2022, HIAA maintained efforts to moderate capital investments and focus new initiatives on strategic priorities and necessary investments to maintain the safe and efficient operation of the airport. In 2022, capital expenditures totalled \$24.4 million, a sharp increase from the \$11.1 million reported in 2021 but still well below pre-pandemic levels.

The Canadian aviation sector was tested in 2022 to meet the resurgence in demand, but the entire industry is committed to working together to meet traveller and community expectations, while returning to a sustainable business model.

Five-Year Financial Forecast

The following chart highlights HIAA’s recent financial performance and the potential outlook over the next five years. The forecast data reflects the strong pace of recovery and growth expected over the next five years.

Year	ACTUAL			FORECAST*				
	2020	2021	2022	2023	2024	2025	2026	2027
<i>All amounts in \$000's</i>								
Total Revenue**	41,347	48,212	111,412	119,821	132,324	143,539	151,366	158,353
Operating Expenses	38,992	37,233	69,028	74,915	76,984	79,178	80,993	83,871
Capital Expenditures	22,948	11,084	24,417	38,870	42,318	43,463	47,629	37,841
Rent Payable to Transport Canada	347	--	7,936	8,752	9,982	11,192	11,994	12,724

*Forecast figures are uncertain and subject to change
 ** Total Revenue includes AIF net of collection charge

Financial Statements

Independent Auditors' Report

To the Directors of:

Halifax International Airport Authority

Opinion

We have audited the consolidated financial statements of Halifax International Airport Authority (the "Authority"), which comprise the consolidated balance sheet as at December 31, 2022, and the consolidated statements of operations and changes in equity and consolidated cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Halifax International Airport Authority as at December 31, 2022, and the results of its consolidated operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted

auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Halifax, Canada
March 31, 2023

Grant Thornton LLP

Chartered Professional Accountants

Consolidated Balance Sheet

As at December 31

[in thousands of dollars]	2022 \$	2021 \$
ASSETS		
Current		
Cash and cash equivalents [note 4]	138,382	115,277
Accounts receivable	12,647	6,333
Inventories	1,808	1,395
Prepaid expenses	1,796	1,481
Total current assets	154,633	124,486
Capital assets, net [note 4 and 5]	387,765	393,027
Deposits in trust [note 6]	10,185	10,185
Accrued benefit asset [note 9]	5,893	5,443
	558,476	533,141
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	36,495	18,708
Deferred revenue and government assistance [note 4]	30,385	18,315
Total current liabilities	66,880	37,023
Long term debt [note 6]	433,105	433,060
Security deposits	1,611	1,412
Long term deferred revenue	2,593	-
Total liabilities	504,189	471,495
Net assets	54,287	61,646
	558,476	533,141

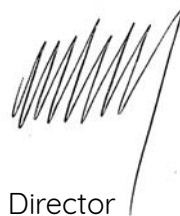
Implications of COVID-19 [note 2]

Commitments [note 8]

Contingencies [note 12]

See accompanying notes

On behalf of the Board:



Director



Director

Consolidated Statement of Operations and Changes in Equity

Year ended December 31

[in thousands of dollars]	2022 \$	2021 \$
REVENUE		
Terminal and passenger security fees	16,386	5,114
Parking	12,822	3,691
Concessions	15,415	5,779
Landing fees	12,032	6,627
Rental	5,230	4,753
Interest [note 7]	3,393	749
Other	1,778	959
	67,056	27,672
Airport improvement fees [note 7]	44,356	14,968
Government assistance [note 4]	-	5,572
	111,412	48,212
EXPENSES		
Salaries, wages and benefits [note 4]	24,145	17,914
Amortization	29,700	27,808
Materials, services and supplies	22,551	14,551
Interest on long-term debt [note 6 and 7]	20,493	19,011
Air service stimulus and administration	12,751	3,103
Ground lease rent	7,936	-
Property taxes	1,665	-
	119,221	84,052
Net loss before pension plan gain (loss)	(7,809)	(35,840)
Defined benefit pension plan gain [note 9]	450	928
Net loss	(7,359)	(34,912)
Net assets, beginning of the year	61,646	96,558
Net assets, end of year	54,287	61,646

See accompanying notes

Consolidated Statement of Cash Flows

Year ended December 31

[in thousands of dollars]	2022 \$	2021 \$
OPERATING ACTIVITIES		
Net loss	(7,359)	(34,912)
Add items not affecting cash		
Amortization	29,700	27,808
Accrued benefit asset	(450)	(928)
Net change in non-cash working capital balances related to operations	25,631	(1,582)
Cash used in operating activities	47,522	(9,614)
FINANCING ACTIVITIES		
(Repayment) drawings on credit facilities, net	-	(33,000)
Proceeds of bond issue	-	150,000
Bond issue costs	-	(516)
Deposits in trust	-	(2,759)
Cash provided by financing activities	-	113,725
INVESTING ACTIVITIES		
Expenditures on capital assets (note 4)	(24,417)	(11,084)
Cash used in investing activities	(24,417)	(11,084)
Net increase (decrease) in cash during the year	23,105	93,027
Cash and cash equivalents, beginning of the year	115,277	22,250
Cash and cash equivalents, end of year	138,382	115,277

See accompanying notes

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
December 31, 2022

1. GENERAL

Halifax International Airport Authority [the “Authority” or “HIAA”] was incorporated on November 23, 1995 as a corporation without share capital under Part II of the *Canada Corporations Act*. On February 1, 2000, the Authority signed a 60-year ground lease with Transport Canada and assumed responsibility for the management, operation and development of the Halifax Robert L. Stanfield International Airport [the “Airport” or “HSIA”]. In 2014, the Authority was granted an extension of the lease for an additional 20 years, extending the lease to January 31, 2080. The net income or loss for the year is retained and reinvested in airport operations and development.

HSIA is a world-class airport accelerating the growth of our communities by connecting people and goods to the world. The airport is the largest airport in Atlantic Canada, and the region’s gateway to the world.

The Authority is governed by a Board of Directors whose members are nominated by the Halifax Regional Municipality, the Province of Nova Scotia and the Government of Canada, as well as the Halifax Chamber of Commerce. The nominated members can also appoint additional members who represent the interests of the community.

The Authority is exempt from federal and provincial income taxes, federal large corporation’s tax, and Nova Scotia capital tax.

The Authority has one wholly owned

subsidiary, Halifax Stanfield Services Inc. [“HSSI”]. HSSI provides aviation services to third parties.

2. IMPLICATIONS OF COVID-19 ON OUR BUSINESS

The aviation sector, including airport operators such as the Authority, has been dramatically impacted by the COVID-19 pandemic. Demand for air travel was substantially reduced following the declaration of the pandemic in March 2020. For each of 2020 and 2021 HIAA passenger volumes were approximately 1 million, well below pre-pandemic levels of over 4 million. In 2022 travel demand returned rapidly with passenger volumes recovering to 3.1 million or 74% of 2019 levels.

The Authority has continued to invest in enhanced protocols to increase the safety and well-being of airport workers and the traveling public, including enhanced cleaning and sanitation measures, public health signage and employee remote working policies and procedures. The Authority also worked closely with federal and provincial health authorities to implement passenger screening procedures when required to help educate and assist the travelling public.

The financial impact of the pandemic has been significant for the Authority over the last three years but 2022 reflected significant improvements in financial performance; revenues increased \$63.2 million compared to the prior year and were only 3% below pre-pandemic levels. Operational measures

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
December 31, 2022

to reduce expenses were implemented throughout the period of the pandemic, including facility consolidation, energy saving measures, staffing adjustments and adjusted maintenance activities. The Authority also benefited from two government assistance programs implemented by the Government of Canada. The Canada Emergency Wage Subsidy [“CEWS”] program was utilized by the Authority and generated \$10.5 million in cumulative expense savings during 2020 and 2021. In addition, Ground Lease Rent was waived for much of 2020 and all of 2021 reducing cumulative operating expenses by \$4.4 million. The Authority also received \$5.6 million in funding in 2021 from the federal Airport Relief Fund program to support operations and also received a funding commitment of up to \$14.7 million under the federal Airport Critical Infrastructure program to support critical ongoing infrastructure investment. In 2022 there was no federal assistance in support of airport operations. While the impact of cost reduction initiatives and additional funding received were significant they did not match the reductions in revenues over the period of the pandemic resulting in material financial losses. Financial losses in 2022 were significantly reduced from losses reported in 2020 and 2021 however net losses can be expected to continue until such time as passenger activity returns closer to pre-pandemic levels.

During the pandemic the Authority took steps to ensure adequate liquidity was available to maintain operational capabilities and continue necessary capital investments. In December 2020 the Authority obtained waivers from its bondholders for the breach of covenants

up to the year ended December 31, 2022. Additionally, the Authority raised capital with a \$150 million private placement bond issue in May 2021. The Authority continues to have access to its existing credit facility.

The Authority remains confident in its ability to continue operations during the temporary disruption in air travel demand and return to financially sustainable operations. The Authority has access to adequate liquidity support over the next year and beyond in order to continue its mission of accelerating the growth of communities by connecting people and goods to the world.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Authority’s consolidated financial statements have been prepared in accordance with Part II of the Chartered Professional Accountants [“CPA”] of Canada Handbook – Accounting Standards for Private Enterprises (“ASPE”), which sets out generally accepted accounting principles (“GAAP”) for non-publicly accountable enterprises in Canada and include the significant accounting policies described hereafter.

Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the year. Actual results

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
December 31, 2022

could differ from those estimates. Items subject to significant management judgment and estimates include indicators of impairment, capital assets useful lives, allowances for bad debt, and defined benefits obligation.

Principles of consolidation

The financial statements include the accounts of the Authority and its wholly-owned subsidiary HSSI. All inter-company balances and transactions have been eliminated on consolidation.

Cash and cash equivalents

Bank balances, including bank overdrafts with balances that fluctuate from positive to overdrawn, and restricted cash are presented under cash and cash equivalents. Cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. An investment normally qualifies as a cash equivalent when it has a short maturity of approximately three months or less from the date of acquisition. Restricted cash relates to funding received from the Province of Nova Scotia to support air service growth [note 4].

Government assistance

Amounts received or receivable resulting from government programs for capital development are reflected as reductions of the cost of the assets to which they relate when the Authority becomes eligible to accrue them, provided there is reasonable assurance the benefits will be realized. Assistance for future air service support are applied to the related expenditure as the related air service activity is realized in accordance with agreed terms and conditions.

Assistance received to cover current period expenses is applied to the related expenditures.

Inventories

Inventories consist of materials, parts and supplies and are stated at the lower of cost, determined on an average cost basis, and net realizable value.

Ground lease

The ground lease with Transport Canada is accounted for as an operating lease.

Capital assets

Capital assets are recorded at cost, including interest on funds borrowed for capital purposes, net of contributions and government assistance, and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Computer hardware and software

20% - 33%

Leasehold improvements	2.5% - 10%
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Machinery, equipment,

furniture and fixtures	5% - 20%
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Vehicles	5% - 17%
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Construction in progress is recorded at cost and is transferred to leasehold improvements when the projects are complete, and the assets are placed into service.

Impairment

The Authority tests long-lived assets for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized when the carrying

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
December 31, 2022

amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Long-term debt

Long-term debt is initially measured at fair value, net of transaction costs and financing fees. It is subsequently measured at amortized cost. Transaction costs and financing fees are amortized over the term of the debt.

Revenue recognition

Landing fees, terminal fees, parking revenue and passenger security fees are recognized as the airport facilities are utilized. Concession revenue is recognized on the accrual basis and calculated using agreed percentages of reported concessionaire sales, with specified minimum guarantees where applicable. Rental revenue is recognized over the terms of the respective leases, licenses and permits. Airport improvement fees ["AIF"] are recognized when originating departing passengers board their aircraft as reported by the airlines.

As a consequence of the COVID-19 pandemic, rent concessions were made with tenants during the period up to December 31, 2021. Concessions offered were equivalent to total payments required under the original lease contracts for specified periods of time. In 2022, there were only two deferrals remaining as these concessions had received a 5-year deferral commencing in 2021. In 2022, the Authority has deferred a total of \$0.2 million [2021 - \$0.3 million] from these concessions.

Employee benefit plans

The Authority sponsors a pension plan on behalf of its employees, which has defined benefit and defined contribution components. In valuing pension obligations for its defined benefit component, the Authority uses the accrued benefit actuarial method prorated on services and best estimate assumptions. Pension plan assets are valued at current market values. Defined contribution component amounts are expensed as incurred.

Actuarial gains and losses are recognized in full in the period in which they occur. Current service cost and the interest cost on the accrued benefit obligation are included in the results of the Statements of Operations and Changes in Equity.

Financial instruments

The Authority's financial instruments consist of cash and cash equivalents, accounts receivable, deposits in trust, accounts payable and accrued liabilities and long-term debt. Accounts receivable are accounted for at amortized cost. Cash and cash equivalents and the Debt Service Reserve Fund are recorded at fair value with realized and unrealized gains and losses reported in earnings in the period during which they arise. Accounts payable and accrued liabilities and long-term debt are accounted for at amortized cost with gains and losses reported in earnings in the period during which they arise. The Authority has no held-to-maturity or available-for-sale financial assets.

Transaction costs are capitalized and added to the cost of financial assets and liabilities not classified as held-for-trading.

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
December 31, 2022

4. GOVERNMENT ASSISTANCE

Cash includes \$30.0 million [2021 - \$17.5 million] from remaining funds received in 2018, 2020, and 2022 from the Province of Nova Scotia to support air service growth initiatives including \$13 million received from the Province in 2022. The funding is available for use at HIAA's sole discretion to support new service opportunities that meet pre-defined criteria. The funds must be fully discharged by December 31, 2031.

The federal government provided nil [2021 - \$5.6 million] from the federal Airport Relief Fund program to assist with airport operations in 2021, which is included in Government Assistance Revenue in that year.

During the year, nil [2021 - \$4.6 million] was applied to salaries, wages and benefits.

During the year, \$8.2 million [2021 - \$10.2 million] of government contributions were received or receivable that were applied to capital assets. The contributions relate to capital development.

5. CAPITAL ASSETS

Capital assets consist of the following:

	Cost \$	2022 Accumulated Amortization \$	Net Book Value \$	2021 Net Book Value \$
Computer hardware and software	31,939	23,508	8,432	6,940
Leasehold improvements	615,830	267,365	348,465	333,500
Machinery, equipment, furniture and fixtures	25,083	18,900	6,183	6,766
Vehicles	24,747	15,381	9,366	5,679
Construction in progress	15,319	-	15,319	40,142
	712,918	325,153	387,765	393,027

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
December 31, 2022

6. LONG-TERM DEBT

Long-term debt consists of the following:

	2022 \$	2021 \$
CIBC Credit facilities	-	-
5.503%, non-amortizing Series A Revenue Bonds due July 19, 2041. Interest payable semi-annually in arrears on January 19 and July 19 of each year until maturity, which commenced on January 19, 2007.	150,000	150,000
4.888%, non-amortizing Series C Revenue Bonds due November 15, 2050. Interest payable semi-annually in arrears on May 15 and November 15 of each year until maturity, which commenced on May 15, 2011.	135,000	135,000
3.678%, non-amortizing Series D Revenue Bonds due May 3, 2051. Interest payable semi-annually in arrears on May 3 and November 3 of each year until maturity, which commenced on November 3, 2021.	150,000	150,000
	435,000	435,000
Less transaction costs, net of accumulated amortization	1,895	1,940
	433,105	433,060

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
December 31, 2022

Bond issues

In July 2006, the Authority completed its inaugural \$150.0 million Revenue Bond issue. The \$150.0 million 5.503% Series A Revenue Bonds are due on July 19, 2041. In November 2010, the Authority completed a \$135.0 million Revenue Bond issue. The \$135.0 million 4.888% Series C Revenue Bonds are due on November 15, 2050. In May 2021, the Authority completed a third Revenue Bond issue of \$150 million. The \$150 million 3.678% Series D Revenue Bonds are due November 3, 2051.

The net proceeds from these offerings were used to finance the capital plan and for general corporate purposes. These purposes included repaying existing bank indebtedness and funding of the Debt Service Reserve Fund. The bonds are direct obligations of the Authority ranking pari passu with all other indebtedness issued under the Master Trust Indenture.

Credit facilities

The Authority has authorized credit facilities with the Canadian Imperial Bank of Commerce, which provide the Authority with a combined availability of \$94.5 million, comprised of a \$72.0 million Capex facility and a \$22.5 million revolving operating and letter of credit facility. These facilities are secured under the Master Trust Indenture and are available by way of overdraft, prime rates loans, or bankers' acceptances.

As at December 31, 2022 an amount of \$10.6 million [2021 - \$11.3 million] of the operating and letter of credit facility had been committed,

with \$nil [2021 - \$nil] advanced as a prime rate loan, \$2.1 million [2021 - \$2.1 million] designated to pension plan funding regulations and \$8.5 million [2021 - \$9.2 million] designated to the Operating and Maintenance Reserve Fund. As at December 31, 2022 an amount \$nil [2021 - \$nil] of the Capex facility had been committed.

Reserve funds

Pursuant to the terms of the Master Trust Indenture, the Authority is required to establish and maintain with a trustee a Debt Service Reserve Fund. The balance within this fund must be equal to at least 50% of annual bond debt service costs. As at December 31, 2022, the Debt Service Reserve Fund included \$10.2 million [2021 - \$10.2 million] in interest-bearing deposits held in trust. These trust funds are held for the benefit of bondholders for use in accordance with the terms of the Master Trust Indenture.

The Authority is also required to maintain an Operating and Maintenance Reserve Fund. The balance in the Operating and Maintenance Reserve Fund must be equal to at least 25% of certain defined operating and maintenance expenses for the previous fiscal year. Approximately \$14.7 million [2022 - \$8.5 million] will be required to fund the Operating and Maintenance Reserve Fund in 2023. The Operating and Maintenance Reserve Fund may be satisfied by cash, letters of credit, or the undrawn availability under a committed credit facility.

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
December 31, 2022

7. AIRPORT IMPROVEMENT FEES

The AIF revenue is used to fund the cost of the Authority's capital program and related financing costs, along with debt and operational surpluses. The AIF rate at December 31, 2022 was \$35 [2021 - \$35] and the Intra-Provincial rate was \$22 [2021 - \$22] and applies to each departing enplaned passenger. The AIF are collected by the air carriers for a fee of 7% under an agreement between the Authority, the Air Transport Association of Canada, and the air carriers serving the Airport. Under the agreement, AIF revenue may only be used to pay for the capital and related financing costs as jointly agreed with air carriers operating at the Airport.

A summary of the AIF collected and capital and related financing expenditures are as follows:

	2022 \$	2021 \$
AIF revenue, net:		
AIF revenue	47,708	16,023
AIF collection costs	(3,352)	(1,055)
	44,356	14,968
Interest on surplus funds	3,393	749
Net funds received	47,749	15,717
Capital expenditures funded by AIF	19,267	10,551
Interest expense funded by AIF	20,493	19,011
	39,760	29,562
Excess of expenditures over AIF revenue	7,989	(13,845)
Excess of expenditures over AIF revenue, beginning of year	(402,271)	(388,426)
Excess of expenditures over AIF revenue, end of year	(394,282)	(402,271)

From January 1, 2001 to December 31, 2022, the cumulative capital expenditures funded by AIF totaled \$921.5 million [2021 - \$881.7 million] and exceeded the cumulative AIF revenue by \$394.3 million [2021 - \$402.3 million].

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
December 31, 2022

8. COMMITMENTS

Transfer agreement

Effective February 1, 2000, the Authority signed a 60-year ground lease with Transport Canada which provides for the Authority to lease the Airport. A 20-year extension was granted in 2014, extending the lease to January 31, 2080. Unless otherwise extended, the Authority is obligated to return control of the Airport to Transport Canada. Lease payments are based on a percentage of gross revenue on a progressive scale.

The estimated lease obligations over the next five years are approximately as follows:

	\$
2023	8,752
2024	9,982
2025	11,192
2026	11,994
2027	12,724

Long-term debt - bond issues

The interest payable over the next five years on the Authority's Series A, C and D Revenue Bonds is as follows:

	\$
2023	20,370
2024	20,370
2025	20,370
2026	20,370
2027	20,370

Construction in progress

As at December 31, 2022, the Authority had outstanding contractual construction commitments amounting to approximately \$3.9 million [2021 - \$7.1 million].

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
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9. PENSION PLAN

The Authority sponsors a pension plan [the “Plan”] on behalf of its employees, which has defined benefit and defined contribution components. An actuarial valuation has been prepared as at December 31 for both funding and measurement purposes. The responsibility for governance of the Plan including overseeing aspects of the Plan such as investment decisions lies with the Authority through a Pension Committee. The Pension Committee in turn has appointed experienced independent experts such as investment advisors, investment managers, actuaries and custodians for assets.

The Authority has adopted various policies in respect to the Plan:

- a. Plan assets are valued at fair value for the purpose of calculating the expected return on the Plan assets.
- b. At December 31, 2022, the plan assets were invested in various pooled funds.
- c. Due to the nature of the benefit promise, the Authority’s defined benefit obligation cannot be accurately predicted. Gains and losses arise because of changes in assumptions and from experience differing from what has been assumed. Under CICA Handbook section 3462, these gains and losses are recognized immediately in the Statements of Operations and Equity.
- d. Differences in the actual investment return on plan assets and the return using the discount rate are recognized immediately in the Statements of Operations and Changes in Equity.
- e. The last actuarial valuation for funding purposes was prepared as at December 31, 2022. The next scheduled actuarial valuation for funding purposes will be performed as at December 31, 2023.
- f. The Authority uses a December 31 measurement date.

The following table provides information concerning the assets, accrued benefit obligation, funded status and pension assets of the Plan as at December 31:

	2022	2021
	\$	\$
Plan assets	21,764	26,333
Accrued benefit obligation	(15,871)	(20,890)
	<u>5,893</u>	<u>5,443</u>

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
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The following table provides information concerning the components of the pension gain (loss):

	2022 \$	2021 \$
Employers' current service cost	(432)	(498)
Interest cost on accrued benefit obligation	(676)	(650)
Expected return on the assets	846	778
	(262)	(370)
Actuarial gain (loss) on accrued benefit obligation	5,503	1,588
Difference between expected and actual return on assets	(4,791)	(290)
Pension gain (loss)	450	928

The significant actuarial assumptions adopted in measuring the Authority's accrued pension benefits, using the funding valuation basis, are as follows:

	2022 %	2021 %
Discount rate - year end benefit obligation	5.10	3.25
Discount rate - net benefit expense	3.25	3.00
Rate of compensation increase	3.25	3.25

Other information related to the Authority's defined benefit component is as follows:

	2022 \$	2021 \$
Employees' contributions	70	75
Benefits paid	694	227

	2022 %	2021 %
Equity securities	29	27
Fixed income securities	59	68
Real estate securities	12	5
	100	100

Pension expense amounted to \$1.0 million [2021 - \$1.0 million] for the defined contribution component for which the pension expense is equal to the contributions made by the Authority to the Plan during the year.

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
December 31, 2022

10. CAPITAL RISK MANAGEMENT

The Authority is a corporation without share capital and, accordingly, is funded through operating revenue, AIF revenue, reserve funds, the debt capital markets and its bank credit facility. Aeronautical charges are set each year to cover the projected operating costs, after consideration of the projected air traffic and passenger activity and non-aeronautical revenue. Any funds generated by the Authority are used to cover costs within its mandate.

The Authority's objective for managing capital is to acquire and maintain sufficient capital to safely and effectively manage the Airport's operations. The Authority aims to manage capital to deliver world-class facilities and services to the travelling public. The capital managed by the Authority is composed of long-term debt. As at December 31, 2022, the balance outstanding, excluding any current portion, amounts to \$435 million [2021 - \$435.0 million].

The Authority's indebtedness is secured under the Master Trust Indenture and supplemented from time to time with established common security and a set of common covenants by the Authority for the benefit of its lenders. The covenants that the Authority must meet include two specific coverage tests for operating expenses and debt service payments. The gross debt service covenant states that the total revenue, including the revenue account balance at the beginning of the year, must at least cover operating expenses, including interest and principal

payments. The debt service covenant states that the net revenue for that specific year must be at least 1.25 times the total interest and principal payments for that year. Effective December 31, 2020 the Master Trust Indenture was amended to temporarily suspend the Authority's requirement to comply with these covenants for the years ended December 31, 2020, 2021 and 2022.

In accordance with the Master Trust Indenture, two reserve funds must also be maintained: a Debt Service Reserve Fund and an Operating and Maintenance Reserve Fund.

11. FINANCIAL INSTRUMENTS

Fair value

The Authority's financial instruments consist of cash and cash equivalents, accounts receivable, deposits in trust, accounts payable and accrued liabilities and long-term debt. The difference between the carrying values and the fair market values of the financial instruments, excluding long-term debt, are not material due to their short-term maturities. The fair value of the Revenue Bonds as at December 31, 2022 is approximately \$397 million.

Risk management

The Authority is exposed to a number of risks as a result of the financial instruments on its balance sheet that can affect its operating performance. These risks include interest rate risk, liquidity risk, credit risk, and concentration risk. The Authority's financial instruments are not subject to foreign exchange risk or other price risk.

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
December 31, 2022

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Authority is subject to interest rate risk relating to its Debt Service Reserve Fund and credit facilities. The Authority manages its interest rate risk through the use of fixed-rate financing where applicable.

The Authority has entered into fixed-rate long-term debt and, accordingly, the impact of interest rate fluctuations has no effect on interest payments until such time as this debt is to be refinanced.

However, changes in prevailing benchmark interest rates and credit spreads may impact the fair value of this debt.

The Authority's most significant exposure to interest rate risk relates to its credit facilities. The Authority's Capex facility, which is in place for the financing of near-term construction costs related to the Authority's Capital Program, is subject to floating interest rates. Management believes that the impact of interest rate fluctuations on construction costs is not material.

The Authority's Debt Service Reserve Fund is subject to changes in interest rates. Management believes that the impact of interest rate fluctuations on the Debt Service Reserve Fund is not representative of the Authority's exposure to interest rate risk as interest income is not essential to

the Authority's operations. These funds are intended for reinvestment in airport operations and development, and not for purposes of generating interest income.

If interest rates had been 50 basis points [0.50%] higher or lower and all other variables were held constant, including timing of expenditures related to the Authority's capital expenditure programs, the Authority's earnings for the year would not have been significantly impacted.

Liquidity risk

The Authority manages its liquidity risk by maintaining adequate cash and credit facilities, by updating and reviewing multi-year cash flow projections on a regular and as-needed basis, and by matching its long-term financing arrangements with its cash flow needs. The Authority has ready access to sufficient financing as well as committed lines of credit through credit facilities with a major Canadian bank.

The future annual payment requirements of the Authority's obligations under its long-term debt are described in note 8.

Credit and concentration risks

The Authority is subject to credit risk through its accounts receivable, which consist primarily of current aeronautical fees and AIF owing from air carriers. The Authority performs ongoing credit valuations of receivable balances and maintains an allowance for potential credit losses. The Authority's right under the *Airport Transfer (Miscellaneous Matters) Act* to seize and detain aircraft until outstanding aeronautical

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
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fees are paid mitigates the risk of credit losses. The majority of the Authority's accounts receivable are paid when they are due.

A significant portion of the Authority's revenue, and resulting receivable balances, are derived from air carriers. The Authority derives approximately 37.5% [2021 - 37.5%] of its landing fee and terminal fee revenue from Air Canada and its affiliates. Management believes, however, that the Authority's long-term exposure to any single airline is mitigated by the fact that over 85% of the passenger traffic through the Airport is origin and destination traffic and therefore other carriers are likely to absorb the traffic of any carrier that ceases operations. In addition, the Authority's unfettered ability to increase its rates and charges mitigates the impact of these risks.

12. CONTINGENCIES

The Authority may, from time to time, be involved in legal proceedings, claims and litigation that arise in the ordinary course of business and may enter into agreements that provide contingent support for new business. The Authority believes any liabilities arising from these matters would not reasonably be expected to have a material adverse effect on its financial position.

Corporate Governance

Halifax International Airport Authority (Airport Authority) is governed by a Board of Directors consisting of a maximum of 15 directors nominated by the following entities:

NOMINATOR	NUMBER OF DIRECTORS
Government of Canada	2*
Province of Nova Scotia	1
Halifax Regional Municipality	4
Halifax Chamber of Commerce	3
Airport Authority Board of Directors	4

**Can be increased to 3 in certain circumstances*

Generally, a director may serve no more than a total of nine years. However, at any given time, by a vote of the Board, one director’s term can be extended for three years, to a maximum total of 12 years. The Board regularly reviews the skills and experience of its board members to ensure the appropriate competencies are represented on the Board.

The Board has overall responsibility for the stewardship of the Airport Authority, overseeing governance and strategic direction. The Board also oversees management, who are responsible for the day-to-day conduct of the business, with the fundamental objective of ensuring that the Airport Authority meets its obligations and operates in a safe, efficient, and responsible manner. The Board meets as often as is required to carry out its responsibilities and maintains three standing committees, which are accountable to the Board: Audit Committee, chaired by Ann MacKenzie; Capital Projects Committee,

chaired by John Fitzpatrick; and Governance Committee, chaired by Rob Batherson (January 1 – July 24) and Ann MacLean (July 25 – December 31). The purpose of each Committee is as follows:

Audit Committee

The Audit Committee’s responsibilities include (i) approving the Airport Authority’s quarterly unaudited financial statements and reviewing the annual audited financial statements; (ii) monitoring the integrity of the Airport Authority’s financial reporting process and internal control system regarding financial reporting; (iii) reviewing and recommending the financial component of the 10-Year Capital and Financial Plan; and (iv) monitoring the independence and performance of the Airport Authority’s external auditors. The Audit Committee acts in an advisory capacity to the Board except for approving the quarterly unaudited financial statements and the annual audit plan.

Capital Projects Committee

The Capital Projects Committee’s responsibilities include (i) reviewing and recommending the capital component of the 10-Year Capital and Financial Plan and all proposed major capital projects; and (ii) monitoring the progress and results of approved projects against pre-established measures and targets.

Governance Committee

The Governance Committee assists the Board by providing a focus on governance that is intended to enhance the Board's performance as well as add value and support to the Airport Authority in achieving its corporate objectives. As part of this mandate, the Governance Committee leads the Board nomination process and receives reports and makes recommendations on a variety of governance matters including (i) the Board Governance Framework, consisting of the Board Governance Policy and accompanying plans/programs; (ii) Board composition and effectiveness; (iii) the terms of reference for each Board committee; and (iv) functions pertaining to the President and Chief Executive Officer (CEO) position, including performance review and succession planning.

The Airport Authority has adopted conflict of interest guidelines to govern the conduct of, and the disclosure and avoidance of conflicts of interest for, all officers and directors. These disclosures are updated as required.

During 2022, the Governance Committee of the Board reported that there were no breaches of the conflict of interest guidelines by any officer or director of the Airport Authority.

Board of Directors Compensation	(\$)*
Chair: S. Dempsey	59,500
D. Bastow	15,030
R. Batherson (term completed July 24, 2022)	16,044
P. Boulter	14,870
J. Fiander	15,750
J. Fitzpatrick	20,823
D. Holland	15,510
A. MacKenzie	20,583
A. MacLean	19,554
M. Martel	15,510
B. Nycum	17,670
S. Porter	16,110
D. Whalen** (term effective October 1, 2022)	0

**For the period July 1, 2020 to June 30, 2022, the Board approved a reduction in the remuneration for directors by 20 per cent as a result of the financial impact of COVID-19 on the Airport Authority.
**Ms. Whalen's compensation for the fourth quarter of 2022 was paid in 2023.*

Executive Compensation

The salary range for the President & CEO and for the Vice Presidents of the Airport Authority during 2022 was \$172,000 to \$375,000.

Contracts in excess of \$125,584

In accordance with its lease with Transport Canada, the Airport Authority is required to report all contracts in excess of \$125,584 (\$75,000 in 1994 dollars adjusted by the Consumer Price Index) that were entered into during the year and that were not awarded on the basis of a public competitive process. In 2022, the Airport Authority entered into two sole source contracts.

A sole source contract was awarded to Embross North America Ltd., not to exceed \$1,250,000 in relation to the purchase of self-service kiosks for the Airport Authority's check-in kiosk replacement program. Embross has been the Airport Authority's trusted partner since the first self-service kiosk was installed at Halifax Stanfield in 2010 resulting in a significant investment in the common-use software layer that operates on these devices. Embross' products and services are an example of standardization at the Airport Authority and the vendor has previously and satisfactorily performed these services resulting in a demonstrated and quantified cost saving to the Airport Authority.

A sole source contract was awarded to ADB Safegate Canada Inc., not to exceed \$567,795, in relation to the purchase of replacement light fixtures for the approach lighting system for Runway 23 as part of the Airport Authority's approach lighting system replacement project, ADB Safegate manufactured and replaced the existing approach lighting systems on Runways 05 and 32 and the decision has taken to

procure the additional fixtures from the same manufacturer. ADB Safegate's products and services are an example of standardization at the Airport Authority and the vendor has previously and satisfactorily performed these services resulting in a demonstrated and quantified cost saving to the Airport Authority.

Board of Directors



Stephen Dempsey

CHAIR

Retired Corporate Executive

Nominator and Date Appointed:
Halifax Regional Municipality
May 2011

Meeting Attendance*
Board (Chair)

6/6

**Committees: Audit, Capital Projects, Governance*



Doug Bastow

DIRECTOR

Retired Airline Executive
Retired Airline Pilot

Nominator and Date Appointed:
Airport Authority
September 2016

Meeting Attendance*
Board

6/6

Capital Projects Committee

4/4



Pernille Fischer Boulter

DIRECTOR

President & CEO,
Kisserup International Trade Roots Inc.

Nominator and Date Appointed:
Federal Government
May 2019

Meeting Attendance*

Board
Governance Committee

5/6
5/5



Joe Fiander

DIRECTOR

Entrepreneur

Nominator and Date Appointed:
Federal Government
May 2019

Meeting Attendance*

Board
Audit Committee

6/6
4/4



John Fitzpatrick **DIRECTOR**

KC, Partner, BOYNECLARKE LLP

Nominator and Date Appointed:
Halifax Regional Municipality
July 2014

Meeting Attendance*	
Board	6/6
Capital Projects Committee (Chair)	4/4



Daniel Holland **DIRECTOR**

Chief Executive Officer,
Community Foundation of NS

Nominator and Date Appointed:
Halifax Regional Municipality
January 2017

Meeting Attendance*	
Board	6/6
Audit Committee	4/4



Ann MacKenzie **DIRECTOR**

Retired Corporate Executive

Nominator and Date Appointed:
Airport Authority
March 2015

Meeting Attendance*	
Board	6/6
Audit Committee (Chair)	4/4



Ann MacLean **DIRECTOR**

Former Mayor of New Glasgow
Retired Senior Administrator

Nominator and Date Appointed:
Province of Nova Scotia
February 2015

Meeting Attendance*	
Board	6/6
Audit Committee	2/2
Governance Committee (Chair)	5/5



Benjamin Nycum **DIRECTOR**

Chief Executive Officer,
William Nycum & Associates Ltd

Nominator and Date Appointed:
Halifax Chamber of Commerce
March 2018

Meeting Attendance*	
Board	6/6
Capital Projects Committee	4/4
Audit Committee	2/2



Matthew Martel **DIRECTOR**

Chief Operating Officer,
Black Business Initiative

Nominator and Date Appointed:
Halifax Chamber of Commerce
January 2021

Meeting Attendance*	
Board	6/6
Governance Committee	4/5



Sherry Porter **DIRECTOR**

Retired Corporate Executive

Nominator and Date Appointed:
Halifax Chamber of Commerce
March 2015

Meeting Attendance*	
Board	6/6
Capital Projects Committee	2/4
Governance Committee	5/5



Diana Whalen **DIRECTOR**

Former Deputy Premier of Nova Scotia
Retired Elected Official

Nominator and Date Appointed:
Halifax Regional Municipality
October 2022

Meeting Attendance*	
Board	2/2
Audit Committee	1/1

**Ratio equals number of meetings attended / number of meetings eligible to attend. Excludes Annual Public Meeting.
**As Chair, Mr. Dempsey's attendance at these committee meetings is discretionary and therefore, the above table does not reflect his attendance at other Committee meetings.*





HalifaxStarfield



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