

STARS GOVERNANCE

STARS operates in the aviation and medical fields which are highly complex and high consequence environments and as such we must be committed to the principles of strong governance. We strive to lead in not-for-profit sector governance, with a commitment to stewardship of the STARS organization through effective and best practices.

Effective governance requires sound ethical and legal processes, direction consistent with the organization's vision and mission, and adequate controls to ensure appropriate oversight of the organization's resources. For not-for-profit, charitable organizations, this includes appropriate guidance and protection of the benefits and services provided to the community and sound stewardship of resources, whether funding, volunteer time, financial or other expertise or skills committed to the organization.

The STARS Board of Directors recognizes their governance responsibilities to all stakeholders that include patients, governments, health regions, emergency service providers, corporate and community donors, volunteers, employees and the public.

STARS is committed to the ongoing evaluation and application of best practices in governance to promote a healthy, productive, transparent, accountable, and effective organization. We regularly assess emerging best practices and annually review our governance and financial disclosure practices to ensure that we meet or exceed the requirements for not-for-profit organizations.

CHARITABLE STATUS AND ORGANIZATIONAL STRUCTURE

There are two entities that carry out the operations of STARS.

SHOCK TRAUMA AIR RESCUE SERVICE ("Service")

Service is a corporation under the Canada Not-for-Profit Corporations Act (the "CNPCA"). It is a registered charity under the Income Tax Act (Canada). Service has no shareholders and is governed by a volunteer Board of Directors. Each Director is also a member of Service entitled to attend and vote at all meetings of Members.

Each STARS Service member also serves as a director of STARS Service and each of our directors acts in a volunteer capacity.

The primary services and activities of STARS Service are to provide emergency medical helicopter transport services to critically ill and injured patients in Alberta, Saskatchewan, Manitoba, and Eastern British Columbia.

SHOCK TRAUMA AIR RESCUE SERVICE FOUNDATION ("Foundation")

Foundation is a foundation/corporation under the CNPCA that is wholly owned by Service. The sole Member of Foundation is Service.

Foundation is primarily responsible for the fundraising activities carried out in support of the services and activities of Service, as described above. As a separate entity under the CNPCA, Foundation is governed by an independent Board of Directors with members drawn from the Service Board for convenience.

Service and Foundation are hereinafter referred to collectively as "STARS" and individually as "Service" and "Foundation". "STARS Board" or "Board" refers collectively to the Service Board and the Foundation Board of Directors.



The Directors of Service and Foundation, as of September 24, 2025 are set out as follows:

Director	Title & Organization	Service Board	Foundation Board
Noralee Bradley	Executive Vice President and Chief Legal Officer, Nutrien	☑	
Dr. J.N Armstrong	Associate Professor Emeritus of Anesthesia, Cumming School of Medicine, University of Calgary	☑	
Michael Broadfoot	Principal, MGB Investments.	☑	☑
Gordon Chrenek	Counsel, Stringam LLP.	☑	
Shawn Abbott	Partner, Inovia Capital	☑	
Avik Dey	Chief Executive Officer, Capital Power	☑	
Jeff Vassart	President, Cargill Limited	☑	
Jane Mactaggart	President & Chief Executive Officer, Tundra Oil & Gas Limited	☑	
Richard Hotchkiss	President & CEO, Sunwest Aviation	☑	
Theresa Jang	Retired. Former Executive Vice President & CFO, Stantec	☑	☑
Hilary Foulkes	Former Board Chair, EnerPlus	☑	
Kent Campbell	President & CEO, Crown Investments Corporation	☑	
Heather Ryan	Chief Executive Officer, Federated Co-Operatives Limited	☑	☑
Sue MacKenzie	Independent Business Consultant, Corporate Director	☑	
Marnie Smith	Managing Director, Russell Reynolds Associates	☑	
Curtis Stange	President & CEO, ATB Financial	☑	
Bevin Wirzba	Chief Executive Officer, South Bow Corporation	☑	☑
Mark Fitzgerald	CEO, Petronas Canada	☑	

100% VOLUNTEER GOVERNANCE

As a charitable and not-for-profit entity, STARS has no shareholders and is effectively governed by a volunteer Board. The volunteer members of the Board and Board Standing Committees do not receive any remuneration, consideration, or fees for undertaking the responsibilities, risks and the significant time commitment involved in being a Director of STARS.

Each year, the Board of Directors will volunteer over 1,600 hours of their time. This number does not take into the account the significant amount of time the Board dedicates to events, such as fundraising events or meetings with staff members outside of regularly scheduled Board or Committee meetings.

Service's Governance and Nominating Standing Committee stewards the governance process and culture. Board approved mandates for the Board of Directors and Board Committees are regularly reviewed and revised as required.

MANDATE OF THE BOARD OF DIRECTORS

The primary responsibility of the Board of Directors is to oversee the management of the organization, with a view to maximizing benefit and value to the community in carrying out our Vision, Mission and Strategic Objectives and to ensure the ongoing continuity and strength of its programs.

STRATEGIC PLANNING

The STARS Board has the responsibility for setting and monitoring overall strategic direction with management. In assuming this responsibility, the Board undertakes periodic strategic planning sessions with the STARS Executive Leadership Team ("ELT") to review and approve the strategic direction of the organization.

The ELT regularly prepare reports that are reviewed and discussed with the Board. Strategic plans are reviewed, and budgets are approved by the Board prior to implementation. Key objectives of the strategy are incorporated into the annual budget process.

SAFETY AND RISK MANAGEMENT

The Board works with management to ensure that the necessary systems are in place to identify the principal risks to the organization and that appropriate procedures are in place to monitor and mitigate risks including, but not limited to, medical and aviation risks. Risks are identified and managed through proactive identification, risk assessment and reporting. Appropriate measures are actively put in place to address risk, both future and present.

Safety and risk management includes:

- establishing risk tolerance.
- continually monitoring STARS risk management plans and programs.
- ensuring STARS identifies principal risks.
- ensuring the implementation of appropriate systems to manage risks.
- seeking assurance that appropriate internal control systems and management information systems are in place and operating effectively.

STARS is committed to the health and safety of STARS personnel, volunteers, and patients, and takes appropriate remedial and preventative actions as required, in addition to supporting various wellness initiatives.

COMMUNICATIONS

STARS is committed to ongoing transparent communications with its stakeholders. Key communication issues are reported to the Board of Directors. STARS issues regular newsletters and communicates ongoing and annual activities through the STARS Report to the Community, the STARS website, and other electronic communication tools. Communications are also reported through medical and community outreach programs. Information is released to the public on a regular basis on issues of impact to stakeholders.

PRESIDENT AND CHIEF EXECUTIVE OFFICER

The Board's responsibilities include, among others, the appointment of the President and Chief Executive Officer and all other officers, review of Executive benchmarking, approval of the Executive compensation, and monitoring the performance of the President and Chief Executive Officer, including annual approval of the President and Chief Executive Officer's goals and objectives.

SUCCESSION PLANNING

The Board ensures that a process is established that adequately provides for succession planning within the Board, and for the President and Chief Executive Officer. The President and Chief Executive Officer also discusses succession planning with the Board for the STARS Executive Team, on an ongoing basis.

EXTERNAL ADVISORS

The Board, including Board Committees (with the approval of the Board), may engage an external advisor at the expense of the organization to assist them in the execution of their directors' responsibilities. From time to time, the organizations may use professional services from a business affiliated with a Director, recognizing the expertise the business brings to STARS. At this time, the engagement of such services has been on an arms-length basis and has been accomplished in compliance with applicable conflict of interest rules (see below).

INTERNAL CONTROLS

The Board seeks assurance, at least annually, that the internal control systems and management information systems are operating effectively.

The Board has delegated responsibility for reviewing the annual financial statements to the Audit and Finance Committee which recommends them to the Board for approval. As there are no external reporting requirements, the Board has granted authority to the Audit and Finance Committee to approve quarterly financial statements.

DECLARATION OF CONFLICT OF INTEREST

A conflict of interest of a Director of STARS would occur where a Director:

- is a party to a material contract or transaction or a proposed material contract or transaction with STARS; or
- is a director or officer of, or has a material interest in, any person who is a party to a material contract or transaction or a proposed material contract or transaction with STARS.

These requirements apply regardless of whether the material contract or transaction or proposed material contract or transaction requires approval by the Board.

Directors in such circumstances must disclose in writing to the organization or must request to have entered into the minutes of a meeting of the Board the nature and extent of the Director's interest.

A Director must make such disclosure:

- at the meeting at which a proposed contract or transaction is first considered.
- if the Director was not then interested in a proposed contract or transaction, at the first meeting after he or she becomes so interested.
- if the Director becomes interested after a contract is made or a transaction is entered into;

- at the first meeting after he or she becomes so interested; or
- if a person who is interested in a contract or transaction later becomes a Director, at the first meeting after which he or she becomes a Director.

Directors must not attend any part of a meeting during which the contract or transaction is discussed and must not vote on a resolution to approve the contract or transaction.

This prohibition against Directors' participation is subject to the exception wherein the contract or transaction is one for Directors' indemnities or insurance.

LIMITS TO MANAGEMENT AUTHORITY

The Board establishes guidelines that identify areas of responsibility that require the involvement of the Board, including organizational changes and policy, budgets, plans and financially material commitments, financial and certain personnel matters. These guidelines are developed based upon the nature and size of the proposed action.

The members of the Board and the Standing Board Committees meet independently of management on a regular basis.

ATTRIBUTES REQUIRED OF ALL STARS BOARD MEMBERS

Each STARS Director is expected to possess not only the skills and experience required to add value to the organization, but also the following behavioural attributes associated with effective boardroom dynamics and decision-making processes.

Integrity and accountability

Demonstrates high ethical standards, avoids conflicts of interest, acts in the best interests of STARS and maintains public confidence and goodwill of STARS stakeholders.

Independent / Open Mindedness

Willingness to formulate or maintain one's own or challenge prevailing opinion and objectivity.

Business Judgment

Track record of leveraging one's own experience and wisdom in making sound strategic and operational business decisions. Demonstrates business acumen and a mindset for risk oversight.

Communication

Ability to listen carefully, raise questions constructively, and encourage and build upon open discussion of key issues.

Teamwork

Works effectively, collaboratively and resiliently with orientation toward resolving conflict and maintaining healthy relationships.

Commitment

Availability and willingness to travel, attend and contribute to Board functions and take leadership roles as required.

Analytical

Uses conceptual and problem-solving skills to make sound decisions recognizing possible biases in board discussions with an orientation to acquire knowledge.

Diversity

Contributes to the Board in a way that encourages and respects other perspectives and enhances perspectives through their own differences in gender, age, culture, personality, skill, training, educational background and life experience.



COMPOSITION OF THE BOARD OF DIRECTORS

COMPOSITION

The Service Board has 18 Directors as of September 24, 2025 and the Board of Foundation has 4 Directors as of September 24, 2025.

As Foundation Directors are drawn from Service for convenience, all 4 members of the Foundation Board form part of the Service Board.

INDEPENDENCE

The Board believes that independent directors bring assurance to our stakeholders that decisions are being made in the best interests of the organization. The independence of the Board is reviewed on an annual basis, and the Board considers the independence of potential nominee directors during the succession planning process. Board members are also expected to immediately inform the organization when they may have a potential conflict of interest.

The majority of our Directors are independent. STARS defines a director as independent if he or she does not have a direct or indirect material relationship with STARS. The Board believes that a relationship is material if it could reasonably interfere with a director's ability to make independent decisions, regardless of any other association he or she may have.

SEPARATE CHAIR AND PRESIDENT AND CHIEF EXECUTIVE OFFICER

The Service Board is led by a Chair and Vice-Chair. The Foundation Board is led by a single Chair.

The leadership of the Board bears the responsibility of maintaining total independence. The Chief Executive Officer is not a member of either of the Boards.

BOARD PROCESSES

NOMINATION OF DIRECTORS

The Governance and Nominating Committee continually reviews the recruitment criteria for candidates to be considered for nomination to the Board. The objective of this review is to ensure that the composition of the Board provides the best mix of skills and experience to guide the long-term strategy and ongoing operations and community service of the organization. This review considers diversity of background, skills and experience.

These skills include, but are not limited to, executive/management, financial, government relations, human resources, medical, agriculture, aviation, legal, oil and gas and utilities / equipment. For purposes of board composition, the Board is guided by its Diversity Statement.

As STARS currently provides services in Alberta, Saskatchewan, Manitoba and eastern British Columbia, the Board also recognizes the importance of having Board representation in each of those geographical areas. Please see the section below regarding the current skills and geographical locations of each of our Board members.

The Governance and Nominating Committee, seeks input from the Board as to potential nominees, and then together with Board leadership and the President and Chief Executive Officer, identifies potential

nominees, screens their qualifications, makes recommendations for interviewing, consideration as nominees, and eventual nomination to the Board.

The Board is ultimately responsible for recommending suitable candidates for election to the Board by the voting members at the Annual General Meeting.

DIRECTOR TERMS

The Governance and Nominating Committee annually, and upon term completion, reviews both the appropriateness of the continuation of the individual directors and potential term renewal. This is to ensure that its review of the size and composition of the Board and its recruitment of new directors anticipates and addresses the succession planning issues associated with both the loss of the skills and experience provided by retiring directors and the need for continuity on the Board.

As per the By-laws under which the organization operates, Directors are elected for an initial three-year term and following the first term may be further elected for a second consecutive term of three years. Following this second term, Directors may be further elected to hold three further consecutive terms of 1 year each and shall not be elected to serve for more than nine consecutive years.

Under normal circumstances, Directors are expected to commit to a minimum of two three-year terms.

It has been agreed by the Board that after completion of two full Board terms, a director may sit for further terms at the discretion of the Board depending on the business needs of the organization.

A CULTURE OF ETHICAL CONDUCT

A strong culture of ethical conduct is central to STARS. Our Board expects all Directors and employees to always act with honesty and integrity, to earn and maintain the trust of our stakeholders. The Board reviews and approves the STARS Code of Conduct every three years (or as circumstances dictate) which contains the principles for ethical behavior expected of all STARS employees. It covers the following, among other things:

- Business Ethics
- Accuracy of STARS Records and Reporting
- Confidentiality
- Privacy
- Protection and Proper Use of STARS Assets
- Compliance with Laws, Rules and Regulations
- Use of STARS Information Technology
- Reporting of Illegal or Unethical Behaviour
- Conflicts of Interest
- Non-partisan Representation of STARS, Gifts and Entertainment
- Media and Communications
- Compliance Procedures

The STARS Code of Conduct can be found on the STARS website at www.stars.ca.

The Board also receives and reviews the STARS Ethics & Integrity Reporting Policy every three years or as circumstances demand.

Position Descriptions

The Board with the aid of the Governance and Nominating Committee has developed position descriptions for Board leadership and the President and Chief Executive Officer. The Board believes that the key accountability of the Board leadership is the effective stewardship and management of the affairs of the Board in supporting the vision and mission of the organization. The Chair's position description includes guidance as to the following: providing leadership to enhance Board effectiveness; managing the Board; acting as a liaison between Board and management; acting in an advisory capacity to the President and Chief Executive Officer; involvement in the President and Chief Executive Officer performance process; and stakeholder interface.

NEW DIRECTOR ORIENTATION

New directors are provided with an orientation and education program that includes:

- A tour of the most proximal base, with an eventual tour of all operational bases, as possible.
- Orientation meetings with their respective Committee Chairs, the Corporate Secretary, the STARS ELT, as well as any other STARS employees deemed necessary. This session includes an overview of history, strategy, challenges, risks, financial status, and future for the organization. A hands-on session can also be incorporated (e.g. simulation, night vision goggles, etc.), if desired.
- Access to the organization's Board Portal software which contains written information about the business and operations of the organization, and minutes and material from previous Board and Committee meetings.

ONGOING DIRECTOR EDUCATION

Each director assumes responsibility for keeping informed about the business of the organization. Management assists directors by providing them with regular updates on developments in the industry, political and economic developments, communications from the President and Chief Executive Officer to employees, and such other information management considers of interest to the Board.

Furthermore, in addition to scheduled Board meetings, management may engage external speakers to make presentations to the Board and management on matters affecting the organizations and the air medical industry.

TOURS OF THE STARS BASES ARE ALWAYS ENCOURAGED.

These informal presentations, discussions and tours facilitate increased dialogue between management and the Board and provide members of the Board with additional context for exercising their duties.

GOVERNANCE BEST PRACTICES

Our governance best practices include:

- separation of duties between the Board and management and between the Board Chairs, and the President and Chief Executive Officer.
- regularly scheduled in-camera sessions for our Board and Board Committee meetings with and without the presence of the President and Chief Executive Officer.
- in-camera sessions with our auditor with only Audit & Finance Committee members present; and
- a formalized annual work plan calendar for Board and Board Committee meetings.

The Board carries out an annual review of the effectiveness of Board governance practices, which includes overall Board assessment and an anonymous individual self-assessment. Director attendance

at Board and Board Committee meetings is tracked and reviewed. Succession planning processes are in place for our President and Chief Executive Officer, Board Chairs, and members of the Board of Directors.

The Board annually reviews Board terms, and the skills, qualifications and characteristics required for future directors. Risk assessment is inherent and integrated into Board strategic planning and management planning and execution practices.

EXPECTATIONS OF DIRECTORS

Our Directors are expected to act in the best interests of STARS. They have a duty of care to exercise in both decision making and oversight.

MEETING IN-CAMERA

Both our Board and our Board Committees hold in-camera meetings both with and without the President and Chief Executive Officer present and without any management present at every regularly scheduled meeting. The Chairs provide the President and Chief Executive Officer and Corporate Secretary with a summary of the matters discussed at those in-camera meetings, including any issues that the Board expects Management to pursue.

MEETING ATTENDANCE

Directors strive for perfect attendance at all Board and Board Committee meetings of which they are a member, including the Annual General Meeting. All directors have been active participants at Board and Board Committee meetings and serve in a volunteer capacity (Directors are not compensated for their attendance at Board and Board Committee meetings, or otherwise).

Absent extenuating circumstances, a Director is expected to attend all regular meetings, special meetings (such as Board planning and strategy sessions) and Committee meetings for those Committees on which a Director serves. If a Director is unable to attend a meeting, he or she receives a package of materials discussing the business to be covered and is encouraged to communicate his or her views to Board leadership or to the appropriate Committee Chair before the meeting.

Directors have a standing invitation to attend all committee meetings regardless of membership. Each Committee and the Board of Directors meets at least four times each year and if the need arises, additional meetings will be held.

BOARD COMMITTEES

The Service Board has four Standing Committees that assists it in fulfilling its mandate. Foundation has no Board Committees.

The Board annually reviews and appoints members to the Standing Committees with mandates as outlined in the Board-approved Terms of Reference for the Committees. All Committees make recommendations to the Board for approval and do not act independently unless specifically authorized to do so by the Board and as limited by legislation, as applicable.

Four Standing Committees assist the Board in its stewardship role:

- Governance and Nominating Committee
- Audit and Finance Committee
- Human Resources and Compensation Committee
- Safety and Risk Management Committee.

The Board may also appoint ad-hoc committees as circumstances require.

All members of all Standing Committees are non-management directors and independent. Appropriate skills and expertise are considered in the formation of each Committee.

Committee membership is reviewed annually. All Standing Committees meet independently from Management members on a regular basis.

AUDIT AND FINANCE COMMITTEE

Members:	Theresa Jang (Chair) Heather Ryan Bevin Wirzba Michael Broadfoot Kent Campbell
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The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to financial accountability, reporting, adequacy of internal controls, financial risk, financial integrity of the organization, regulatory compliance related to financial matters, audit process, performance of the external auditors, monitoring investment returns, reviewing the investment strategies of the Board, and making recommendations to the Board on investment policy and overall strategy.

The Committee also reviews:

- Finances
- External audit
- Direct reporting relationship with auditor
- Financial communications to stakeholders
- Financial risk
- Annual, and as necessary, investment policy review
- Monitoring of fund manager performance and compliance to policy
- Recommendations to Board regarding:
 - Financial Statements
 - Auditor and associated fees
 - investment policy and overall strategy
 - cash investments outside of management's authority

STARS defines a financial expert as one that must: 1) understand accounting principles and financial statements; 2) be experienced in preparing or auditing financial statements of comparable organizations; 3) have experience accounting for estimates, accruals, and reserves; 4) understand internal accounting controls; and 5) understand the functions of an audit committee.

STARS has determined that all members of the Audit and Finance Committee will be financially literate with the Chair to be an individual with senior executive experience in financial accounting and reporting.

GOVERNANCE AND NOMINATING COMMITTEE

Members:	Gord Chrenek (Chair) Marnie Smith Avik Dey Noralee Bradley Mark Fitzgerald
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The purpose of the Committee is to assist the Board in carrying out their responsibilities by reviewing and monitoring Board governance. The Governance and Nominating Committee's responsibilities include making recommendations to the Board for Board Director and Board Committee membership and monitoring Board performance according to the goals and objectives of the organizations.

The Committee also reviews:

- Committee structure
- Membership and Board Chairs
- Nomination process for recruitment for Directors and Committees (members and Chairs)
- Distinction between governance process vs. management and operations
- Conflict resolution
- Annual Board effectiveness evaluation process
- Monitoring of Board effectiveness as a whole
- Board orientation
- Review of By-laws as required

The Governance and Nominating Committee is also responsible for ensuring that an evaluation of the Board's performance and effectiveness is carried out and results are reported back to the Board. The assessment examines the effectiveness of the Board as a whole and specifically reviews areas that the Board and/or management believe could be improved to ensure the continued effectiveness of the Board in the execution of its responsibilities. The Board Chairs are responsible to address individual director issues.

The Board and the Governance and Nominating Committee review the experience, qualifications and skills of our directors once a year, to ensure that the composition of the Board and Board Committees is appropriate and includes essential areas of expertise. A skills matrix is used to ensure our strategic direction is supported by the relevant expertise and behavioral attributes.

Directors use the skills matrix to review and self-assess their skills each year. The results are used to enhance the development of the board, assist in the recruitment process and identify potential areas for training or education.

HUMAN RESOURCES AND COMPENSATION COMMITTEE

Members:

Heather Ryan (Chair)
Michael Broadfoot
Hilary Foulkes
Mark Fitzgerald
Bevin Wirzba

The purpose of the Committee is to assist the Board in carrying out its responsibilities by reviewing the President and Chief Executive Officer's goals and objectives, evaluating the President and Chief Executive Officer's performance, developing and monitoring a succession plan for the President and Chief Executive Officer, monitoring the organization's human resources policies, and reviewing compensation and human resources issues in support of the achievement of the organization's strategies.

The Committee also reviews:

- President and Chief Executive Officer succession planning/management effectiveness
- President and Chief Executive Officer and ELT compensation
- Oversight to ensure Human Resources Policies are in place
- Steward CEO evaluation process



- Officer appointments

The Human Resources and Compensation Committee annually reviews Executive compensation. The remuneration for the President and Chief Executive Officer is regularly evaluated by the Human Resources and Compensation Committee utilizing periodic regular market assessments and various industry and professional benchmarks, including those for charitable and not-for-profit organizations, and by periodic independent consultation. The Committee's conclusions for compensation for the President and Chief Executive Officer are reviewed with the Board of Directors and are recommended to the Board of Directors for approval.

The volunteer members of the organization's Board of Directors are not reimbursed for their service on the STARS Board or Committees.

SAFETY AND RISK MANAGEMENT COMMITTEE

Members:	Jane Mactaggart (Chair)
	Dr. J.N Armstrong
	Richard Hotchkiss
	Jeff Vassart
	Shawn Abbott

The purpose of the Safety & Risk Management Committee is to assist the Board in carrying out its responsibilities by monitoring and regularly re-evaluating risk identification and risk management practices and in reinforcing the STARS culture of "Safety is an Attitude."

The Committee also reviews:

- Insurance
- Clinical, patient, operational and aviation safety matters
- Cyber security
- Internal controls
- Occupational Health and Safety
- Processes to ensure Safety Policies and Controls are in place, which includes Privacy and Legal matters
- Risk identification and mitigation (Enterprise Risk Management)

