

**STATEMENT OF CORPORATE GOVERNANCE PRACTICES
DISCLOSURE TO NATIONAL INSTRUMENT 58-101 & NATIONAL POLICY 58-201**

DISCLOSURE REQUIRED in <i>Corporate Governance Disclosure</i> Form 58-101F1	RELEVANT GUIDELINE FROM National Policy 58-201 <i>Corporate Governance Guidelines</i> (NP 58-201)	ATB COMPLIANCE
1. Board of Directors	Meaning of Independence	
a) Disclose the identity of directors who are independent. b) Disclose the identity of directors who are not independent, and describe the basis of that determination.	2.1 For the purposes of this NP 58-201, a director is independent if he or she would be independent for the purposes of NI 58-101.	a) <ul style="list-style-type: none"> • Garnet Altwasser • Robert Brawn • Robert Clark • Art Froehlich • Joan Hertz • Brian Hesje • Linda Hohol • Bern Kotelko • Brian McCook • Norm McDonald • Al O'Brien • Bob Splane (Chairman) • Wayne Wagner b) None
	Composition of the Board	
c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgment in carrying out its responsibilities.	3.1 The board should have a majority of independent directors.	c) All directors are independent
d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.		d) <ul style="list-style-type: none"> • Robert Brawn is a director of Canetic Energy Trust, Parkland Income Fund, Grande Cache Coal and Black Diamond Income Fund. • Brian Hesje is a director and Chair of the Audit Committee of Rentcash Inc.

	Meetings of Independent Directors																													
e) Disclose whether or not the independent directors hold regularly scheduled meeting at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.	3.3 The independent directors should hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance.	e) At each regularly scheduled meeting of the Board, including regularly scheduled meetings of committees of the Board, the directors have the opportunity to participate in-camera without management present. During fiscal year 2008/2009, the Board held 13 regular meetings, all of which included an in-camera session and 37 committee meetings, all of which included in-camera discussions without management present.																												
	Composition of the Board																													
f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor lead director that is independent, describe what the board does to provide leadership for its independent directors.	3.2 The chair of the board should be an independent director. Where this is not appropriate, an independent director should be appointed to act as "lead director". However, either an independent chair or an independent lead director should act as the effective leader of the board and ensure that the board's agenda will enable it to successfully carry out its duties.	f) Robert Splane was appointed Chair of the Board for ATB as of June 16, 2006. Mr. Splane is not a former executive officer of ATB Financial and does not act as a chairman or director of any other company. He is also an independent director.																												
g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.		<table border="0"> <thead> <tr> <th style="text-align: left;">g) Name</th> <th style="text-align: right;">Attendance Percentage</th> </tr> </thead> <tbody> <tr> <td>Garnet Altwasser</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>Robert Brawn</td> <td style="text-align: right;">90%</td> </tr> <tr> <td>Robert Clark</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>Art Froehlich</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>Joan Hertz</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>Brian Hesje</td> <td style="text-align: right;">97%</td> </tr> <tr> <td>Linda Hohol</td> <td style="text-align: right;">96%</td> </tr> <tr> <td>Bern Kotelko</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>Brian McCook</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>Norm McDonald</td> <td style="text-align: right;">80%</td> </tr> <tr> <td>Al O'Brien</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>Bob Splane</td> <td style="text-align: right;">96%</td> </tr> <tr> <td>Wayne Wagner</td> <td style="text-align: right;">100%</td> </tr> </tbody> </table>	g) Name	Attendance Percentage	Garnet Altwasser	100%	Robert Brawn	90%	Robert Clark	100%	Art Froehlich	100%	Joan Hertz	100%	Brian Hesje	97%	Linda Hohol	96%	Bern Kotelko	100%	Brian McCook	100%	Norm McDonald	80%	Al O'Brien	100%	Bob Splane	96%	Wayne Wagner	100%
g) Name	Attendance Percentage																													
Garnet Altwasser	100%																													
Robert Brawn	90%																													
Robert Clark	100%																													
Art Froehlich	100%																													
Joan Hertz	100%																													
Brian Hesje	97%																													
Linda Hohol	96%																													
Bern Kotelko	100%																													
Brian McCook	100%																													
Norm McDonald	80%																													
Al O'Brien	100%																													
Bob Splane	96%																													
Wayne Wagner	100%																													
2. Board Mandate	Board Mandate																													
Disclose the text of the board's written mandate. If	3.4 The board should adopt a written mandate	The board adopted a Terms of Reference document,																												

<p>the board does not have a written mandate, describe how the board delineates its role and responsibilities.</p>	<p>in which it explicitly acknowledges responsibility for the stewardship of the issuer, including responsibility for:</p> <ul style="list-style-type: none"> (a) to the extent feasible, satisfying itself as to the integrity of the chief executive officer (the CEO) and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization; (b) adopting a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business; (c) the identification of the principal risks of the issuer's business, and ensuring the implementation of appropriate systems to manage these risks; (d) succession planning (including appointing, training and monitoring senior management); (e) adopting a communication policy for the issuer; (f) the issuer's internal control and management information systems; and (g) developing the issuer's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the issuer. <p>The written mandate of the board should also set out:</p> <ul style="list-style-type: none"> i. measures for receiving feedback from stakeholders (<i>e.g.</i>, the board may wish to establish a process to permit stakeholders to directly contact the 	<p>which was last revised in 2005, delineating the board's roles and responsibilities. See attached. In addition, the board established a Strategic Planning Committee in 2008 and a Risk Committee in 2008. The Board reviews management's succession planning annually and approved a Communication and Disclosure Policy in 2006 (amended in 2007 and 2008).</p> <p>The new Alberta Public Agencies Governance Act ("APAGA") requires a formal Mandate and Roles Document which will also satisfy this requirement.</p>
--	--	--

	<p>independent directors); and</p> <p>ii. expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at board meetings and advance review of meeting materials</p>	
	<p>In developing an effective communication policy for the issuer, issuers should refer to the guidance set out in National Policy 51-201 <i>Disclosure Standards</i>. For purposes of this NP 58-201, “executive officer” has the same meaning as in National Instrument 51-102 <i>Continuous Disclosure Obligations</i>.</p>	
3. Position Descriptions	Position Descriptions	
<p>a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.</p>	<p>3.5 The board should develop clear position descriptions for the chair of the board and the chair of each board committee. In addition, the board, together with the CEO, should develop a clear position description for the CEO, which includes delineating management’s responsibilities. The board should also develop or approve the corporate goals and objectives that the CEO is responsible for meeting.</p>	<p>A written position description for the Chair was approved by the Board on September 17, 2007.</p> <p>The Chair’s role and responsibilities are also detailed in the relevant legislation, the MOU, the bylaws and in the Terms of Reference of the various Board committees.</p> <p>There are currently no written position descriptions for the chair of each board committee.</p>
<p>b) Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.</p>	<p>3.5 The board should develop clear position descriptions for the chair of the board and the chair of each board committee. In addition, the board, together with the CEO, should develop a clear position description for the CEO, which includes delineating management’s responsibilities. The board should also develop or approve the corporate goals and objectives that the CEO is responsible for meeting.</p>	<p>The Board, through the Human Resources Committee, has developed a written position description for the CEO as set out in his contract of employment.</p> <p>The Board approves the Strategic Business Plan on an annual basis which establishes the corporate goals and objectives that the CEO is responsible for meeting.</p>
4. Orientation and Continuing Education	Orientation and Continuing Education	
<p>a) Briefly describe what measures the board takes to orient new directors regarding:</p> <p>i. the role of the board, its committees and its directors; and</p> <p>ii. the nature and operation of the issuer’s</p>	<p>3.6 The board should ensure that all new directors receive a comprehensive orientation. All new directors should fully understand the role of the board and its committees, as well as the contribution</p>	<p>a) i. The Board has prepared a formal orientation program, which includes an extensive orientation binder and meetings with relevant senior executives, the Chair of the Board and relevant board committees.</p>

<p>business.</p>	<p>individual directors are expected to make (including, in particular, the commitment of time and resources that the issuer expects from its directors). All new directors should also understand the nature and operation of the issuer's business.</p>	<p>ii. The Board is responsible for ensuring new directors have adequate orientation to understand the nature and operations of ATB Financial's business and their role and responsibilities.</p>
<p>b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.</p>	<p>3.7 The board should provide continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the issuer's business remains current.</p>	<p>b) All directors can receive continuing training and education through attendance at various external seminars, reading materials and participation in the Institute of Corporate Directors. ATB also conducts ongoing information sessions for directors by senior executives and industry participants, on significant or new aspects of the business.</p>
<p>5. Ethical Business Conduct</p>	<p>Code of Business Conduct and Ethics</p>	
<p>a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:</p> <ul style="list-style-type: none"> i. disclose how a person or company may obtain a copy of the code; ii. describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and iii. provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code. 	<p>3.8 The board should adopt a written code of business conduct and ethics (a code). The code should be applicable to directors, officers and employees of the issuer. The code should constitute written standards that are reasonably designed to promote integrity and to deter wrongdoing. In particular, it should address the following issues:</p> <ul style="list-style-type: none"> (a) conflicts of interest, including transactions and agreements in respect of which a director or executive officer has a material interest; (b) protection and proper use of corporate assets and opportunities; (c) confidentiality of corporate information; (d) fair dealing with the issuer's security holders, customers, suppliers, competitors and employees; (e) compliance with laws, rules and regulations; and (f) reporting of any illegal or unethical behaviour. <p>3.9 The board should be responsible for monitoring compliance with the code. Any</p>	<p>a) The Board has adopted a written Code of Conduct and Ethics for the directors as well as a written Code of Conduct for officers and employees.</p> <ul style="list-style-type: none"> i. A written copy of the Board of Directors' Code of Conduct and Ethics is located on the ATB website. A written copy of the Code for officers and employees is located on ATB's intranet and hard copies are made available to each associate. ii. The Chair and the Board, through the Governance and Conduct Review Committee, monitor compliance with the Codes of Conduct & Ethics. Each Director, officer and employee is annually required to review the relevant Code of Conduct & Ethics and sign a disclosure statement confirming compliance. iii. Effective as of March 31, 2009, the Board is not aware of any conduct by a director or executive officer that would constitute a departure from the Code.

	<p>waivers from the code that are granted for the benefit of the issuer's directors or executive officers should be granted by the board (or a board committee) only. Although issuers must exercise their own judgement in making materiality determinations, the Canadian securities regulatory authorities consider that conduct by a director or executive officer which constitutes a material departure from the code will likely constitute a "material change" within the meaning of National Instrument 51-102 <i>Continuous Disclosure Obligations</i>. National Instrument 51-102 requires every material change report to include a full description of the material change. Where a material departure from the code constitutes a material change to the issuer, we expect that the material change report will disclose, among other things:</p> <ul style="list-style-type: none"> • the date of the departure(s); • the party(s) involved in the departure(s); • the reason why the board has or has not sanctioned the departure(s); and • any measures the board has taken to address or remedy the departure(s). 	
<p>b) Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.</p>		<p>The ATB Act and the regulations thereto and the Related Party Bylaw #2 set out a process for independent judgment by the Board of any customer arrangements with ATB Financial. Directors are also under an obligation to disclose potential conflicts of interest and govern their conduct in accordance with the Directors Code of Conduct and Ethics.</p>
<p>c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.</p>		<p>The Board is actively involved in evaluating the integrity of the executive officers and ensuring that the executive officers foster a culture of integrity throughout ATB. The specific roles and responsibilities of management with respect to ethical business conduct</p>

		<p>and compliance with legal and regulatory requirements are set out in key policies approved by the Board. The Governance and Conduct Review Committee of the Board receives reports from the Ethics Committee with respect to Code of Conduct and Ethics for officers and employees, which include the annual sign-off by all associates. In fiscal year 2005/2006 ATB Financial introduced extensive on-line Code of Conduct training for all new associates and annual on-line training for all associates. The Code of Conduct and Ethics for associates includes procedures that require an associate to report concerns with respect to breaches of the Code by other associates on a confidential basis for further investigation. The Safe Disclosure Policy approved by the Board in September 2006 enhances this process and provides anonymity. Implementation of this policy includes arrangements with an external service provider to receive any complaints by e-mail or telephone and monitor and report on further investigation and resolution, which process has been fully operational since January 1, 2007.</p> <p>All ATB associates must attest in writing to compliance with the Code of Conduct and Ethics on an annual basis. Any exceptions to compliance sign-off are reviewed by the Ethics Committee and reported to the Governance and Conduct Review Committee. At its meeting on May 14, 2009, the Governance and Conduct Review Committee received for information, the report of the Ethics Committee for the period ending December 31, 2008.</p>
<p>6. Nomination of Directors</p>	<p>Nomination of Directors</p>	
<p>a) Describe the process by which the board identifies new candidates for board nomination.</p>	<p>3.12 Prior to nominating or appointing individuals as directors, the board should adopt a process involving the following steps:</p> <p>(a) Consider what competencies and skills the board, as a whole, should possess. In doing so, the board should recognize that the particular</p>	<p>The Governance and Conduct Review Committee performs the functions of a nominating committee and solicits input from other directors. The Board determines the appropriate number of directors and develops an accountability matrix with respect to required skills, experience and competencies and profiles the alignment of the current Board to such requirements to determine any gaps or future needs. In</p>

	<p>competencies and skills required for one issuer may not be the same as those required for another.</p> <p>(b) Assess what competencies and skills each existing director possesses. It is unlikely that any one director will have all the competencies and skills required by the board. Instead, the board should be considered as a group, with each individual making his or her own contribution. Attention should also be paid to the personality and other qualities of each director, as these may ultimately determine the boardroom dynamic. The board should also consider the appropriate size of the board, with a view to facilitating effective decision-making.</p>	<p>accordance with the Public Agencies Governance Framework, the Board retained consultants and advertised a request to receive the names of candidates for consideration. The Governance and Conduct Review Committee recommended three candidates for consideration by the Selection Committee, which Committee was comprised of a representative of the Minister of Finance, the Board Chair and an agreed-upon third party.</p> <p>The Minister of Finance recommends to Executive Council who to appoint as directors based on recommendations of the Board and other information and considerations.</p>
	<p>In carrying out each of these functions, the board should consider the advice and input of the nominating committee.</p>	
<p>b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.</p>	<p>3.10 The board should appoint a nominating committee composed entirely of independent directors.</p>	<p>The board does not have a nominating committee. The Governance and Conduct Review Committee is composed entirely of independent directors and performs many of the functions of a nominating committee. The Board of Directors recommends to the Minister of Finance candidates for Board appointment. The Directors of ATB are appointed by Order in Council. The appointment of directors is staggered to ensure Board renewal. The responsibilities of the Governance and Conduct Review Committee with respect to the appointment of directors are set out in its Terms of Reference, which are available on the ATB Financial web site.</p>
<p>c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>3.11 The nominating committee should have a written charter that clearly establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any</p>	<p>Please see b), above.</p>

	<p>authority to delegate to individual members and subcommittees), and manner of reporting to the board. In addition, the nominating committee should be given authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties. If an issuer is legally required by contract or otherwise to provide third parties with the right to nominate directors, the selection and nomination of those directors need not involve the approval of an independent nominating committee.</p> <p>3.13 The nominating committee should be responsible for identifying individuals qualified to become new board members and recommending to the board the new director nominees for the next annual meeting of shareholders.</p> <p>3.14 In making its recommendations, the nominating committee should consider:</p> <ul style="list-style-type: none"> (a) the competencies and skills that the board considers to be necessary for the board, as a whole, to possess; (b) the competencies and skills that the board considers each existing director to possess; and (c) the competencies and skills each new nominee will bring to the boardroom. The nominating committee should also consider whether or not each new nominee can devote sufficient time and resources to his or her duties as a board member. 	
<p>7. Compensation</p>	<p>Compensation</p>	
<p>a) Describe the process by which the board determines the compensation for the issuer's</p>		<p>Executive Council for the Province of Alberta determines Board compensation as established from</p>

<p>directors and officers.</p>		<p>time to time by Order in Council. The Governance and Conduct Review Committee periodically conducts research and makes recommendations on appropriate changes to such compensation. The current compensation program for directors is set out by Order in Council dated February 25, 2004.</p>
<p>b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.</p>	<p>3.15 The board should appoint a compensation committee composed entirely of independent directors.</p>	<p>The Human Resources Committee fulfills this function and is composed entirely of independent and unaffiliated directors.</p>
<p>c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>	<p>3.16 The compensation committee should have a written charter that establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members or subcommittees), and the manner of reporting to the board. In addition, the compensation committee should be given authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.</p> <p>3.17 The compensation committee should be responsible for:</p> <ul style="list-style-type: none"> (a) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and determining (or making recommendations to the board with respect to) the CEO's compensation level based on this evaluation; (b) making recommendations to the board 	<p>The responsibilities, powers and operations of the Human Resources Committee are set out in its Terms of Reference, which are available on the ATB website.</p>

	<p>with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans; and</p> <p>(c) reviewing executive compensation disclosure before the issuer publicly discloses this information.</p>	
<p>d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.</p>		<p>Director remuneration is established by Order in Council. Management conducts an annual review of director remuneration.</p>
<p>8. Other Board Committees</p>		
<p>If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>		<p>The Board has the following standing committees, in addition to the Audit Committee:</p> <ul style="list-style-type: none"> • Risk Committee • Governance and Conduct Review Committee • Human Resources Committee • Strategic Planning Committee <p>The Terms of Reference for each of the standing committees are available on the ATB website.</p> <p>In addition, the board has established ad-hoc committees.</p>
<p>9. Assessments</p>		
	<p>Regular Board Assessments</p>	
<p>Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees,</p>	<p>3.18 The board, its committees and each individual director should be regularly assessed regarding his, her or its effectiveness and contribution. An assessment should consider (a) in the case of the board or a board committee, its mandate or charter, and (b) in the case of</p>	<p>The Board has established processes for assessing both the effectiveness of the Board and the contribution of individual directors. The Board has for some time utilized a questionnaire which assesses the effectiveness of the Board and its committee and includes a self-assessment of each director's own performance. The last Board Effectiveness Survey was completed in the</p>

<p>and its individual directors are performing effectively.</p>	<p>an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to bring to the board.</p>	<p>December of 2008. The Board also completed a peer assessment of director performance effective December 31, 2008. The Chair of the Board is responsible for collecting, investigating, analyzing and otherwise actioning and communicating relevant information to the directors with the objective of performance improvement.</p>
---	---	--