



## **Public Disclosure Policy**

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Chorus Aviation Inc.

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# Objectives and Scope

Chorus Aviation Inc. is committed to providing timely, accurate and balanced disclosure to the public of all material information pertaining to Chorus and its subsidiaries ('Chorus').

The objective of this public disclosure policy (the 'policy') is to provide guidelines with respect to the dissemination and disclosure of information to the public by:

- (i) Ensuring communications are timely, accurate, factual, balanced and broadly disseminated in accordance with all applicable legal and regulatory requirements; and
- (ii) Demonstrating Chorus' commitment to transparency in its reporting obligations and practices to maintain the public's confidence in the integrity of Chorus information.

This policy extends to all employees of Chorus and its subsidiaries, its Board of Directors (the 'Board') and those authorized to speak on behalf of Chorus. It covers disclosure of material information in any medium, including: quarterly and annual reports, other documents filed with securities regulators, news releases, letters to shareholders, presentations by senior management and information contained on Chorus' website and other electronic communications, oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media, as well as speeches, press conferences and conference calls.

# Principles of Public Disclosure of Material Information

## **a) Materiality**

Material information is generally defined as any information regarding, or change in, the business, operations or capital that would reasonably be expected to have a significant effect on the market price or value of any Chorus security, or that would reasonably be expected to have a significant influence on a reasonable investor's decision to buy, hold, or sell any Chorus security. Annex A contains examples of facts or changes that may be considered to constitute material information as set out in National Policy 51-201 – Disclosure Standards and Section 410 of the TSX Company Manual. Annex A is not exhaustive and is not a substitute for the exercise of sound judgment in making materiality determinations.

Determining the materiality of information is an area where judgement and experience are of significant importance. If it is a borderline decision, the information should likely be considered material, and generally released. Similarly, if extensive deliberations over whether information is material take place, it is preferable to err on the side of caution and release it publicly. Material information, as a general rule, should be publicly disclosed by means of a press release.

Public issuers are not generally required to interpret the impact of external, political, economic or social developments on their affairs. However, if an external development will have or has had a direct effect on the business and affairs of Chorus that both satisfies the 'market impact' test for materiality, and is uncharacteristic of the effect generally experienced by other public issuers engaged in the same business or industry, then the development may be considered material.

## **(b) Context of Announcement**

Announcements of material information should be accurate, factual and balanced; neither over-emphasizing favourable news nor under-emphasizing unfavourable news. Unfavourable news must be disclosed as promptly and completely as favourable news.

## **(c) Extent of Disclosure**

Disclosure must include any information, the omission of which would make the rest of the disclosure misleading, and is necessary to permit a reasonable evaluation of the matter.

## **(d) Confidentiality**

Material information that has not been generally disclosed qualifies as "non-public material information." Any director, officer or employee of Chorus privy to non-public material information is prohibited from communicating such information to

anyone else, unless such person is authorized and making a disclosure in accordance with this policy or such communication is in the necessary course of business. Non-public material information should be adequately safeguarded to ensure that it is only disclosed to those persons who have a need to know prior to its public disclosure.

In certain circumstances, the Public Disclosure Committee, as described on page 6, may determine that disclosure of material information may be delayed and kept confidential temporarily where immediate release of the information would be unduly detrimental to Chorus' interests. As such, precautions should be undertaken to maintain the strict confidentiality of the information. To the extent required by law, Chorus will cause a confidential material change report to be filed with applicable securities regulators and will periodically (at least every 10 days) review its decision to keep the information confidential. Chorus will issue and file a press release when the circumstances justifying non-disclosure no longer exist.

### **(e) Selective Disclosure**

Selective disclosure is strictly prohibited. If during the course of a presentation or a discussion with any person(s) not bound by a confidentiality obligation, non-public material information is disclosed, such information should be immediately publicly disclosed via a press release.

There is a very limited exception to the above restriction. Material information which has not been publicly disclosed may be provided by Chorus prior to general publication in certain circumstances to its bankers, auditors, investment bankers, outside counsel and other persons in the necessary course of business (this exception would not generally permit selective disclosure to analysts, institutional investors or other market professionals). These persons should, wherever practicable and reasonable, be expressly advised of the confidentiality involved and required and warned of their potential legal liability for misuse or disclosure of such information.

### **(f) Forward-Looking Information**

Forward-looking information should be kept to a minimum and only be released with caution, and as approved by the Chief Financial Officer. To the extent any forward-looking information is provided in required disclosure documents under securities legislation, it should be done in accordance with securities laws.

Written and oral forward-looking statements should be accompanied by appropriate contingency and cautionary language or notices, which should go beyond standard boilerplate language and be substantive and tailored to the applicable forward-looking information, and should identify or refer to the risks and uncertainties that may cause the actual results to differ materially from those projected in statements. A statement that disclaims Chorus' intention or obligation to update or revise the forward-looking information, whether the result of new information, future events

or otherwise, should also be included. Notwithstanding this disclaimer, should subsequent events prove past statements to be materially different, Chorus may choose to issue a press release to update its guidance.

When forward-looking information is disclosed through oral communications, including conference calls and speeches, the applicable speaker may direct individuals to Chorus' publicly available documents for additional information about material factors or assumptions used in the preparation of the forward-looking information and material risk factors and uncertainties that may cause actual results to differ from the forward-looking information.

## **Public Disclosure Committee**

### **(a) Composition**

The Public Disclosure Committee (the 'Committee') is responsible for overseeing Chorus' disclosure practices and implementing, administering and monitoring the effectiveness of, and compliance with, this policy. The members of the Committee are:

- (i) President and Chief Executive Officer;
- (ii) Chief Financial Officer;
- (iii) Executive Vice President and Chief Strategy Officer;
- (iv) Senior Vice President, Chief Legal Officer and Corporate Secretary;
- (v) Vice President, Investor Relations and Corporate Affairs; and
- (vi) Vice President, Treasury and Planning.

The Presidents of Chorus' subsidiaries, as well as other attendees, may be invited by the Committee from time to time. A member of the Committee may, as appropriate, delegate his or her functions as a member to other persons within Chorus from time to time.

### **(b) Responsibilities**

The Committee will determine when developments justify public disclosure. The Committee will meet as conditions dictate and a record of the meeting will be kept by the Vice President, Investor Relations and Corporate Affairs. It is essential that the Committee be kept apprised of all pending and potentially material developments with respect to Chorus, in order to evaluate and discuss those events, to determine the appropriateness and timing for public release of information. If it is deemed that the information should remain confidential, the Committee will determine how the inside information will be controlled.

The Committee will review and update, as appropriate, this policy on an annual basis or as needed to ensure compliance with changing regulatory requirements. The Committee will report to the Audit, Finance and Risk Committee ('Audit Committee') with respect to this policy on an annual basis or at such time as deemed appropriate by the Committee.

## Disclosure Model

Generally, Investor Relations should use the following disclosure model when making a planned disclosure of material information:

- (i) Where practicable, contact the relevant stock exchange(s) prior to the release of material information;
- (ii) Issue a press release containing the material information through a widely circulated news or wire service, and post on SEDAR;
- (iii) Provide advance notice of the date and time of any analyst conference call to discuss the material information, the subject matter(s) of the call and the means for accessing it;
- (iv) Conduct the conference call in an open manner, permitting investors, media and others to listen either by telephone or through internet webcasting. The call should be opened with cautionary language regarding the use of forward-looking information and non-GAAP terms; and
- (v) Provide a dial-in and/or web replay or make transcripts of the call available for a reasonable period of time after any analyst conference call.

## Disclosure Responsibility

In practice, Investor Relations, Corporate Communications, Corporate Reporting, Finance and the Corporate Secretary's office prepare most core disclosure documents by working in cooperation with each other and with other areas of Chorus. Investor Relations and Corporate Communications should be consulted with respect to all press releases.

Disclosure includes all written materials and oral statements publicly made by representatives of the Chorus group of companies. Invitations to make public speeches and presentations about Chorus to an external audience should be approved by the Vice President, Investor Relations and Corporate Affairs prior to acceptance. In addition, speeches and presentations that contain material financial and operational results, significant competitive or strategic issues, or matters that could affect Chorus' reputation or share price, should be reviewed by Investor Relations. Further, the Senior Vice President, Chief Legal Officer and Corporate Secretary's office should be consulted, where appropriate, on legal compliance with disclosure laws. Care should be taken with respect to financial and operational projections not already released and any discussions of this nature should be referred to the Vice President, Investor Relations and Corporate Affairs, the Executive Vice President and Chief Strategy Officer or the Chief Financial Officer.

The Chief Financial Officer, or his designate (to be designated in writing), has the responsibility of managing the dissemination and disclosure of all information to be provided to the investing public and other members of the financial community. He must ensure that the information provided other than by means of press release (or other approved method of broad dissemination) directly to members of the financial community does not qualify as material non-public information about Chorus and, to this end, will consult with the Senior Vice President, Chief Legal Officer and Corporate Secretary.

In order that a consistent message be delivered, it is necessary to limit the number of individuals who may communicate information to the investment community, media and general public on behalf of Chorus. Chorus' authorized spokespersons are:

- (i) Chairman
- (ii) President and Chief Executive Officer;
- (iii) Chief Financial Officer;
- (iv) Executive Vice President and Chief Strategy Officer;
- (v) Vice President, Investor Relations and Corporate Affairs (CFO designate);  
and
- (vi) Other persons authorized in writing by the President and Chief Executive Officer.

The above-mentioned spokespersons may, from time to time, designate other people within Chorus to speak on behalf of Chorus as back up or to respond to specific inquiries.

Anyone acting as a spokesperson must be briefed by an authorized spokesperson named above with a general review of what information is operationally sensitive and never to be disclosed unless required by law, what is material and what information is not yet publicly disclosed.

Employees and Board members who are not authorized spokespersons must not respond under any circumstances (including on a "no-name" or "off the record basis") to calls or inquiries from the financial community, investors, shareholders or media unless specifically asked to do so by an authorized spokesperson and must refer all such calls and inquiries to one of the spokespersons referred to above.

**Day-to-day contact with analysts and professional investors:** securities analysts, professional investors and other members of the investment community requesting information or wishing to discuss financial, operating or industry matters are to be referred to the Vice President, Investor Relations and Corporate Affairs in Halifax at [investorsinfo@chorusaviation.com](mailto:investorsinfo@chorusaviation.com), citing this policy if necessary. In the absence of the Vice President, Investor Relations and Corporate Affairs, the Executive Vice President and Chief Strategy Officer or the Chief Financial Officer from time to time, may authorize an individual to respond to analyst and investor calls.

**Contact with individual shareholders:** Calls and emails from individual shareholders should be forwarded to the Vice President, Investor Relations and Corporate Affairs in Halifax at [investorsinfo@chorusaviation.com](mailto:investorsinfo@chorusaviation.com).

Any such information to be communicated by Corporate Communications is subject to prior consultation with the Vice President, Investor Relations and Corporate Affairs, the Executive Vice President and Chief Strategy Officer or the Chief Financial Officer, as appropriate.

Spokespersons should keep notes of conversations with analysts and investors, and where practicable, more than one representative of Chorus should be present at all individual and group meetings.

## **Dealing With the Investment Community**

### **(a) Analyst and Investor Meetings**

Chorus' executives may meet with analysts and portfolio managers on an individual or small group basis, as needed and initiate or respond to analysts and investor calls in a timely manner. The Vice President, Investor Relations and Corporate Affairs will attend these meetings; when unable to attend she will brief those participating on Chorus' public disclosure to help ensure consistency in messaging and disclosure. Where practical, statements and responses to anticipated major/top-level questions should be scripted or discussed in advance by Investor Relations. One of the primary reasons for the attendance of the Vice President, Investor Relations and Corporate Affairs at these meetings is to ensure selective disclosure of non-disclosed material information does not occur, that all statements made are accurate, and to issue a press release should selective disclosure or a misrepresentation of information occur.

### **(b) Analyst Reports and Models**

The Executive Vice President and Chief Strategy Officer, Chief Financial Officer, the Vice President, Investor Relations and Corporate Affairs or her designate may review draft analyst reports and top level financial models, and comment on the underlying assumptions. However, such comments will be limited to corrections of facts on assumptions made on the basis of incorrect data which render assumptions unrealistic and may not include material information which has not been generally disclosed.

Chorus may discuss economic and industry trends, which are generally known, that may affect Chorus. Chorus may review the report or model for factual historical information and accuracy of reporting of previously disclosed forward-looking information, and such review will not necessarily embrace the soft information or conclusions included in the model or report. Chorus will not express 'comfort' with respect to analyst draft reports and models.

When Chorus agrees to review an analyst's report, Chorus will require that the analyst's report contains wording that Chorus accepts no responsibility for the accuracy of information in the report, and expresses no opinion upon and does not endorse any forward-looking information or other non-factual information contained in such report. No comment will be made until this disclaimer language is included in the report.

Final reports of the analyst are proprietary to the analyst's firm, and Chorus should not be viewed as endorsing such reports by making them generally available to the public or to employees. Notwithstanding this, Chorus may distribute analyst reports to its board of directors, senior management, credit agencies, financial and professional advisors.

Chorus may post on its website a complete listing of the analysts who have reports available for their clients, their firm and contact information. Chorus will not post the analyst reports or links to the reports on its website.

### **(c) Analyst Revenues, Earnings and Other Estimates**

Responses by the Chief Financial Officer, the Executive Vice President and Chief Strategy Officer, and the Vice President, Investor Relations and Corporate Affairs, with respect to inquiries by analysts regarding Chorus' revenues, earnings and other estimates will be limited to company forecasts and guidance already disclosed to the public, and the range and average of estimates made by analysts. Chorus will not guide analysts with respect to earnings estimates.

Should Chorus determine that future results will likely be significantly out of the range of any previously issued guidance, the Disclosure Committee should consider the appropriateness of issuing a press release and conducting a conference call to explain the change.

### **(d) Regulators**

The Chief Financial Officer, the Executive Vice President and Chief Strategy Officer, the Vice President, Investor Relations and Corporate Affairs, and legal counsel will be responsible for receiving inquiries from the market surveillance division (IIROC) of the Toronto Stock Exchange with respect to unusual trading activity or market rumours.

Investor Relations is responsible for contacting IIROC in advance of a press release of material information, to watch for unusual trading and to determine, in consultation with a member of the Disclosure Committee, if a halt in trading is required.

### **(e) Market Rumours**

Chorus' general policy is to neither confirm nor deny rumours when asked to comment. Authorized spokespeople should simply state, "Chorus has a policy that prohibits commentary on rumours and speculation." However, when authorized by

respond to certain rumours that are deemed harmful to Chorus' interests if they are not addressed directly.

If a rumour is essentially accurate with respect to potential material information which Chorus has not yet publicly disclosed, an obligation to disclose may arise. Should the securities regulators request that Chorus make a definitive statement in response to a market rumour that is causing significant volatility in Chorus securities, the Disclosure Committee will consider the matter and determine whether to make a statement and/or issue a press release.

#### **(f) Quiet Periods**

During quiet periods, all Chorus employees are prohibited from commenting on current period earnings estimates and financial assumptions, other than to cite or refer to existing public guidance. Communications should be limited to publicly available or non-material information. Chorus does not have to stop all communications with analysts or investors during this period as long as material information which has not been publicly disclosed is not selectively disclosed. Additional quiet periods may be prescribed from time to time by the Committee as a result of special circumstances relating to Chorus.

## **Trading Restrictions and Tipping**

It is generally illegal for anyone to purchase or sell securities of any public issuer with knowledge of material information affecting that issuer that has not been generally disclosed. Except in the necessary course of business (e.g. in appropriate cases to lenders, underwriters, employees, auditors, counsel, directors, senior management, regulators, advisors, etc.), it is also illegal for anyone to inform any other person of material non-public information.

Insiders and employees with knowledge of confidential or material information about Chorus or counter-parties in negotiations of material potential transactions are prohibited from trading securities of Chorus or any counter-party until the information has been fully disclosed and a reasonable period of time has passed for the information to be widely disseminated. In the event of any uncertainty, an employee should contact a member of the Committee. For further information, refer to the Guidelines on Trading Policy.

# Electronic Communications

This policy also applies to electronic communications. The procedures set forth below regarding electronic communications should be observed at all times:

(i) Disclosure on the website should not be misleading. All disclosure of financial or other potentially material information should be reviewed and approved by the Committee or its designate prior to posting.

(ii) Disclosure of information of a non-financial and non-material nature on the website should be reviewed and approved by a person designated by the Committee prior to posting.

(iii) Disclosure on the website should be regularly reviewed for accuracy by the Committee or its designate, and may need to be updated. Non-current information that needs to be retained on the website should be clearly indicated as archival in nature. Where practical, documents should be dated, and shall be subject to any retention policy in effect from time to time.

(iv) Disclosure on the website alone does not comprise adequate disclosure of material information. Information that is material and non-public should not be posted on the website or otherwise communicated electronically prior to dissemination by way of a news release.

(v) Non-material information provided to analysts, institutional investors and others on a selective basis should, where practicable, be posted on the website as well.

(vi) The website should enable investors to easily send emails to Chorus' Investor Relations personnel.

(vii) Corporate email addresses are Chorus' property.

(viii) Analysts' reports should not be posted on the website. Chorus may post on its website a complete list of all the investment firms and analysts who provide research coverage on Chorus, regardless of their recommendations. If provided, such list will not include links to the analysts' or any other third party's email address, websites or publications.

(ix) Third party links on the website should be used with care, and accompanied by appropriate disclaimers.

x) Participation in internet chat rooms, bulletin boards or newsgroups in discussions related to Chorus is prohibited. If Chorus becomes aware of such

matters and such matters are viewed as potentially likely to have a material impact on the market price of Chorus' securities, then the applicable stock exchanges may need to be advised promptly for market surveillance purposes.

(xi) Investor Relations material should be contained within a separate section of the website (if applicable) and should include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent disclosures or circumstances. All data posted to the website, including text and audiovisual material, should show the date such material was issued. Material corporate information on the website should be retained for a reasonable period (e.g. two years).

(xii) General legal disclaimers approved by the Committee are to be used on the website.

(xiii) Security systems should be reviewed periodically by Chorus.

## **Record of Information Disclosed**

Chorus will maintain a record of all material information that has been publicly disclosed as well as public information about Chorus. This will include core documents and other continuous disclosure documents and tapes or transcripts of investor and analyst conference calls, webcasts, and debriefings following analyst contacts and/or meetings, meeting notes, news releases, reports in the press and analyst research reports. After public dissemination of a material development, the Committee or its designates, will monitor all of Chorus' disclosure, both print and electronic, including disclosure to employees, to ensure accurate reporting and to correct and/or update, if and when necessary.

## **Communication and Enforcement**

This disclosure policy extends to all employees and senior management of Chorus and its subsidiaries, the Board, and authorized spokespersons. New members of the Board, officers and senior management, as well as employees who are or may be directly involved in disclosure decisions, should be provided with a copy of this disclosure policy and should be educated about its importance. This disclosure policy should be circulated to all such personnel initially, and from time to time, when changes are made. Written confirmations from such personnel may be required at the Committee's discretion.

Any employee who violates this disclosure policy may face disciplinary action up to and including termination of his or her employment with Chorus or its relevant subsidiary without notice. The violation of this disclosure policy may also violate certain securities laws. If it appears that an employee may have violated such securities laws, Chorus may, among other things, refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

As this is a policy, Chorus acting through its Board, may in its sole discretion from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision of this policy is intended to give rise to any civil liability to shareholders of Chorus. Notwithstanding anything to the contrary in this policy, it is in no event to be interpreted in any manner to impose obligations in excess of those applicable at law.

## **Review of Policy**

The Audit, Financial and Risk Committee of the Board will review this policy on an annual basis or as the need arises to ensure that it meets all current legal requirements and is consistent with “best practices” and to monitor its effectiveness.

## Annex A

# Examples of Material Information

### Changes in Corporate Structure

- changes in share ownership that may affect control of Chorus
- major reorganizations, amalgamations or mergers involving Chorus
- take-over bids, issuer bids or insider bids involving Chorus

### Changes in Capital Structure

- public or private sale of additional securities of Chorus
- planned repurchases or redemptions of securities of Chorus
- planned splits of shares or offerings of warrants or rights to buy shares of Chorus
- any share consolidation, share exchange or stock dividend of Chorus
- changes in Chorus' dividend payments or policies
- the possible initiation of a proxy fight among holders of Chorus securities
- material modifications to rights of Chorus security holders

### Changes in Financial Results or Position

- a significant increase or decrease in Chorus' near-term earnings prospects
- unexpected changes in Chorus' financial results for any period
- shifts in Chorus' financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of Chorus' assets
- any material change in Chorus' accounting policies

### Changes in Business and Operations

- any development that significantly affects Chorus' resources, technology, products, markets or major customers
- a significant change in Chorus' capital investment plans or corporate objectives
- major labour disputes or disputes with Chorus' major contractors, suppliers or customers
- significant new Chorus contracts, products, patents or services or significant losses of Chorus contracts or business
- events of default under agreements to which Chorus is a party
- changes to the board of directors or executive management, including the departure of the Chief Executive Officer, Chief Financial Officer, Chief Strategy Officer or a President (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters involving Chorus
- waivers of Chorus' corporate ethics and conduct rules for officers, directors and other key employees of Chorus
- any notice that reliance on a prior Chorus audit is no longer permissible

- de-listing of Chorus' securities or their movement from one quotation system or exchange to another

### **Acquisitions and Dispositions**

- significant acquisitions or dispositions by Chorus of assets, property or joint venture interests
- acquisitions by Chorus of other companies, including a take-over bid for, or merger with, another company

### **Changes in Credit Arrangements**

- borrowing or lending by Chorus of a significant amount of money
- any mortgaging or encumbering of Chorus' assets
- defaults under Chorus' debt obligations, agreements to restructure Chorus' debt, or planned enforcement procedures against Chorus by a bank or any other creditors
- changes in rating agency decisions regarding Chorus
- any significant new Chorus credit arrangements



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