



Notice of 2024 Annual Meeting of  
Shareholders and Management Proxy  
Circular

**June 26, 2024**

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#### Caution regarding forward-looking information

Certain disclosures contained or incorporated by reference in this circular may include forward-looking information or statements within the meaning of applicable securities laws (collectively referred to as, “**forward-looking information**”). This forward-looking information may involve, but is not limited to, comments relating to strategies, expectations, goals, targets, commitments, planned operations or future actions, including those relating to financial, operational, business, climate, and other sustainability matters. Forward-looking information, by its nature, is based on assumptions, is subject to important risks and uncertainties and cannot be relied upon due to, amongst other things, changing external events and general uncertainties of the business. Forward-looking information may be identified by the use of terminology such as “believes”, “expects”, “anticipates”, “assumes”, “outlook”, “plans”, “targets”, “could”, “intend”, “may”, “project” or other similar terms and phrases, including negative versions thereof, although not all forward-looking information contains these identifying words.

Forward-looking information, by its nature, is based on assumptions and are subject to important risks and uncertainties. Such information involves known and unknown risks, uncertainties and actual results, performance or achievements may differ materially from results indicated in forward-looking information due to a number of factors, including the factors identified in the “Risk Factors” section of the Annual Information Form of Chorus Aviation Inc. (“**Chorus**”) dated February 22, 2024 (the “**AIF**”). The AIF may be found online on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on Chorus’ website at [www.chorusaviation.com](http://www.chorusaviation.com) in the “Investors” section.

Forward-looking information in this circular reflects information as of the date of this circular (or as of the date it is stated to be provided) and is subject to change after such date. Chorus disclaims any intention or obligation to update or revise any forward-looking information, whether because of new information, future events or otherwise, except as required under applicable securities law.

# LETTER TO SHAREHOLDERS FROM THE CHAIR OF THE BOARD AND THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

Fellow Shareholders:

We are pleased to provide you with the materials for the annual meeting of shareholders of Chorus Aviation Inc. (“**Chorus**”) that will take place on June 26, 2024 at 11:00 a.m. (Eastern time) in virtual format only via live audio webcast. The webcast will be available at [www.virtualshareholdermeeting.com/CHR2024](http://www.virtualshareholdermeeting.com/CHR2024).

As a shareholder of Chorus, you have the right to vote on all items that come before the meeting. This management proxy circular (“**circular**”) provides you with information about the business of the meeting and how to exercise your right to vote. The meeting agenda and each proposed resolution is more fully described in this circular.

## Acknowledging Our Dissatisfaction With Shareholder Returns

Your management team and Board of Directors take the responsibility to generate shareholder value very seriously. We are trading well below tangible book value and have not received credit for the underlying earnings power of our businesses.

With an intense focus on addressing this, we are thoroughly reviewing our cost of capital and re-evaluating areas of focus around our business. We are driving forward with concrete cash-generation and expense reduction initiatives. Unlocking the true potential of our business and improving returns for our shareholders is our top priority.

We remain confident in the underlying fundamentals of our business, highlighted below:

- We generated \$331.4 million in Free Cash Flow<sup>1</sup>, primarily derived from operating cash flows.
- We met our 2023 earnings guidance, delivering adjusted EBITDA<sup>1</sup> of \$458.7 million, an increase of \$17.7 million over 2022.
- We made significant progress on reducing our debt, reducing the company’s Leverage Ratio<sup>1</sup> to 3.6x at the end of 2023, closing in on our target range of 2.5x – 3.5x.
- We bolstered liquidity reserves, ensuring ample room to wait out the interest rate challenge.
- Between November 2022 and December 2023, we repurchased and cancelled 9,623,451 million shares, representing 4.7% of the outstanding shares at the time of the NCIB launch in 2022.

## Many Bright Spots Across Our Businesses

Throughout 2023, our businesses continued to push through new initiatives and organic growth:

- The Jazz team led by Randolph deGooyer once again generated predictable earnings and cash flows under Jazz’s long-term contract with Air Canada. The Jazz team successfully addressed the evolving pilot wage environment by amending its collective agreement with its pilots. This helped increase pilot capacity, while maintaining the guaranteed cash flows under the contract. The Jazz operation is the regional backbone of Air Canada’s North American network, and the two teams work side-by-side day in and day out to collaborate and deliver a safe and reliable operation. The relationship has never been stronger, and we thank Air Canada for being a valuable partner and supportive shareholder.
- The Falko team led by Jeremy Barnes further enhanced Falko’s market-leading position in the regional aircraft leasing market, concluding 82 aircraft transactions, including aircraft acquisitions, sales, new leases, and lease extensions. At the end of 2023, Falko’s portfolio totaled 270 aircraft on lease to 41 customers worldwide. Post year-end, the team announced the acquisition of a 24-aircraft portfolio from Nordic Aviation Capital using the capital in Falko’s Fund II, enhancing returns for fund investors and growing Falko’s assets under management. Falko also closed the sale of two Airbus A220 aircraft owned by Chorus in January 2024, generating a gain on sale and advancing Chorus’ asset light strategy. While prevailing market conditions delayed the closing of

Falko's Fund III, Jeremy and team continued to advance positive discussions with prospective investors. The team's strong performance as the servicer of the Regional 2021-1 Limited asset backed securitization resulted in Kroll Bond Rating Agency upgrading the rating of the Series A Loan notes from a BBB+ to A-. Finally, the Falko team refinanced Falko's Fund II in early 2023, improving returns for fund investors and freeing up the capital ultimately used for the acquisition of the 24 aircraft portfolio mentioned above.

- The Voyageur team led by Cory Cousineau made meaningful strides with its second consecutive year of record growth with its best year yet. Voyageur was able to secure long-term contracts for defense and air ambulance services and achieved organic growth in parts sales and specialty MRO, including the defense sector. Overall, these growth initiatives resulted in strong year over year progress with a 51% growth in specialty MRO and 25% growth in parts.
- Another important milestone in 2023 was the launch of Cygnet Aviation Academy, a first of its kind academy in Canada providing leading edge flight training with direct access to career opportunities. Under the leadership of Lynne McMullen, and in collaboration with CAE, Cygnet is delivering an all-in-one program on state-of-the-art aircraft, flight training devices, and full-flight simulators.

With a sharp focus on human capital throughout the year, we made progress in addressing skills gaps and aligning resources with areas of focus. During 2023, an in-depth succession planning exercise was completed, with a high percentage of executive positions having ready successors. The third cohort of Tailwinds – Chorus' program for emerging leaders – was launched as the company builds its pipeline of diverse talent.

Chorus' corporate leaders - and those of our subsidiaries – represent the very best talent our industry has to offer. We want to thank each one of them and their teams for their focus and contributions throughout the year.

## **The Road Ahead**

We know that the underlying fundamentals of our businesses are strong. We are committed to putting our business on a path to value creation – through rigorous execution as well as more strategic capital allocation.

On behalf of our Board of Directors and the entire Chorus team, we thank our shareholders for your patience and continued support. We re-affirm our commitment to continue to grow and evolve this great company for you responsibly and profitably, with a focus on a sustainable balance sheet and improved shareholder returns. We look forward to speaking with you at our annual meeting.

Sincerely,

(signed) "*Paul Rivett*"

Paul Rivett  
Chair of the Board

(signed) "*Colin Copp*"

Colin Copp  
President and Chief Executive Officer

<sup>1</sup> Free Cash Flow, adjusted EBITDA and Leverage Ratio are non-GAAP financial measures or ratios that are not recognized measures for financial statement presentation under GAAP. As such, they do not have standardized meanings, may not be comparable to similar measures presented by other issuers and should not be considered a substitute for or superior to GAAP results. For further information, including the composition and use of such measures and ratios, refer to Section 18 – Non-GAAP Financial Measures in Management's Discussion and Analysis of Results of Operations and Financial Condition in respect of Chorus' fourth quarter and year-end 2023, which is available on Chorus' website ([www.chorusaviation.com](http://www.chorusaviation.com)) and under Chorus' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

# NOTICE OF 2024 ANNUAL MEETING OF SHAREHOLDERS

**When:** Wednesday, June 26, 2024 at 11:00 a.m. (Eastern time)

**Where:** Virtual only meeting via live audio webcast

**Online:** [www.virtualshareholdermeeting.com/CHR2024](http://www.virtualshareholdermeeting.com/CHR2024)

The meeting of the shareholders of Chorus Aviation Inc. (“**Chorus**”) will be conducted via live audio webcast and a recording of the meeting will be made available after the meeting on our website at [www.chorusaviation.com](http://www.chorusaviation.com). At this website, shareholders will be able to attend the meeting live, submit questions in writing and vote their shares while the meeting is being held.

The following business will be considered at the meeting:

1. placement before shareholders of the consolidated financial statements of Chorus for the year ended December 31, 2023, including the auditors’ report thereon;
2. election of the directors of Chorus who will serve until the end of the next annual meeting of shareholders;
3. appointment of auditors of Chorus;
4. approval, in an advisory, non-binding capacity, of a resolution regarding Chorus’ approach to executive compensation; and
5. consideration of such other business, if any, that may properly come before the meeting or any adjournment or postponement thereof.

The management proxy circular for the meeting provides specific details of the business to be considered at the meeting.

## **Your vote is important.**

**You are entitled to receive notice of, and vote at, our annual meeting of shareholders or any adjournment or postponement thereof if you are a shareholder on May 2, 2024.** Please remember to vote your shares. We encourage you to vote your shares prior to the meeting.

**We will hold our meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will not be able to physically attend the meeting. As with prior years, shareholders can vote ahead of the meeting by proxy using various available channels (as set out within the management proxy circular and the form of proxy or voting instruction form), and we encourage you to continue to vote in this manner.** You will be able to participate in the meeting regardless of where you are located.

Registered shareholders and duly appointed proxyholders will be able to attend the meeting, participate in the question and answer session, and vote, all in real time, provided they are connected to the Internet and comply with all of the instructions set out in the management proxy circular. Non-registered shareholders who have not duly appointed themselves as a proxyholder will be able to attend the meeting and participate in the question and answer session but will not be able to vote during the virtual meeting. Guests will be able to attend the meeting but will not be able to vote at the meeting or submit questions during the question and answer session.

Shareholders who wish to appoint a proxyholder other than the persons designated by Chorus on the form of proxy or voting instruction form (including a non-registered shareholder who wishes to appoint themselves as proxyholder) must carefully follow the instructions in the management proxy circular and on the form of proxy or voting instruction form.

Shareholders are encouraged to follow the instructions on their form of proxy or voting instruction form and vote on the matters before the meeting no later than 11:00 a.m. (Eastern time) on June 24, 2024 (the proxy deadline).

By order of the Board of Directors

(signed) “*Dennis Lopes*”

**Dennis Lopes**

Senior Vice President, Chief Legal Officer  
and Corporate Secretary

May 6, 2024



# MANAGEMENT PROXY CIRCULAR

This management proxy circular (“this circular” or “the circular”) is dated May 6, 2024 and the information contained herein is provided in connection with the annual meeting of the shareholders of Chorus Aviation Inc. (“Chorus” or the “Corporation”) to be held on June 26, 2024 at 11:00 a.m. (Eastern time) (such meeting, and any adjournment or postponement thereof, the “meeting”). The meeting will be held in a virtual only format and will be conducted via live audio webcast. Shareholders will not be able to physically attend the meeting. A summary of the information shareholders will need to attend the virtual meeting is set out within this circular.

As a shareholder of Chorus, you have the right to vote your shares in respect of the election of the directors, the appointment of the auditors, the non-binding advisory vote on Chorus’ approach to executive compensation and on any other items that may properly come before the meeting.

To help you make an informed decision, please read this circular. This circular describes the meeting, the nominee directors, the proposed auditors, our corporate governance practices, the compensation of our directors and certain executives, the non-binding advisory resolution on Chorus’ approach to executive compensation and other matters. Financial information regarding Chorus is provided in the consolidated financial statements of Chorus and management’s discussion and analysis (“MD&A”) for the year ended December 31, 2023, both of which are available on our website at [www.chorusaviation.com](http://www.chorusaviation.com) and in the Corporation’s public disclosure record available under its profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). This circular does not incorporate information found on our website or any information not expressly stated to be incorporated, even if we occasionally refer to it; we, therefore, disclaim any such incorporation by reference. For our caution regarding forward-looking information, see above.

In this circular, “we”, “us” and “our” refer to Chorus and “management” refers to Chorus’ management. “You”, “your” and “shareholders” refer to the shareholders of Chorus, and “shares” or “Chorus shares” refers to the Class A Variable Voting Shares and Class B Voting Shares of Chorus. All monetary amounts are stated in Canadian Dollars unless otherwise indicated, and all information in this circular is current as of May 6, 2024 unless otherwise indicated.

If you have any questions about any of the information in this circular, please call Chorus Investor Relations at (902) 873-5641 for service in English or French.

## **WHO IS SOLICITING YOUR PROXY**

**Your proxy is solicited by or on behalf of the management of Chorus for use at the meeting.** We expect that the solicitation of proxies will be by mail. Proxies may also be solicited personally, by telephone, Internet or other means of communication by officers, employees or agents. The cost of any such solicitation will be borne by Chorus. Chorus has retained Shorecrest Group Ltd. (“Shorecrest”) to solicit proxies from shareholders and has agreed to pay Shorecrest a \$27,500 management fee plus ancillary service fees and disbursements. If you have any questions regarding the procedures for voting or completing your form of proxy or voting instruction form, please contact Shorecrest toll free in North America at 1-888-637-5789 or collect call from outside North America at 1-647-931-7454, or by email at [contact@shorecrestgroup.com](mailto:contact@shorecrestgroup.com).

## **DELIVERY OF MATERIALS**

The Corporation is using notice-and-access to deliver this circular to all shareholders. This means the Corporation has posted the circular online for you to access, rather than being mailed out. All registered and non-registered shareholders will still receive a form of proxy or voting instruction form enabling them to vote their shares; however, instead of a paper copy of the circular, shareholders will receive a notice with information on how to access the circular online and how to request a paper copy (the “notice”). Notice-and-access aligns with the Corporation’s efforts to minimize its environmental impact through a reduction in paper use, while also reducing printing and mailing costs. To access the circular online please visit: [www.chorusaviation.com](http://www.chorusaviation.com), [www.meetingdocuments.com/TSXT/chr](http://www.meetingdocuments.com/TSXT/chr) or Chorus’ profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The Corporation pays for the delivery of the notice to all registered and non-registered shareholders who are required to receive materials, which includes reimbursing brokers and other persons holding shares

in their names, or in the names of nominees, for their costs incurred in sending the notice to beneficial owners and obtaining their proxies or voting instructions.

**Should you wish to receive paper copies of the circular for the meeting, or if you have any questions about notice-and-access, please contact TSX Trust Company (for service in English or French) at 1-888-433-6443 or 416-682-3801 outside of Canada or the U.S. or by e-mail at [tsxt-fulfilment@tmx.com](mailto:tsxt-fulfilment@tmx.com). Shareholders will not receive a paper copy of the circular unless they contact TSX Trust Company. TSX Trust Company will mail the materials within three business days of any request, provided the request is made prior to the meeting. Chorus estimates that a request will need to be received prior June 11, 2024 for you to receive your paper copies in advance of the deadline for submission of your voting instructions. If you request paper copies of the circular, please keep your form of proxy or voting instruction form – you will not be sent another copy. All shareholders may also request that paper copies of the circular be mailed to them at no cost for up to one year from the date the circular was filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).**

### **APPROVAL OF THE CIRCULAR**

The board of directors of Chorus has approved the contents of the circular for the meeting and authorized that it be made available to each shareholder who is eligible to receive notice of, and vote his, her or its shares at the meeting, as well as to each director of Chorus and to the auditors of Chorus.

(signed) *"Dennis Lopes"*

Dennis Lopes  
Senior Vice President, Chief Legal Officer  
and Corporate Secretary  
May 6, 2024



# ABOUT OUR ANNUAL MEETING OF SHAREHOLDERS

## WHY CHORUS IS HOLDING A VIRTUAL ONLY MEETING

Chorus will hold its meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will have equal opportunity to participate in the meeting online regardless of their geographic location.

## HOW SHAREHOLDERS CAN ATTEND AND PARTICIPATE IN THE VIRTUAL MEETING

Registered shareholders and duly appointed proxyholders who participate in the meeting online will be able to listen to the meeting, ask questions and vote, all in real time, provided they are connected to the Internet and comply with all of the requirements set out below under “How to Participate in the Meeting” and “How to Vote in Advance of the Meeting”.

Non-registered shareholders who have not duly appointed themselves as proxyholders may still attend the meeting and participate in the question and answer session but will not be able to vote at the meeting. Please vote in advance of the meeting using your voting instruction form. See “How to Participate in the Meeting” and “How to Vote in Advance of the Meeting” below.

You are encouraged to retain the 16-digit control number located on your form of proxy or voting instruction form until after the meeting.

Guests will be able to listen to the meeting but will not be able to vote at the meeting or submit questions during the question and answer session.

At the meeting, all shareholders and duly appointed proxyholders will have an opportunity to ask questions in writing by sending a message to the chair of the meeting online through the virtual meeting platform. It is anticipated that shareholders will have substantially the same opportunity to ask questions on matters of business before the meeting as they would have if the meeting were held in person.

Questions relating to the matters of business before the meeting will be addressed at the time such matter is being discussed. Other questions will be addressed during the question and answer period after the business of the meeting has been completed. Questions on the same topic or otherwise related will be grouped, summarized and addressed at the same time. We will post the questions and answers on our website as soon as practicable after the meeting. If you duly submit a question that is not answered during the meeting, we will communicate with you after the meeting if you have provided your contact information.

If you intend to participate in the meeting, it is important that you are always connected to the Internet during the meeting to vote when the balloting commences. You should ensure you have a strong, preferably high-speed, Internet connection throughout the meeting. **The meeting will begin promptly at 11:00 a.m. (Eastern time) on June 26, 2024**, unless otherwise adjourned or postponed.

## HOW TO PARTICIPATE IN THE MEETING

You will be able to participate in the meeting during the live audio webcast using an Internet connected device such as a laptop, computer, tablet or mobile phone, and the meeting platform will be supported across browsers and devices that are running the most updated version of the application software plug-ins.

The steps that you need to follow to access the meeting will depend on whether you are a registered shareholder or a non-registered shareholder. You must follow the applicable instructions below carefully.

**If you encounter any difficulties accessing the virtual meeting during the check-in process or during the meeting, please call the technical support number that will be posted on the meeting login page. If you have any questions regarding this notice or the meeting, please contact Broadridge via email at [proxy.request@broadridge.com](mailto:proxy.request@broadridge.com) or, in the case of a non-registered shareholder, your nominee (bank, securities broker, trustee, trust company or other institution).**

### ***How to Participate in the Meeting – Registered Shareholder***

You are a registered shareholder if your name appears on your share certificate. If you are not sure whether you are a registered shareholder, please contact Broadridge Investor Communications Corporation (“**Broadridge**”) via email at [proxy.request@broadridge.com](mailto:proxy.request@broadridge.com).

If you are a registered shareholder, Broadridge will send you a form of proxy containing the relevant details concerning the business of the meeting, including a 16-digit control number required to access the virtual meeting. This document will be required in order for you to complete the instructions below.

Registered shareholders can access and vote at the meeting during the live audio webcast as follows:

1. Log in online at: [www.virtualshareholdermeeting.com/CHR2024](http://www.virtualshareholdermeeting.com/CHR2024) at least 15 minutes before the meeting starts. You should allow ample time to log into the meeting and to complete the related procedures.
2. Enter your 16-digit control number into the shareholder login section (your control number is located on your form of proxy) and click on “Join Meeting”.
3. Follow the instructions to access the meeting and vote when prompted.

Even if you currently plan to participate in the virtual meeting, you should consider voting your shares by proxy in advance so that your vote will be counted if you later decide not to attend the meeting or in the event that you are unable to access the meeting for any reason. If you access and vote on any matter at the meeting during the live webcast, then you will revoke any previously submitted proxy.

Chorus is also providing a listen-only toll-free conference line as an alternative to the live audio webcast. To join the listen-only toll-free conference line, you must call 1 (800) 590-8290 (Canada) or 1 (240) 690-8800 (International).

### ***How to Participate in the Meeting – Non-Registered Shareholder***

You are a non-registered shareholder if your bank, trust company, securities broker or other financial institution (“**your nominee**”) holds your shares for you. If you are not sure whether you are a non-registered shareholder, please contact Broadridge via email at [proxy.request@broadridge.com](mailto:proxy.request@broadridge.com).

Non-registered shareholders wishing to access and vote at the meeting during the live audio webcast can do so as follows:

1. Appoint yourself as proxyholder as described below under the heading “Completing the Form of Proxy and Voting Instruction Form” by providing an “appointee name” and designating an 8-character “appointee identification number”. Please note that these steps must be completed **prior to the proxy deadline of 11:00 a.m. (Eastern time) on June 24, 2024**, or you will not be able to vote your shares at the meeting during the live webcast.
2. Follow the instructions set out below under the heading “How to Participate in the Meeting – Proxyholder” to log in and vote at the meeting during the live audio webcast.

A non-registered shareholder wishing to access the meeting without voting during the meeting – for example, because you have provided voting instructions prior to the meeting or appointed another person to vote on your behalf at the meeting – can access the meeting in the same manner as registered shareholders described above using the 16-digit control number located on your voting instruction form.

In the event that the proxy deadline is waived by Chorus prior to the meeting, all non-registered shareholders will be able to access and vote at the meeting in the same manner as registered shareholders described above using the 16-digit control number located on the voting instruction form. In that case, if you have previously provided voting instructions or appointed another person to vote on your behalf and you choose to access and vote on any matter at the meeting during the live webcast, then you will revoke all prior voting instructions or appointments. If you do not wish to revoke your prior instructions or appointments, you can still access the meeting and ask questions. You should not assume that the proxy deadline will be waived in whole or in part, and you should vote prior to the meeting or

appoint yourself or another person to vote on your behalf at the meeting prior to the proxy deadline of 11:00 a.m. (Eastern time) on June 24, 2024 to ensure your vote is counted at the meeting.

Chorus is also providing a listen-only toll-free conference line as an alternative to the live audio webcast. Using your control number included either on your proxy form or voting instruction form, as applicable, you will be able to listen to the meeting; however, you will not be able to submit your questions or vote your shares on the phone. To join the listen-only toll-free conference line, you must call 1 (800) 590-8290 (Canada) or 1 (240) 690-8800 (International).

### ***How to Participate in the Meeting – Proxyholder***

Registered and non-registered shareholders may appoint an individual (who does not need to be a shareholder) as proxyholder to attend and vote at the meeting on their behalf.

If you have been appointed as a proxyholder for a registered or non-registered shareholder (or you are a non-registered shareholder who has appointed themselves as proxyholder), you can access the meeting as follows:

1. Log in online at: [www.virtualshareholdermeeting.com/CHR2024](http://www.virtualshareholdermeeting.com/CHR2024). We recommend that you log in at least 15 minutes before the meeting starts. You should allow ample time to log into the virtual meeting and to complete the related procedures.
2. Enter the appointee name and 8-character appointee identification number exactly as it was provided to Broadridge by the shareholder who appointed you as proxyholder and click on "Submit". If this information is not provided by such shareholder, or if you do not enter it exactly as that shareholder provided it to Broadridge, you will not be able to access the meeting or vote their shares on their behalf during the meeting.

If you have been appointed as proxyholder for more than one shareholder, you will be asked to enter the appointee information (as defined below) for each separate shareholder in order to vote the applicable shares on their behalf at the meeting during the live webcast.

3. Follow the instructions to access the meeting and vote when prompted.

All shareholders must provide the appointee information to their appointed proxyholder exactly as they provided it to Broadridge online at [www.proxyvote.com](http://www.proxyvote.com) or on their form of proxy or voting instruction form in order for their proxyholder to access and vote their shares at the meeting. Proxyholders who have forgotten or misplaced the applicable appointee information should contact the shareholder who appointed them as quickly as possible. If that shareholder has forgotten or misplaced the applicable appointee information, they should follow the steps described under the headings "How do I Participate in the Meeting - Non-Registered Shareholder" or "Completing the Form of Proxy or Voting Instruction Form" as quickly as possible.

### ***How to Participate in the Meeting – Guest***

If you wish to access the meeting as a guest, you can log into the meeting as set out below. Note that guests will be able to listen to the meeting but will not be able to ask questions or vote. If you wish to contact Chorus' board of directors, please see "Communication with Directors and Shareholder Engagement" at page 79. Please read and follow the instructions below carefully:

1. Log in online at: [www.virtualshareholdermeeting.com/CHR2024](http://www.virtualshareholdermeeting.com/CHR2024) at least 15 minutes before the meeting starts. You should allow ample time to log into the virtual meeting and to complete the related procedures.
2. Complete the guest log in section and click on "Join Meeting".

If you wish to participate in the meeting during the live audio webcast, it is important that you are connected to the Internet at all times during the meeting. It is your responsibility to ensure connectivity for the duration of the virtual meeting. You should allow sufficient time to check into the virtual meeting and complete the above procedure. The meeting platform is fully supported across browsers and devices running the most updated version of applicable software plug-ins. You should ensure you have a strong, preferably high-speed, Internet connection throughout the meeting.

## ***How to Participate in the Meeting – Questions***

Questions related to the matters of business will be addressed at the time such matter is being discussed. After the business of the meeting has been completed, we will hold a live question and answer session, during which we intend to answer all written questions submitted before or during the meeting. Only shareholders as of the close of business on the record date, and duly appointed proxyholders, may submit questions either before or during the meeting.

**To ask a question before the meeting**, you must visit [www.proxyvote.com](http://www.proxyvote.com) and log in using your 16-digit control number included either on your proxy form or voting instruction form, as applicable. Once past the log-in screen, please click on “Submit Questions”, complete the question form and click “Submit.” **To ask a question during the meeting**, you must log in to the live webcast at [www.virtualshareholdermeeting.com/CHR2024](http://www.virtualshareholdermeeting.com/CHR2024), type your questions into the “Ask a Question” field, and click “Submit”. **Guests will not be able to submit questions either before or during the meeting.**

The chair of the meeting reserves the right to edit or reject questions the chair deems inappropriate in accordance with the rules of conduct of the meeting which are available at [www.chorusaviation.com](http://www.chorusaviation.com). Any questions pertinent to the meeting that cannot be answered during the meeting due to time constraints will be answered and posted online at [www.chorusaviation.com](http://www.chorusaviation.com). The questions and answers will be available as soon as practical after the meeting and will remain available until one week after posting. The chair of the meeting has broad authority to conduct the meeting in an orderly manner. To ensure the meeting is conducted in a manner that is fair to all shareholders, the chair of the meeting may exercise broad discretion in the order in which questions are answered and the amount of time devoted to answering any one question.

## **VOTING YOUR SHARES**

### **YOUR VOTE IS IMPORTANT**

As a shareholder of Chorus, it is very important that you read the following information on how to vote your shares and then vote your shares, either by proxy (using the methods outlined below) or online at the meeting during the live audio webcast. **We encourage you to vote your shares prior to the meeting.**

### **WHO CAN VOTE**

Shareholders of record on May 2, 2024 are entitled to receive notice of and vote at the meeting.

You can vote your shares prior to the meeting or you can attend the meeting and vote during the live webcast in the manner described under “How to Participate in the Meeting”.

Even if you currently plan to participate in the meeting during the live audio webcast, you should consider voting your shares by proxy in advance so that your vote will be counted if you later decide not to attend the meeting or in the event that you are unable to access the meeting for any reason.

### **HOW TO VOTE IN ADVANCE OF THE MEETING**

You are encouraged to vote in advance of the meeting at [www.proxyvote.com](http://www.proxyvote.com) or by signing and returning the form of proxy or voting instruction form sent to you along with the notice, in each case in accordance with the instructions provided below and on your form of proxy or voting instruction form.

You will be providing your proxy voting instructions directly to Broadridge. They must receive your voting instructions **prior to Chorus’ proxy deadline of 11:00 a.m. (Eastern time) on June 24, 2024**. Notwithstanding the foregoing, the chair of the meeting has the sole discretion to accept proxies received after such deadline but is under no obligation to do so. Please see the section of this circular titled “Completing the Form of Proxy and Voting Instruction Form” for more information.

If you are a shareholder and you intend to attend and vote at the meeting during the live audio webcast, you do not need to vote in advance of the meeting; however, we encourage you to vote your shares prior to the meeting.

### ***On the Internet***

Please go to the website at [www.proxyvote.com](http://www.proxyvote.com) or scan the QR Code on the form of proxy or voting instruction form to access the voting website **prior to Chorus' proxy deadline of 11:00 a.m. (Eastern time) on June 24, 2024**, or, if the meeting is adjourned or postponed, not later than 48 hours prior to the adjourned or postponed meeting (excluding Saturdays, Sundays and statutory holidays). You will need the 16-digit control number found on your form of proxy or voting instruction form.

### ***By Mail***

Complete the form of proxy or voting instruction form and return it by mail in the enclosed business reply envelope **for receipt before 11:00 a.m. (Eastern time) on June 24, 2024**, or, if the meeting is adjourned or postponed, not later than 48 hours prior to the adjourned or postponed meeting (excluding Saturdays, Sundays and statutory holidays).

**If you have any questions or require more information with regard to the procedures for voting, please contact Shorecrest, Chorus' proxy solicitation agent toll free in North America at 1-888-637-5789 or collect outside North America at 1-647-931-7454 or by email at [contact@shorecrestgroup.com](mailto:contact@shorecrestgroup.com).**

### **COMPLETING THE FORM OF PROXY AND VOTING INSTRUCTION FORM**

Please follow the instructions included on the form of proxy or voting instruction form.

You can choose to vote "For" or "Withhold" with respect to the appointment of the auditors. You can choose to vote "For" or "Against" the election of each director and the approval of the advisory, non-binding vote on Chorus' approach to executive compensation.

If you vote by proxy using a form of proxy or voting instruction form without appointing yourself or a third-party proxyholder, you authorize Paul Rivett, Colin Copp or Gary Osborne (the "**named proxyholders**"), who are directors and/or officers of Chorus, to vote your shares for you at the meeting in accordance with your instructions. **If such individuals have been appointed as your proxyholder and you have not specified how you want your shares to be voted, they will vote on your behalf FOR the election of each of the nominee directors of Chorus who are named in this circular, FOR the appointment of PricewaterhouseCoopers LLP as auditors of Chorus, and FOR the advisory, non-binding vote on Chorus' approach to executive compensation. You have the right to appoint someone other than the named proxyholders (a "third-party proxyholder"), including yourself if you are a non-registered shareholder, to represent you at the meeting. If you appoint a third-party proxyholder, he or she must attend the meeting during the live webcast to vote your shares.**

If you are a non-registered shareholder and wish to appoint yourself or if you are a shareholder (registered or non-registered) and you wish to appoint a third-party proxyholder (other than the named proxyholders) to represent you at the meeting, you **MUST** submit your form of proxy or voting instruction form appointing yourself or that third-party proxyholder following the instructions on the form of proxy or voting instruction form (as applicable), including:

- Inserting an "appointee name" and designating an 8-character "appointee identification number" (together, this is the "appointee information") online at [www.proxyvote.com](http://www.proxyvote.com) or in the spaces provided on the form of proxy or voting instruction form; and
- Informing your appointed third-party proxyholder of the exact appointee information prior to the meeting. Your third-party proxyholder will require both your appointee name and appointee identification number in order to access the meeting and vote on your behalf during the live audio webcast.

If you wish to appoint yourself or a third-party proxyholder, you are encouraged to do so online at [www.proxyvote.com](http://www.proxyvote.com) as this will reduce the risk of any mail disruptions and allow you to share the appointee information you have created with any third-party proxyholder you have appointed to represent you at the meeting more easily. You must appoint yourself or your third-party proxyholder **prior to Chorus' proxy deadline of 11:00 a.m. (Eastern time) on June 24, 2024**.

If you do not designate the appointee information when completing your form of proxy or voting instruction form or if you do not provide the exact appointee identification number and appointee name to any other

person (other than the named proxyholder) who has been appointed to access and vote at the meeting on your behalf, that other person will not be able to access the meeting and vote on your behalf.

**Non-registered shareholders who have not duly appointed themselves as proxyholder will not be able to vote at the meeting but will be able to participate in the question and answer session. Guests will be able to listen to the virtual meeting but will not be able to vote or ask a question. Please refer to the section titled “How to Participate in the Meeting” for more detailed information.**

Your proxyholder also has authority to vote and act in such proxyholder’s discretion with respect to amendments or variations to matters referred to in the notice of meeting and with respect to other matters which may properly come before the meeting, or any adjournment or postponement thereof, in each instance to the extent permitted by law, whether or not the amendment or variation or other matter that comes before the meeting is or is not routine and whether or not the amendment or variation or other matter that comes before the meeting is contested. The directors of Chorus are not aware of any other matters which will be presented for action at the meeting.

**You must also complete the Declaration as to the Nature of Ownership and Control contained in the form of proxy or voting instruction form (as explained in the “Restrictions on Voting Securities” section of this circular) in order to enable Chorus to comply with the share ownership and voting restrictions imposed by the Corporation’s Restated Articles of Incorporation and the *Canada Transportation Act* (the “Act”). If you do not complete such declaration or if it is determined by Chorus or Broadridge that you incorrectly indicated (through inadvertence or otherwise) that the shares represented by proxy are owned and controlled by a Canadian, you will be deemed to be a Non-Canadian Holder Authorized to Provide Air Service (as defined below) for purposes of voting at the meeting.**

**If you have any questions or require more information with regard to the procedures for voting, please contact Shorecrest, Chorus’ proxy solicitation agent toll free in North America at 1-888-637-5789 or collect outside North America at 1-647-931-7454 or by email at [contact@shorecrestgroup.com](mailto:contact@shorecrestgroup.com).**

### **CHANGING YOUR VOTE**

You can revoke your voting instructions by voting on the Internet or by any other means permitted by law. **Your new voting instructions must be received by Broadridge before 11:00 a.m. (Eastern time) on June 24, 2024.**

Registered shareholders can also revoke their instructions by delivering a signed written notice changing their instructions to the attention of the Corporate Secretary at the Corporation’s registered office, 100 King Street West, 1 First Canadian Place, Suite 6200, P.O. Box 50, Toronto, Ontario, M5X 1B8, no later than 5:00 p.m. (Eastern time) on the last business day preceding the day of the meeting or preceding the day of any postponement or adjournment thereof.

Non-registered shareholders should consult their intermediary if they wish to revoke their voting instructions. These instructions must be received by Broadridge before 11:00 a.m. (Eastern time) on June 24, 2024.

**If you have followed the process for participating in and voting at the meeting during the live webcast, casting your vote at the meeting during the live webcast will revoke your previous voting instructions.**

Notwithstanding the foregoing, the chair of the meeting has the sole discretion to accept proxies received after the deadline for the receipt of proxies but is under no obligation to do so. The chair of the meeting may waive or extend the proxy cut-off without notice.

### **VOTING REQUIREMENTS**

The election of directors, the appointment of the auditors and the advisory, non-binding vote on Chorus’ approach to executive compensation will be determined by a majority of votes cast by shareholders at the meeting or by proxy. If there is a tie, the chair of the meeting is not entitled to a second or casting vote.

Broadridge will count and tabulate the votes at the meeting.



## **VOTING SHARES AND QUORUM**

As of May 2, 2024, the record date for the meeting, there were 192,004,962 shares issued and outstanding. Shareholders of record on May 2, 2024 are entitled to receive notice of and vote at the meeting.

Chorus needs quorum to hold the meeting and transact business. A quorum of shareholders is present at the meeting, irrespective of the number of persons actually present at the meeting, if holders of not less than 25% of the shares entitled to vote at the meeting are present or represented by proxy, provided that a quorum shall not be less than two persons. If a quorum is present at the opening of the meeting, the shareholders present or represented by proxy may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of the meeting, the shareholders present or represented by proxy may adjourn the meeting to a fixed time and place but may not transact any other business.

If two or more persons hold shares jointly, one of those holders present at the meeting may in the absence of the others vote the shares, but if two or more of those persons who are present, in person or by proxy, vote, they shall vote as one on the shares jointly held by them.

## **RESTRICTIONS ON VOTING SECURITIES**

As of the date of this circular, the applicable provisions of the Act require that a holder of a domestic air service licence be “Canadian” as defined in the Act (“**Canadian**”). As Chorus owns air carriers that hold such licences, it must comply with these provisions. In order to remain “Canadian”, Chorus’ Restated Articles of Incorporation provide for two classes of shares: Class B Voting Shares and Class A Variable Voting Shares.

Class B Voting Shares entitle their holders to one vote per share at any meeting of shareholders.

Class A Variable Voting Shares entitle their holders to one vote per share at any meeting of shareholders, subject to an automatic decrease of the votes attached to such shares in the event that:

- (i) any single non-Canadian, either individually or in affiliation with any other person, (a) holds a number of Class A Variable Voting Shares that exceeds 25% of the total number of all shares outstanding or (b) the total number of votes that would be cast by such shareholder would exceed 25% of the total number of votes cast at a meeting of shareholders;
- (ii) one or more non-Canadians authorized to provide an air service in any jurisdiction (each, a “**Non-Canadian Holder Authorized to Provide Air Service**”, and collectively, “**Non-Canadian Holders Authorized to Provide Air Service**”), either individually or in affiliation with any other person, and after giving effect to the applicable proportionate vote decrease described below, (a) collectively hold a total number of Class A Variable Voting Shares that exceeds 25% of the total number of shares outstanding or (b) the total number of votes that would be cast by such shareholder would exceed 25% of the total number of votes cast at a meeting of shareholders; or
- (iii) the number of Class A Variable Voting Shares outstanding, after giving effect to the applicable proportionate vote decrease described below, (a) exceeds 49% of the total number of all shares outstanding or (b) the total number of votes that would be cast by holders of Class A Variable Voting Shares would exceed 49% of the total number of votes cast at a given meeting of shareholders.

If any of the above-mentioned percentages (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation) is exceeded, the votes attached to Class A Variable Voting Shares held by such non-Canadians will decrease proportionately and automatically as follows:

- first, if applicable, there will be a reduction in votes attached to any Class A Variable Voting Shares held by any single non-Canadian (including a single Non-Canadian Holder Authorized to Provide Air Service) holding, either individually or in affiliation with any other person, such number of Class A Variable Voting Shares that exceeds 25% of the votes, to ensure that any such non-Canadian (including any persons in affiliation with such non-Canadian) never holds more than

25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation) of the votes attached to all of the shares outstanding or the votes cast at any meeting of shareholders;

- second, if applicable, and after giving effect to the first reduction set out above, there will be a further proportionate reduction of the votes attached to any Class A Variable Voting Shares held by Non-Canadian Holders Authorized to Provide Air Service (including any persons in affiliation with them), to ensure that such Non-Canadian Holders Authorized to Provide Air Service, in the aggregate, never hold more than 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation) of the votes attached to all of the shares outstanding or the votes cast at any meeting of shareholders; and
- third, if applicable, and after giving effect to the two reductions set out above, there will be a proportionate reduction of the votes attached to any Class A Variable Voting Shares held by any non-Canadian to ensure that non-Canadians never hold, in the aggregate, more than 49% of the votes attached to all of the shares outstanding or the votes cast at any meeting of shareholders.

Each issued and outstanding Class A Variable Voting Share will be converted into one Class B Voting Share, automatically and without any further act of the Corporation or the holder, if (i) the Class A Variable Voting Share is or becomes owned or controlled by a Canadian, or (ii) the Act's provisions relating to foreign ownership restrictions are repealed and not replaced with similar provisions.

**Shareholders who wish to vote at the meeting either by completing and delivering a form of proxy or a voting instruction form or by attending and voting at the meeting will be required to complete a Declaration as to the Nature of Ownership and Control in order to enable Chorus to comply with the restrictions imposed by the Act and the Corporation's Restated Articles of Incorporation regarding the ownership and voting of its voting securities. If you do not complete such declaration or if it is determined by Chorus or its transfer agent that you incorrectly indicated (through inadvertence or otherwise) that the shares of Chorus represented by the proxy or the voting instruction form are owned and controlled by a Canadian, you will be deemed to be a Non-Canadian Holder Authorized to Provide Air Service for purposes of voting at the meeting. Such declaration is contained in the accompanying form of proxy or in the voting instruction form provided to you if you are a non-registered shareholder and on [www.proxyvote.com](http://www.proxyvote.com).**

### **NORMAL COURSE ISSUER BID**

On November 8, 2023, the Corporation announced that the Toronto Stock Exchange ("TSX") had accepted the Corporation's notice (the "**Notice**") to make a normal course issuer bid ("**NCIB**") to purchase for cancellation up to a maximum of 15,160,372 shares, representing 10% of the public float of the Chorus shares as of November 6, 2023, calculated in accordance with the TSX rules. The NCIB commenced on November 14, 2023 and concludes on the earlier of the date on which the Corporation purchases the maximum number of shares permitted under the NCIB and November 13, 2024. The Corporation has purchased and cancelled 1,383,883 shares between the start of the NCIB on November 14, 2023 and March 31, 2024. Security holders may obtain a copy of the Notice, without charge, by contacting the Corporation.

The current NCIB follows on the conclusion of the Corporation's previous NCIB that expired on November 13, 2023. Under the previous NCIB, the Corporation purchased 9,177,784 shares through the facilities of the TSX at a weighted average price of \$3.25 per share.

### **PRINCIPAL SHAREHOLDERS**

October 14, 2016, pursuant to an application by Chorus, the securities regulatory authorities in each of the provinces of Canada granted exemptive relief (the "**Decision**") from (i) applicable formal take-over bid requirements, as contained under Canadian securities laws, such that those requirements would only apply to an offer to acquire 20% or more of the outstanding Class B Voting Shares and Class A Variable Voting Shares of the Corporation on a combined basis, and (ii) applicable early warning reporting requirements, as contained under Canadian securities laws, such that those requirements would only apply to an acquirer who acquires or holds beneficial ownership of, or control or direction over, 10% or more of the outstanding Class B Voting Shares and Class A Variable Voting Shares of the Corporation on a combined basis (or 5% in the case of acquisitions during a take-over bid), and (iii) applicable

alternative monthly reporting requirements, as contained under Canadian Securities laws, such that eligible institutional investors may meet the eligibility criteria for alternative monthly reporting by calculating its security holdings using a denominator comprised of all outstanding Class B Voting Shares and Class A Variable Voting Shares on a combined basis, and a numerator including all of the Class B Voting Shares or Class A Variable Voting Shares, as the case may be, beneficially owned or controlled by the eligible institutional investor. A copy of the Decision is available under Chorus' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

As of the date of this circular, to the knowledge of Chorus' directors and executive officers and based on publicly available early warning reports and insider reports, no person or entity beneficially owns, or exercises control or direction over, directly or indirectly, shares carrying 10% or more of the votes attached to any class of shares entitled to vote in connection with any matters being proposed for consideration at the meeting, except as follows:

- Based on its early warning report filed on May 4, 2022, BSI Dragonfly Holdings LP ("**BSI**", and together with its affiliates, "**Brookfield**") owns 25,400,000 Class B Voting Shares (representing approximately 13.2% of the issued and outstanding shares as of May 2, 2024), 18,642,772 share purchase warrants, and 300,000 Series 1 Preferred Shares in the capital of the Corporation.

## BUSINESS OF THE MEETING

The following items of business will be considered at the meeting:

1. placement before shareholders of the consolidated financial statements of Chorus for the year ended December 31, 2023, including the auditors' report thereon;
2. election of the directors of Chorus who will serve until the end of the next annual meeting of shareholders;
3. appointment of auditors of Chorus;
4. approval, in an advisory, non-binding capacity, of a resolution regarding Chorus' approach to executive compensation; and
5. consideration of such other business, if any, that may properly come before the meeting or any adjournment or postponement thereof.

Further details of the business to be considered at the meeting are contained in this circular.

As of the date of this circular, management is not aware of any changes to these items and does not expect any other items to be brought forward at the meeting. If there are changes or new items, your proxyholder can vote your shares on these items as they see fit.

### **(1) Placement of financial statements of Chorus**

The consolidated financial statements of Chorus for the year ended December 31, 2023, including the auditors' report thereon, are available on our website at [www.chorusaviation.com](http://www.chorusaviation.com) and under Chorus' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **(2) Election of the directors of Chorus**

Ten directors are to be elected to Chorus' board of directors (the "**Board of Directors**" or "**Board**"). If elected, each director elected at the meeting will serve until the end of the next annual shareholder meeting.

The individuals nominated for election as directors at the meeting are Colin Copp, Karen Cramm, Gail Hamilton, R Stephen Hannahs, Alan Jenkins, Amos Kazzaz, David Levenson, Marie-Lucie Morin, Paul Rivett and Frank Yu. Please see "The Nominated Directors" section in this circular for additional information relating to each such nominee.

On May 3, 2022, in connection with the acquisition of Falko, Chorus concluded a private placement with Brookfield pursuant to which BSI subscribed for 25,400,000 shares, as well as US\$300 million of Series 1 Preferred Shares of Chorus and 18,642,774 share purchase warrants for proceeds of US\$374 million (the “**Brookfield Investment**”). Messrs. Levenson and Yu are nominated for election as directors at the meeting in accordance with the terms of the investor rights agreement between Chorus and BSI dated May 3, 2022 (the “**Brookfield Investor Rights Agreement**”). Under that agreement, BSI is entitled to nominate:

- one individual for election to the Board so long as Brookfield holds at least the greater of either (a) a number of shares equal to no less than 5% of the issued and outstanding shares (as determined in accordance with the terms of the Brookfield Investor Rights Agreement), and (b) that number of shares equal to no less than 50% of the shares issued to BSI on May 3, 2022; and
- one individual for election to the Board so long as Brookfield holds at least 50% of the Series 1 Preferred Shares in the capital of Chorus (excluding any Series 1 Preferred Shares that have been redeemed by Chorus).

A copy of the Brookfield Investor Rights Agreement is available under Chorus' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Mr. Kazzaz is nominated in accordance with the terms of the investor rights agreement between Chorus and Air Canada dated February 4, 2019, as amended on February 14, 2022 (the “**Air Canada Investor Rights Agreement**”). Under that agreement, Air Canada is entitled to nominate one director to the Board so long as Air Canada and its affiliates hold at least 7.5% of the issued and outstanding shares of Chorus (as determined in accordance with the terms of the Air Canada Investor Rights Agreement). A copy of the Air Canada Investor Rights Agreement is available under Chorus' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Only individuals nominated in accordance with the advance notice provisions of Chorus' by-laws are eligible for election as directors of Chorus. The by-laws set deadlines by which a shareholder must notify Chorus of their intention to nominate one or more directors and specify the information that must be included with the notice for a nomination to be valid. For this meeting, any nominations are required to be made not less than 30 days prior to the date of the meeting. A copy of Chorus' by-laws are available on our website at [www.chorusaviation.com](http://www.chorusaviation.com) and under Chorus' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The *Canada Business Corporations Act* (“**CBCA**”) requires the Corporation to provide shareholders with the option to vote “for” or “against” the election of each director. Subject to certain exceptions, the CBCA requires that each director in an uncontested election must receive more votes “for” than “against” to be elected. An incumbent director who is a candidate for re-election and is not elected at the meeting may continue in office until the earlier of: (i) the 90<sup>th</sup> day after the day of the election; and (ii) the day on which their successor is appointed or elected. In addition, the Board may appoint the incumbent director who was a candidate and who was not elected during the election to, among other things, ensure that the Board is composed of the required number of resident Canadians.

**Unless contrary instructions are indicated on the form of proxy or the voting instruction form, the named proxyholders in the accompanying form of proxy or voting instruction form intend to vote FOR the election as directors of each of the nominees named in this circular.**

### **(3) Appointment of auditors**

The Board, on the advice of the Audit, Finance and Risk Committee, recommends that PricewaterhouseCoopers LLP, Chartered Accountants, be re-appointed as auditors of Chorus. PricewaterhouseCoopers LLP has served as auditors of Chorus' predecessors since February 19, 2001 and of Chorus since its incorporation on September 27, 2010. The lead audit partner working on Chorus' audit changes as required under prescribed independence rules. This most recently occurred following the completion of the audit for the Corporation's year ended

December 31, 2022. The auditors appointed at the meeting will serve until the end of the next annual meeting of shareholders or until their successors are appointed.

Fees payable for the years ended December 31, 2023 and December 31, 2022 to PricewaterhouseCoopers LLP were \$1,759,188 and \$1,357,201, respectively, as detailed below:

	Year Ended December 31	
	2023	2022
	\$	\$
Audit fees	1,305,090	1,086,561
Audit-related fees	279,700	164,940
Tax fees – compliance/preparation	153,400	67,800
Tax fees – other	20,998	37,900
	1,759,188	1,357,201

The nature of each category of fees is described below:

**Audit fees.** Audit fees were paid for professional services rendered for the audit of the annual financial statements of the Corporation and its affiliates, for the reviews of quarterly reporting by the Corporation, and for services normally provided in connection with statutory and regulatory filings or engagements.

**Audit-related fees.** Audit-related fees were paid for professional services related to pension audits, translation services, notice to reader services, and audit of the Falko purchase price allocation.

**Tax fees - compliance/preparation.** Tax fees were paid for professional services rendered with respect to indirect tax, income tax and payroll tax compliance.

**Tax fees - other.** Tax fees were paid for consulting services related to specific tax issues or projects.

**Unless contrary instructions are indicated on the form of proxy or the voting instruction form, the named proxyholders in the accompanying form of proxy or voting instruction form intend to vote FOR the appointment of PricewaterhouseCoopers LLP as auditors.**

**(4) *Advisory vote on approach to executive compensation***

Chorus is providing shareholders the opportunity to cast an advisory vote on Chorus' approach to executive compensation, as described under the heading "Executive Compensation". The Corporation's executive compensation practices are intended to align the interests of Chorus' executive team with those of Chorus' shareholders. We believe this compensation approach allows Chorus to attract, motivate and retain executives who are incented to deliver strong operating results from Chorus' existing businesses while striving to create shareholder value. Accordingly, the Board recommends that shareholders vote in favour of the approval of the advisory resolution set out below.

***Form of Resolution***

"BE IT RESOLVED THAT, on an advisory basis and not to diminish the role and responsibilities of the board of directors of Chorus Aviation Inc. ("**Chorus**"), the shareholders accept the approach to executive compensation disclosed in Chorus' Management Proxy Circular dated May 6, 2024."

As this is an advisory vote, the result will not be binding upon the Board or Chorus. However, the members of the Board and its Human Resources and Compensation Committee will review and analyze the result of the vote and, as appropriate, take into account the result of the vote when considering, in future, Chorus' executive compensation philosophy, policies, programs or arrangements. Shareholders are always welcome to provide feedback on Chorus' executive compensation by contacting Investor Relations at (902) 873-5641.

In 2023, 63,180,736 (90.55%) votes were cast for the advisory, non-binding resolution in respect of Chorus' approach to executive compensation, and 6,593,292 (9.45%) votes were cast against it.

**Unless contrary instructions are indicated on the form of proxy or the voting instruction form, the named proxyholders in the accompanying form of proxy or voting instruction form intend to vote FOR the advisory, non-binding resolution in respect of Chorus' approach to executive compensation.**

**(5) *Consideration of other business***

The Corporation will also report on other items that are significant to its business and invite questions and comments from shareholders.



## THE NOMINATED DIRECTORS

Ten directors are to be elected at the meeting, each of whom is to hold office until the end of the next annual meeting of shareholders. All nominees have established their eligibility and willingness to serve as directors. If, prior to the meeting, any of the listed nominees becomes unable or unavailable to serve, proxies will be voted for any other nominee or nominees at the discretion of the proxyholder. The following pages set out, among other things, the names of the proposed nominees, together with their jurisdiction of residence, the date they became directors (if applicable), their principal occupation and other principal directorships and committee memberships. Also indicated is the number of securities of Chorus beneficially owned, or over which control was exercised, directly or indirectly, as of May 2, 2024 and the value of those securities as of May 2, 2024 based on a market value of \$2.16 per share. This market value is compared against director equity ownership targets in effect at the time this circular was published.



**AGE:** 56

**NOT INDEPENDENT**

**COMMITTEES:** None

### COLIN COPP

Director of Chorus since March 3, 2023

British Columbia,  
Canada

Colin Copp is the President and Chief Executive Officer of Chorus Aviation Inc.

Mr. Copp has held several strategically key roles across the Chorus group of companies, including Chief Operating Officer of Chorus Aviation and President, Chorus Aviation Services, as well as President of Jazz Aviation. Over the course of his career, he has led numerous complex, multi-stakeholder initiatives to successful outcomes. He held the role of lead executive responsible for Chorus' relationship with Air Canada from 2015 to his appointment as Chief Executive Officer. He also led the development of new commercial opportunities to grow Voyageur's defence and parts businesses.

Mr. Copp holds a Master's in Business Administration. He is a certified negotiator and mediator (Cert. Con Res), and a chartered mediator (C. Med). Additionally, Mr. Copp is an accredited corporate director from the Institute of Corporate Directors (ICD.D). Mr. Copp is currently a board member of the Aerospace Industries Association of Canada and a former board member of the Air Transport Association of Canada.

#### CHORUS SECURITIES HELD OR CONTROLLED:

Class B Voting Shares:	116,994
Restricted Share Units:	1,093,749
Total Class B Voting Shares and Restricted Share Units:	663,869 <sup>(1)</sup>
Total Value of Securities:	\$1,433,956 <sup>(1)</sup>

<sup>(1)</sup> The figures for Restricted Share Units reflect only LTIP awards that will vest with the passage of time (which make up half of the annual awards) and do not include any Restricted Share Units that vest contingent on the achievement of prescribed performance targets (which represent half of annual LTIP awards).

Mr. Copp's holdings exceed the minimum executive share ownership requirement. Please see "Executive Share Ownership Guidelines" on page 54 for more details on Mr. Copp's share ownership requirements.

**PUBLIC BOARD MEMBERSHIPS (PAST FIVE YEARS):** None

#### CORE COMPETENCIES:



Core  
Industries



Health &  
Safety



M&A/  
Capital Market



Senior  
Executive

#### 2023 Annual Meeting of Shareholders Voting Results

# Votes For	% Votes For	# Votes Against	% Votes Against
69,139,738	99.09%	634,290	0.91%



**AGE: 73**

**INDEPENDENT**

**COMMITTEES:**

- Audit, Finance and Risk (Chair)
- Governance, Safety and Sustainability

## KAREN CRAMM, FCPA, FCA

Director of Chorus and its predecessors or subsidiaries since December 6, 2010

Nova Scotia,  
Canada

Karen Cramm is a corporate director. A Chartered Professional Accountant since 1977, Mrs. Cramm holds master's degrees in business administration (MBA) and in public administration (MPA). Mrs. Cramm was a senior partner of Deloitte & Touche in Halifax, Nova Scotia and then Toronto, Ontario ("Deloitte") in the Financial Services Group specializing in Reorganization as well as Forensic & Dispute services. Mrs. Cramm led large restructuring assignments and was a senior partner on international forensic investigations. While a partner of Deloitte, she served as the Managing Partner of the Halifax Office, was elected to the Canadian Deloitte Board of Directors for fourteen years and chaired the Deloitte Foundation, a registered charity focusing on corporate responsibility and giving back to communities across Canada. Mrs. Cramm has served as President of the Institute of Chartered Accountants of Nova Scotia and was elected as a Fellow of the Institute in recognition of distinguished service to the profession. She has also had extensive experience leading and serving on community-based, non-profit boards including Chair of the Boards of the Izaak Walton Killam Hospital and the Art Gallery of Nova Scotia and serving on the Boards and executive of both Dalhousie University and Mount Saint Vincent University.

### CHORUS SECURITIES HELD OR CONTROLLED:

Class B Voting Shares:	Nil
Deferred Share Units:	209,165
Total Class B Voting Shares and Deferred Share Units:	209,165
Total Value of Securities:	\$451,796

Ms. Cramm's holdings exceed the minimum director share ownership requirement.

**PUBLIC BOARD MEMBERSHIPS (PAST FIVE YEARS):** None

### CORE COMPETENCIES:



Environmental/  
Social



Financial/  
Audit & Risk



Health &  
Safety



International  
Markets

### 2023 Annual Meeting of Shareholders Voting Results

# Votes For	% Votes For	# Votes Against	% Votes Against
69,067,778	98.99%	706,250	1.01%



**AGE:** 68

**INDEPENDENT**

**COMMITTEES:**

- Audit, Finance and Risk
- Governance, Safety and Sustainability

## GAIL HAMILTON, FCPA, FCA; ICD.D

Director of Chorus since June 21, 2021

Newfoundland and Labrador,  
Canada

Gail Hamilton is a Chartered Professional Accountant, obtaining her CPA, CA designation in 1979, and her FCPA, FCA in 1998. She is currently a director on several boards and continues to provide business advice to a small number of clients. Mrs. Hamilton was an Assurance Partner for over 20 years with KPMG and EY, retiring from KPMG and public practice in June 2015. In public practice, Mrs. Hamilton was involved in all aspects of delivering assurance and related business advisory services for a variety of organizations, including the airline industry. These organizations included public, multinational, entrepreneurial and not-for-profit entities. Mrs. Hamilton led efforts to enrich both the firm's personnel and the local communities in which the firms operated. She has been a keynote speaker at a number of seminars to discuss issues for women in business and management issues facing owners and managers. In addition, Mrs. Hamilton completed the requirements to obtain the designation as Director of the Institute of Corporate Directors. Mrs. Hamilton's professional and community involvement throughout the years has benefitted numerous organizations including the College of Physicians and Surgeons of Newfoundland and Labrador, and the Anglican Cathedral of St. John the Baptist.

### CHORUS SECURITIES HELD OR CONTROLLED:

Class B Voting Shares:	30,000
Deferred Share Units:	89,316
Total Class B Voting Shares and Deferred Share Units:	119,316
Total Value of Securities:	\$257,723

Ms. Hamilton has until June 2026 to meet the minimum director share ownership requirement.

**PUBLIC BOARD MEMBERSHIPS (PAST FIVE YEARS):** None

### CORE COMPETENCIES:



Core  
Industries



Financial/  
Audit & Risk



Health &  
Safety



Senior  
Executive

### 2023 Annual Meeting of Shareholders Voting Results

# Votes For	% Votes For	# Votes Against	% Votes Against
69,072,741	98.99%	701,287	1.01%



**AGE: 77**

**INDEPENDENT**

**COMMITTEES:**

- Human Resources and Compensation
- Governance, Safety and Sustainability

## R STEPHEN HANNAHS

Director of Chorus since August 10, 2015

California,  
U.S.A.

R Stephen Hannahs was the Chairman and Chief Executive Officer at Wings Capital Partners until his retirement in 2023. Mr. Hannahs and Two Sigma Private Investments (now Sightway Capital) formed Wings Capital Partners in October 2013. Mr. Hannahs also co-founded Aviation Capital Group (“ACG”) and served as its Chief Executive Officer and Group Managing Director until December 31, 2012. Prior to forming ACG, he served as an Executive Vice President at Integrated Resources Inc. and President at Integrated Resources Aircraft Corporation. From 1980 to 1982, Mr. Hannahs was a Vice President and partner in Tanon Leasing Corporation, a partnership with the Hillman Company of Pittsburgh, where he was responsible for all of Tanon's aviation activities. From 1977 to 1980 he was employed by Itel Corporation where he was responsible for airline and aviation financing activities. He is a former officer in the U.S. Air Force and holds a Bachelor of Arts and Master of Business Administration degrees in Finance from the University of Wisconsin-Madison.

### CHORUS SECURITIES HELD OR CONTROLLED:

Class B Voting Shares:	Nil
Deferred Share Units:	211,793
Total Class B Voting Shares and Deferred Share Units:	211,793
Total Value of Securities:	\$457,473

Mr. Hannahs' holdings exceed the minimum director share ownership requirement.

**PUBLIC BOARD MEMBERSHIPS (PAST FIVE YEARS):** None

### CORE COMPETENCIES:



Core  
Industries



International  
Markets



M&A/  
Capital Market



Senior  
Executive

### 2023 Annual Meeting of Shareholders Voting Results

# Votes For	% Votes For	# Votes Against	% Votes Against
68,912,695	98.77%	861,333	1.23%



**AGE:** 52

**INDEPENDENT**

**COMMITTEES:**

- Human Resources and Compensation (Chair)
- Audit, Finance and Risk

## ALAN JENKINS

Director of Chorus since June 21, 2021

Ireland

Alan Jenkins is a corporate director and aviation industry advisor with over 25 years of experience in the aviation industry. Mr. Jenkins was the CFO of Genesis Lease Limited, a NYSE listed global aircraft lessor from prior to its IPO in December 2006 through to an all-stock merger with AerCap (NYSE: AER) in March 2010 and President, COO and CFO of Waypoint Leasing from April 2013 to March 2019, a global helicopter lessor restructured and sold to Macquarie in 2019; Mr. Jenkins was an executive founder of both businesses. Mr. Jenkins was also CFO of Nordic Aviation Capital from September 2019 to September 2020 and Head of Commercial at AWAS (acquired by DAE Capital in 2017) from March 2001 to September 2006, respectively two leading global regional and commercial aircraft lessors, and ran his own aviation consultancy business from September 2010 to March 2013. Mr. Jenkins originally started his career in financial services with KPMG. Mr. Jenkins has raised over \$6 billion in aviation related capital and executed or advised on over \$70 billion of M&A aviation leasing transactions. Mr. Jenkins is a fellow of ACCA (Association of Chartered Certified Accountants) and has completed the Chartered Director program with the Institute of Directors in Ireland.

### CHORUS SECURITIES HELD OR CONTROLLED:

Class B Voting Shares:	Nil
Deferred Share Units:	99,880
Total Class B Voting Shares and Deferred Share Units:	99,880
Total Value of Securities:	\$215,741

Mr. Jenkins has until June 2026 to meet the minimum director share ownership requirement.

**PUBLIC BOARD MEMBERSHIPS (PAST FIVE YEARS):** None

### CORE COMPETENCIES:



Core Industries



Financial/  
Audit & Risk



M&A/  
Capital Market



Senior  
Executive

### 2023 Annual Meeting of Shareholders Voting Results

# Votes For	% Votes For	# Votes Against	% Votes Against
69,029,240	98.93%	744,788	1.07%



**AGE:** 68

**INDEPENDENT**

**COMMITTEES:** None

## AMOS KAZZAZ

Director of Chorus since June 29, 2020

Colorado,

U.S.A.

Amos Kazzaz retired on July 1, 2023 as the Executive Vice President and Chief Financial Officer at Air Canada. In this role, he oversaw for Air Canada's overall financial strategic direction, comprising all aspects of financial reporting and planning, investor relations, treasury and controller's operations, taxation, pension administration, internal audit, fleet, procurement and corporate real estate.

Mr. Kazzaz was previously Senior Vice President, Finance at Air Canada, with responsibility for strategic procurement, strategic initiatives, fleet, corporate real estate, financial planning and analysis, cost reduction initiatives and financial support for all Air Canada branches. He joined the airline in May 2020 as Vice President, Financial Planning and Analysis.

Prior to joining Air Canada, Mr. Kazzaz held extensive senior executive roles within the airline and transportation sector. He had a 24-year career at United Airlines, where he had held a number of executive positions including that of Vice President, Cost Management and Vice President, Financial Planning and Analysis, as well as leading a number of United's divisions.

Mr. Kazzaz holds an MBA in Finance from The University of Denver and a B.A. in International Affairs from the University of Colorado at Boulder.

Mr. Kazzaz is nominated to the Board pursuant to the Air Canada Investor Rights Agreement.

### CHORUS SECURITIES HELD OR CONTROLLED:

Class B Voting Shares:	Nil
Deferred Share Units:	138,823
Total Class B Voting Shares and Deferred Share Units:	138,823
Total Value of Securities:	\$299,858

Mr. Kazzaz holdings exceed the minimum director share ownership requirement.

**PUBLIC BOARD MEMBERSHIPS (PAST FIVE YEARS):** None

### CORE COMPETENCIES:



Core  
Industries



Health &  
Safety



International  
Markets



Senior  
Executive

### 2023 Annual Meeting of Shareholders Voting Results

# Votes For	% Votes For	# Votes Against	% Votes Against
69,165,432	99.13%	608,596	0.87%





**AGE:** 49

**INDEPENDENT**

**COMMITTEES:**

- Human Resources and Compensation

## DAVID LEVENSON

Director of Chorus since May 3, 2022

Ontario,  
Canada

David Levenson is the former global head of Brookfield Special Investments and Managing Partner at Brookfield Asset Management. Mr. Levenson joined Brookfield in 2004 and was Chief Investment Officer of its infrastructure business as well as head of its U.S. private equity activities before starting and leading Brookfield Special Investments. Mr. Levenson currently heads L Cap Holdings focused on private investments. He also sits on the board of Algonquin Power and Utilities Corp., a Canadian publicly traded company.

Mr. Levenson holds a Master of Business Administration degree from Harvard Business School and a Bachelor of Commerce degree from McGill University. He also holds the Chartered Financial Analyst designation.

Mr. Levenson is nominated to the Board pursuant to the Brookfield Investor Rights Agreement.

### CHORUS SECURITIES HELD OR CONTROLLED:

Class B Voting Shares:	63,000
Deferred Share Units:	N/A
Total Class B Voting Shares and Deferred Share Units:	63,000
Total Value of Securities:	\$136,080

Pursuant to an agreement with Brookfield, Mr. Levenson's compensation for serving as a director of Chorus is paid directly to Brookfield. As a result, Mr. Levenson is exempt from meeting Chorus' director share ownership requirement.

### PUBLIC BOARD MEMBERSHIPS (PAST FIVE YEARS):

Algonquin Power and Utilities Corp. February 2024 - Present

### CORE COMPETENCIES:



Financial/  
Audit & Risk



International  
Markets



M&A/  
Capital Market



Senior  
Executive

### 2023 Annual Meeting of Shareholders Voting Results

# Votes For	% Votes For	# Votes Against	% Votes Against
69,155,112	99.11%	618,866	0.89%



**AGE:** 66

**INDEPENDENT**

**COMMITTEES:**

- Governance, Safety and Sustainability (Chair)
- Human Resources and Compensation

## MARIE-LUCIE MORIN

Director of Chorus since February 17, 2016

Ontario,  
Canada

Marie-Lucie Morin was Executive Director at the World Bank from 2010 to 2013. Previously Ms. Morin pursued a 30-year career in Canada's Federal Public Service. She was appointed National Security Advisor to the Prime Minister and Associate Secretary to the Cabinet in 2008, having served as Deputy Minister for International Trade and Associate Deputy Minister of Foreign Affairs. Earlier in her career with the Department of Foreign Affairs and International Trade, Ms. Morin completed assignments in San Francisco, Jakarta, London, and Moscow. In 1997, she was appointed Ambassador to Norway with accreditation to Iceland. Ms. Morin was named Chevalier de la Légion d'honneur in 2012 and became a member of the Order of Canada in 2016. Ms. Morin serves on corporate and not-for-profit Boards. She is also a member of the National Security and Intelligence Review Agency (NSIRA).

### CHORUS SECURITIES HELD OR CONTROLLED:

Class B Voting Shares:	2,073
Deferred Share Units:	144,509
Total Class B Voting Shares and Deferred Share Units:	146,582
Total Value of Securities:	\$316,617

Ms. Morin holdings exceed the minimum director share ownership requirement.

### PUBLIC BOARD MEMBERSHIPS (PAST FIVE YEARS):

Sunlife of Canada	December 2021 - Present
Stantec Inc.	November 2016 - Present

### CORE COMPETENCIES:



Cybersecurity/  
IT



Environmental/  
Social



International  
Markets



Legal/  
Public Policy

### 2023 Annual Meeting of Shareholders Voting Results

# Votes For	% Votes For	# Votes Against	% Votes Against
66,226,323	94.92%	3,547,705	5.08%



**AGE:** 56

**INDEPENDENT**

**COMMITTEES:** None

## PAUL RIVETT

Director of Chorus since June 21, 2021  
Chair of the Board of Directors since May 3, 2022

Ontario,  
Canada

Paul Rivett oversees a family office with investments in a number of businesses, including media, entertainment and gaming and industrial companies. He was previously the co-founder and Chairman of NordStar Capital. Prior to co-founding NordStar, Mr. Rivett served as the President of Fairfax Financial Holdings Limited, a global insurance holdings and value investing company, where he worked for nearly two decades. Mr. Rivett currently serves as Chair on the boards of GreenFirst Forest Products and Chorus Aviation, and Executive Vice-Chair of Gold Reserve. He has previously been Chair of a number of notable boards, including Chair of Torstar, Chair of Recipe Unlimited, Chair of VerticalScope, along with Vice-Chair of Fairfax Africa. Several other past Board roles include PEAK Athletics (Bauer & Easton Sports), TeamSnap, Golf Town & Sporting Life, Dexterra, NorthStar Gaming, Arctic Gateway Group, AGT Foods, MEGA Brands, Resolute Forest Products, Canadian Press and The Brick.

Mr. Rivett holds a Bachelor's Degree in Economics from the University of Toronto, a Master's Degree in Industrial Relations from Queen's University, and a Law Degree from Queen's University. He is also a Canadian Securities Registered Portfolio Manager.

### CHORUS SECURITIES HELD OR CONTROLLED:

Class B Voting Shares:	202,870
Deferred Share Units:	95,892
Total Class B Voting Shares and Deferred Share Units:	298,762
Total Value of Securities:	\$645,326

Mr. Rivett's holdings exceed the minimum director share ownership requirement.

### PUBLIC BOARD MEMBERSHIPS (PAST FIVE YEARS):

Gold Reserve Inc.	May 2024 – Present
GreenFirst Forest Products Inc.	October 2021 – Present
VerticalScope Inc.	September 2021 – February 2023
Recipe Unlimited Corporation	December 2020 – December 2022
Fairfax Africa	December 2016 – September 2020
PEAK Athletics	June 2017 – January 2020

### CORE COMPETENCIES:



Financial/  
Audit & Risk



International  
Markets



M&A/  
Capital Market



Senior  
Executive

### 2023 Annual Meeting of Shareholders Voting Results

# Votes For	% Votes For	# Votes Against	% Votes Against
69,285,896	99.30%	488,132	0.70%



**AGE:** 38

**INDEPENDENT**

**COMMITTEES:**

- Audit, Finance and Risk
- Governance, Safety and Sustainability

## FRANK YU

Director of Chorus since May 3, 2022

New York,  
U.S.A.

Frank Yu is a Managing Partner in Brookfield's Private Equity Group responsible for investment origination, analysis and execution in the Brookfield Special Investments Fund.

Prior to joining Brookfield in 2019, Mr. Yu worked at Blackstone in its Tactical Opportunities group. Prior to Blackstone, Mr. Yu worked at Oaktree Capital Management in its Mezzanine Finance group and began his career in investment banking at Moelis & Company and Rothschild Inc.

Mr. Yu holds a Bachelor of Science Degree from the Stern School of Business at New York University.

Mr. Yu is nominated to the Board pursuant to the Brookfield Investor Rights Agreement.

### CHORUS SECURITIES HELD OR CONTROLLED:

Class B Voting Shares:	N/A
Deferred Share Units:	N/A
Total Class B Voting Shares and Deferred Share Units:	N/A
Total Value of Securities:	Nil

Pursuant to an agreement with Brookfield, Mr. Yu's compensation for serving as a director of Chorus is paid directly to Brookfield. As a result, Mr. Yu is exempt from meeting Chorus' director share ownership requirement.

**PUBLIC BOARD MEMBERSHIPS (PAST FIVE YEARS):** None

### CORE COMPETENCIES:



Core  
Industries



Financial/  
Audit & Risk



International  
Markets



M&A/  
Capital Market

### 2023 Annual Meeting of Shareholders Voting Results

# Votes For	% Votes For	# Votes Against	% Votes Against
68,953,027	98.82%	821,001	1.18%

## DIRECTOR COMPENSATION

The compensation program for members of the Board is designed to attract and retain highly talented and experienced directors focused on the long-term success of Chorus. This requires that directors of Chorus be adequately and competitively compensated.

The Board has determined that non-executive directors should be compensated in a form and amount which is appropriate and customary for comparable corporations, having regard for such matters as time commitment, responsibility and trends in director compensation. Mr. Copp, Chorus' President and Chief Executive Officer ("**CEO**"), does not receive any additional compensation for his services as a director; his compensation is fully earned as President and CEO of Chorus.

Each non-executive director is paid a flat annual fee to cover all of their responsibilities, attendance and work performed during the year. Directors are also reimbursed for expenses incurred for attendance at Board and committee meetings, as applicable.

### Compensation Components

Director annual compensation is payable in cash and deferred share units ("**DSUs**"). A director may elect to have the cash component of their annual base retainer and/or any additional committee retainers payable in the form of DSUs or a combination of DSUs and cash. DSUs are notional units whose value is equal to the value of the shares of Chorus. DSUs are designed to promote the alignment of interests between individual non-executive directors and the shareholders of Chorus. DSUs may only be redeemed for cash and will be paid out only after the director ceases to be a director, or in the case of a U.S. taxpayer, after the date such person incurs a "separation from service" under applicable U.S. law.

Directors domiciled outside of Canada are paid their retainers and receive their annual DSU grants in U.S. Dollars on a 1:1 basis against the Canadian Dollar.

In 2023, the Governance, Safety and Sustainability Committee engaged a compensation consultant to complete a market review of director compensation. Based on this review, the Board, on the recommendation of the Governance, Safety and Sustainability Committee, approved changes to the director compensation program effective April 1, 2023. Prior to this amendment, apart from the decision to pay directors domiciled outside of Canada in U.S. Dollars, Chorus' director compensation program had not changed since the beginning of 2018. The table below outlines the current director compensation program.

<b>Role</b>	<b>Annual Base Retainer*</b>	<b>Annual Equity Grant (DSUs)*</b>	<b>Annual Total</b>
Chair of the Board	\$150,000	\$125,000	\$275,000
All Other Directors	\$75,000	\$100,000	\$175,000
Meeting Attendance	<i>No Meeting Fees</i>		

<b>Committee Fees</b>	<b>Committee Chair Annual Retainer*</b>	<b>Committee Member Annual Retainer*</b>
Audit, Finance and Risk	\$20,000	\$7,500
Other Committees	\$15,000	\$5,000

\*Amounts in these columns are paid in cash, part cash and part DSUs, or all in DSUs at the election of the individual director. Cash retainers and DSU grants for directors domiciled outside of Canada are stated in U.S. Dollars.

Non-executive directors also receive an annual grant of travel reward miles upon election (or re-election) to the Board. As these travel reward miles are a taxable benefit, they receive a payment to address the related income tax. Non-executive directors may elect to receive the equivalent cash payment (in Canadian Dollars only) in lieu of the annual grant of travel reward miles.

As previously stated in this circular, the compensation earned by Messrs. Levenson and Yu for serving as directors of Chorus (including the cash value of DSU awards and travel reward miles) is paid to Brookfield.

## Share Ownership Requirements for Directors

In 2023, the share ownership guidelines for non-executive directors were also amended. Directors are expected to hold an equity position in Chorus valued at no less than five times their annual cash retainer (up from three times their annual base retainer prior to 2023). Our share ownership guidelines require that such share ownership be achieved within five years of the date of appointment, subject to exceptional circumstances. Upon achieving the revised share ownership target, directors have the option to receive all compensation (including the value of the annual DSU grant) in cash but are encouraged to invest 30% of their annual director compensation in DSUs or shares.

The target value of shares and DSUs for purposes of the director share ownership guidelines is the greater of (i) the current market value of the shares (as of a recent date specified in this circular) and (ii) the market value of Chorus' shares as of the date the DSUs were granted or the shares were acquired. For share ownership requirements applicable to Mr. Copp, please refer to the "Executive Compensation" section of this circular.

As of May 6, 2024 all director nominees were in compliance with the Corporation's minimum share ownership guidelines in that their holdings exceeded the minimum targets or they were progressing toward meeting the minimum requirements by the date specified for compliance in Chorus' share ownership guidelines. Messrs. Levenson and Yu are exempt from these guidelines because all of their compensation for serving as directors of Chorus is paid to Brookfield.

The table below shows the value of DSUs issued to each director during 2023 and the value of DSUs held by each director as at December 31, 2023 based on the market value of the Chorus' shares at that date.

Name	Value of DSUs issued during 2023 (1)	Market value of DSUs held at December 31, 2023 (2)(3)
	(\$)	(\$)
Karen Cramm	77,500	501,700
Gail Hamilton	102,625	163,243
R Stephen Hannahs	115,984	500,328
Alan Jenkins	117,663	180,259
Amos Kazzaz	125,000	278,016
David Levenson <sup>(4)</sup>	87,500	-
Marie-Lucie Morin	97,625	313,676
Paul Rivett	97,500	199,061
Frank Yu <sup>(4)</sup>	132,788	-

(1) This reflects the value of DSUs awarded in 2023 and includes DSUs awarded as part of the equity grants as well as DSUs received in lieu of the board and/or committee retainers. All amounts in the table are stated in Canadian Dollars with U.S. Dollar amounts converted into Canadian Dollars using the Bank of Canada exchange rate prevailing on the date of each DSU grant.

(2) Amounts represent the aggregate balance of DSUs awarded based on a closing price of Chorus' shares on December 31, 2023 of \$2.56 per share.

(3) The value of the DSUs cannot be paid until after retirement from the Board or in the case of a U.S. taxpayer, subsequent to the date such person incurs a "separation from service" under applicable U.S. law.

(4) As Messrs. Levenson and Yu were appointed by Brookfield, all of their director compensation, including the value of the equity grants, is paid to Brookfield. As Mr. Yu is domiciled outside of Canada, his equity grant was calculated in U.S. Dollars.



## Director Compensation in 2023

The table below shows the amounts earned by individual non-executive directors of Chorus for the year ended December 31, 2023 in respect of their service on the Board and its committees. Mr. Copp is not included in this table; his compensation is fully explained in this circular under “Executive Compensation.” As indicated above, upon achieving the share ownership target, directors can elect to receive all compensation (including the value of the annual DSU grant) in cash.

	<b>Director Annual Base Retainer (1)(2)</b>	<b>Committee Annual Retainer(s) (1)(2)</b>	<b>Committee Chair Annual Retainer(s) (1)(2)</b>	<b>Equity Grant (DSUs) Share-Based Awards (1)(3)</b>	<b>Other (4)</b>	<b>Total for 2023 (5)(1)</b>
<b>Name</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Karen Cramm	75,000	4,500	18,750	87,500	7,360	193,110
Gail Hamilton	75,000	11,375	-	87,500	7,360	181,235
R Stephen Hannahs	101,124	12,126	-	117,663	7,360	238,273
Alan Jenkins	101,124	9,266	18,528	117,663	7,360	253,941
Amos Kazzaz	75,000	-	-	87,500	7,360	169,860
David Levenson <sup>(6)</sup>	75,000	4,500	-	87,500	7,360	174,360
Marie-Lucie Morin	75,000	4,500	13,750	87,500	7,360	188,110
Paul Rivett	150,000	-	-	118,750	7,360	276,110
Frank Yu <sup>(7)</sup>	101,124	15,330	-	117,903	7,360	241,717

- (1) Messrs. Hannahs, Jenkins and Yu are domiciled outside of Canada and therefore their director fees and DSU awards were paid in U.S. Dollars. All amounts in the table are stated in Canadian Dollars with U.S. Dollar amounts converted into Canadian Dollars using the Bank of Canada exchange rate prevailing on the date of each payment or DSU grant.
- (2) Directors have the option to elect to receive all or a portion of their annual base retainer and/or committee retainer(s) paid in DSUs. The value of these DSUs received in lieu of cash is reflected in the values in the columns “Director Annual Base Retainer” and “Committee Annual Retainer”. The following directors elected to receive a percentage of their cash retainer(s) in DSUs:
  - Mr. Kazzaz receives 50% of his retainer in DSUs.
  - Ms. Hamilton receives 5% of her Board retainer in DSUs and 100% of her committee retainers in DSUs.
- (3) Effective April 1, 2023, directors who have met the revised share ownership guidelines have the option to elect to receive their DSU grant, or a portion thereof, in cash. The column reflects the total value of the DSU grant paid to each director for the year, whether paid in DSUs or cash. The following directors elected to receive a percentage of the value of their DSU grant in cash:
  - Ms. Cramm receives 40% of the value of her DSU grant in cash.
  - Mr. Hannahs receives 44.5% of the value of his DSU grant in cash.
  - Mr. Rivett receives 34% of the value of his DSU grant in cash.
- (4) Directors, other than the President and Chief Executive Officer, receive an annual grant of travel reward miles upon election (or re-election) to the Board. These travel reward miles are a taxable benefit, and the directors receive a payment to address the related income tax. Directors were offered the option of receiving an equivalent value in cash. Mr. Hannahs, Mr. Jenkins and Mr. Rivett elected to receive the cash amount. The value of the travel reward miles, or cash equivalent, is included as other income. The grant of travel miles for Messrs. Levinson and Yu was satisfied with a cash payment to Brookfield.
- (5) The value of the aggregate number of DSUs credited to each director during 2023 (including DSU grants and DSUs taken in lieu of cash retainers) are for set out in the table included under “Share Ownership Requirements for Directors”. Please see footnotes 6 and 7 for details on fees paid for Messrs. Levenson and Yu’s services as Directors.
- (6) Mr. Levenson was nominated by Brookfield, with all of his director compensation paid to Brookfield. For 2023, the cash retainer and annual DSU grant (which was satisfied with a cash payment to Brookfield) were paid in Canadian Dollars.
- (7) Mr. Yu was nominated by Brookfield, with all of his director compensation was paid directly to Brookfield. For 2023, the cash retainer and annual DSU grant (which was satisfied with a cash payment to Brookfield) were awarded and paid in U.S. Dollars.

## STATEMENT OF GOVERNANCE PRACTICES

Chorus is committed to maintaining effective corporate governance policies and practices, and to this end regularly evaluates and, where considered appropriate by the Board, implements new policies and practices with a view to enhancing Chorus' approach to corporate governance. Set out below is a summary of Chorus' principal corporate governance policies and practices:

- Code of Ethics and Business Conduct sets out the standard of conduct expected of all Chorus' directors, officers and employees. Annual certification and recurrent training processes reinforce the importance of compliance with the Code.
- Ethics Reporting Policy encourages the full and timely reporting of all misconduct by providing a confidential process and protection from reprisal for those who submit reports in good faith.
- Human Rights Policy reflects our commitment to conduct business consistent with international standards for the protection of human rights.
- Board Diversity Policy sets out the Board's commitment to diversity within the Board and among senior management. The policy includes a quantitative target for gender diversity on the Board and specific measures to improve Chorus' ability to identify and recruit diverse talent.
- Supplier Code of Ethics sets out the guiding principles that we expect in the provision of goods and services to Chorus.
- Board and Individual Board Member Performance Assessment Policy outlines the process followed by the Board to assess the Board's performance. The Board uses the results of these assessments to improve its processes and identify the resources, knowledge and skills needed for the Board's proper functioning.
- Guidelines on Trading prohibit insiders from engaging in transactions designed to hedge or otherwise limit the economic risk associated with their ownership of Chorus securities and provide general guidance to all insiders on compliance with prohibitions on insider trading and tipping.
- Compensation Recoupment Policy permits Chorus to cancel and/or recoup incentive compensation payable or paid to an executive officer or any other employee with material oversight responsibilities over the preparation of Chorus' financial statements in the event that their misconduct contributed to a financial restatement.
- Chorus' Long-Term Incentive Plan ("**LTIP**") includes a double trigger requirement in the event of a change of control (see "*Key Terms of the LTIP*") and a prohibition on the repricing of options.
- By-laws include advance notice provisions to ensure that all shareholders are treated fairly and provided with timely information in connection with the nomination of directors.
- The Board's mandate, the charters of the Board's standing committees, and the position descriptions for the Board Chair, the Chairs of the Board's standing committees, and the President and CEO clearly define the respective roles and responsibilities for each of those bodies and offices.
- In addition to in camera sessions with Chorus' external auditors, regular in camera sessions are held between the members of the Audit, Finance and Risk Committee and the chief financial officer and the internal auditor in order to facilitate candid discussions in relation to financial reporting or compliance matters.
- The Board of Directors holds in camera sessions at which only independent directors are present at each quarterly meeting of the Board and most other meetings of the Board.
- Directors who have an interest in a material contract or transaction with Chorus, whether made or proposed, are required to disclose their interest to Chorus and abstain from voting on any Board resolution to approve the contract or transaction (save in circumstances permitted by law).
- A "Say on pay" vote is included on the agenda of each annual meeting of shareholders in order to provide shareholders the opportunity to cast an advisory vote on Chorus' approach to executive compensation.
- Director education program includes a comprehensive orientation for new directors, access to education opportunities through a corporate membership with the Institute of Corporate Directors, site visits, regular interaction with executive officers of the Corporation, quarterly business updates, and scheduled presentations on relevant topics.

## Board of Directors

### Board Size

Ten director nominees are being proposed for election at the meeting.

### Current Board and Committee Composition

Director	Year Elected or Appointed to the Board	Audit, Finance and Risk Committee	Human Resources and Compensation Committee	Governance, Safety and Sustainability Committee
Colin Copp	2023	–	–	–
Karen Cramm	2010	Chair	–	✓
Gail Hamilton	2021	✓	–	✓
R Stephen Hannahs	2015	–	✓	✓
Alan Jenkins	2021	✓	Chair	–
Amos Kazzaz <sup>(1)</sup>	2020	–	–	–
David Levenson <sup>(2)</sup>	2022	–	✓	–
Marie-Lucie Morin	2016	–	✓	Chair
Paul Rivett <sup>(3)</sup>	2021	–	–	–
Frank Yu <sup>(2)</sup>	2022	✓	–	✓

(1) Mr. Kazzaz joined the Board on June 29, 2020 in accordance with the terms of the Air Canada Investor Rights Agreement (a copy of which is available under Chorus' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)).

(2) Messrs. Levenson and Yu joined the Board on May 3, 2022 in accordance with the terms of the Brookfield Investor Rights Agreement (a copy of which is available under Chorus' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)).

(3) Mr. Rivett is Chair of the Board.

### Director Independence

The Chair of the Board must be an independent director. Chorus' separation of the Chair of the Board and President and CEO roles enables more effective oversight of management.

The mandate of the Board of Directors provides that the Board of Directors shall, at all times, be composed of a majority of individuals who must be determined to have no material relationship with Chorus and who, in the reasonable opinion of the Board of Directors, must be independent under the laws and stock exchange listing requirements to which Chorus is subject. Based on the information received from each nominee for election as a director, the Board has concluded that nine of the 10 nominees are independent under applicable laws and listing requirements. One of the nominees, Colin Copp, is not independent for the reason indicated below.

All committee members must be independent.

Name	Independence Status		Reason for Non-Independence
	Independent	Not Independent	
Colin Copp		✓	President and CEO of Chorus
Karen Cramm	✓		
Gail Hamilton	✓		
R Stephen Hannahs	✓		
Alan Jenkins	✓		
Amos Kazzaz	✓		
David Levenson	✓		
Marie-Lucie Morin	✓		
Paul Rivett	✓		
Frank Yu	✓		

### ***In Camera Sessions of Independent Directors***

At each quarterly Board of Directors meeting, and most other meetings of the Board, time is reserved for the independent directors to meet in camera without members of management or the non-independent directors present. Questions and comments formulated during in camera sessions are then passed on to management and the non-independent directors, as appropriate. During the year ended December 31, 2023, eight (8) such in camera sessions were held among the independent directors.

During 2023, the Audit, Finance and Risk Committee, the Governance, Safety and Sustainability Committee and the Human Resources and Compensation Committee each held four (4) in camera sessions in the absence of the executive director and other members of management. Committees sometimes elected to hold their in camera sessions jointly with other committees.

### ***Attendance Record***

The attendance record of each director at meetings of the Board and its committees held in 2023 is shown below. Committee meeting attendance for each director is shown only for those committees which the director is a member of.

<b>Director</b>	<b>Board</b>	<b>Audit, Finance and Risk Committee</b>	<b>Human Resources and Compensation Committee</b>	<b>Governance, Safety and Sustainability Committee</b>	<b>Overall Attendance (1)</b>
Colin Copp	8 of 8	-	-	-	100%
Karen Cramm	9 of 9	4 of 4	-	4 of 4	100%
Gail Hamilton	9 of 9	4 of 4	-	4 of 4	100%
R Stephen Hannahs	9 of 9	-	4 of 4	4 of 4	100%
Alan Jenkins <sup>(2)</sup>	8 of 9	4 of 4	4 of 4	-	94%
Amos Kazzaz <sup>(3)</sup>	8 of 9	-	-	-	89%
David Levenson	9 of 9	-	4 of 4	-	100%
Marie-Lucie Morin	9 of 9	-	4 of 4	4 of 4	100%
Paul Rivett	9 of 9	-	-	-	100%
Frank Yu	9 of 9	4 of 4	-	4 of 4	100%

(1) Overall attendance does not reflect attendance by Board members as observers at meetings of the Board committees of which they are not members.

(2) Mr. Jenkins attended all Board meetings except one meeting that was called on short notice.

(3) Mr. Kazzaz attended all Board meetings except one meeting from which he recused himself in accordance with the Corporation's governance protocols.

Non-attendance at Board and committee meetings is rare and is usually attributed to unexpected or exceptional circumstances. If directors are unable to attend Board or committee meetings, they nonetheless receive the relevant meeting materials. Directors are encouraged to attend other committee meetings on a non-voting basis.

### ***Board Mandate***

The Board has adopted a written mandate which sets out, among other things, the Board's roles and responsibilities. The Mandate of the Board of Directors can be found at Appendix "A" to this circular.

### ***Position Descriptions***

#### ***Chair of the Board***

The Board has adopted a position description for the Chair of the Board. The Chair is responsible for, among other things: (i) ensuring that the responsibilities of the Board are well understood; (ii) encouraging the Board to work as a cohesive team, leveraging the expertise, skills and perspectives of all Board members; (iii) ensuring that the Board has available to it on a timely basis all relevant information, professional advice and other resources required for the Board's effective functioning; (iv) ensuring sufficient time and attention are given to fulfilling the Board's duties and responsibilities, including by ensuring the Board's committees are appropriately constituted and instructed; (v) overseeing the

development of meeting agendas and ensuring the frequency, length and content of such meetings are appropriate; (vi) monitoring relationships and interests with a view to ensuring the Board maintains the level of independence required for its effective functioning; (vii) ensuring that a process is in place by which the contribution of individual directors and the effectiveness of the Board as a whole are assessed; and (viii) chairing every meeting of the Board and encouraging candid discussion at such meetings.

### ***President and CEO***

The Board has adopted a position description for the President and CEO of Chorus. The President and CEO is accountable for the day-to-day management of Chorus' business and affairs in accordance with the policies, strategic objectives and operating plans and budgets approved by the Board. The President and CEO is expected to foster a culture of integrity throughout Chorus, keep the Board apprised of all significant developments, and seek the approval of the Board for all matters outside the ordinary course of the Chorus' business.

More specifically, the primary responsibilities of the President and CEO include the following: (i) developing, for the Board's approval, the Corporation's strategic objectives and overall direction; (ii) developing, for the Board's approval, annual operating plans and budgets that support the achievement of the Corporation's strategic objectives; (iii) maintaining a high level of employee morale and motivation, and fostering a corporate culture that promotes strong ethical practices and a focus on customer satisfaction; (iv) maintaining a strong working relationship with the Board and keeping the Board informed of opportunities and threats in the marketplace; and (v) ensuring that the Corporation has an effective management team below the level of the President and CEO and an effective plan for its development and succession.

### ***Chair of Each Committee***

The Board has adopted position descriptions for the Chairs of each of the Audit, Finance and Risk Committee, the Governance, Safety and Sustainability Committee, and the Human Resources and Compensation Committee. Under such position descriptions, the Chair of each committee is required to, among other things: (i) ensure that the committee fulfils the duties and responsibilities set out in its charter; (ii) ensure that meetings are appropriate in terms of frequency, length and content, and that members are able to engage in candid discussion and raise important issues for discussion; (iii) ensure that the committee has available to it on a timely basis all relevant information, professional advice and other resources required for the committee's effective functioning; (iv) ensure that members maintain the level of independence required by law and that they possess the skills and experience required by the committee; (v) monitor the committee's overall effectiveness and, in consultation with the Board Chair, make appropriate recommendations to the Board regarding the committee's charter, structure and membership; and (vi) carry out other duties as requested by the Board.

In addition, the position descriptions for the Chairs contain requirements that are specific to each committee. The Chair of the Audit, Finance and Risk Committee is required to ensure that (i) members are financially literate, (ii) the Corporation's external auditors report directly to the committee and that committee members have access to the external and internal auditors, and (iii) the committee is kept apprised of the Corporation's principal risks and that the committee plays a lead role in overseeing the implementation of policies and procedures for the appropriate assessment, disclosure, management and monitoring of those risks. The Chair of the Governance, Safety and Sustainability Committee is required to ensure that (i) the committee is kept apprised of developments in the area of corporate governance, and that the committee plays a lead role in developing the Corporation's approach to corporate governance, and (ii) he or she plays a lead role in recruiting individuals identified by the committee for election or appointment as directors. The Chair of the Human Resources and Compensation Committee is required to ensure that (i) the committee is kept apprised of developments in the area of executive compensation, and that the committee plays a lead role in developing the Corporation's compensation philosophy, and (ii) as and when required, he or she plays a lead role in approaching individuals identified by the committee for appointment as CEO of the Corporation.

### ***Orientation***

Chorus has in place an orientation program for new directors. The orientation program helps new directors improve their understanding of Chorus' business and approach to corporate governance so that they can fully engage and contribute to the work of the Board and its committees in a meaningful way.

New directors attend orientation sessions with the President and CEO, the Chief Financial Officer, the Executive Vice President and Chief Strategy Officer, and other members of senior management of Chorus. These sessions are tailored to suit the background and experience of each new director, but generally include a briefing on each of Chorus' principal lines of business, corporate structure and governance practices.

As part of their orientation, new directors receive access to reference materials, including the following:

- most recent Chorus Annual Audited Consolidated Financial Statements and MD&A;
- most recent Chorus Unaudited Interim Condensed Consolidated Financial Statements and MD&A;
- most recent Chorus Annual Information Form;
- most recent Chorus Management Proxy Circular;
- mandate of the Board of Directors and charters for each of the Board's standing committees;
- position descriptions for each of the Chair of the Board, the President and CEO and the Chair of each of the Board's standing committees;
- most recent Chorus budget and long-range plan;
- organizational charts reflecting all Chorus subsidiaries and details of their executive teams;
- Chorus' Guidelines on Trading for insiders;
- Chorus' Public Disclosure Policy;
- Chorus' Code of Ethics and Business Conduct;
- Chorus' Ethics Reporting Policy; and
- Chorus' Board Diversity Policy.

New directors also meet with the Chairs of the Board and each of its standing committees and may attend any Board and committee meetings held shortly before becoming a member in order to facilitate their onboarding. When possible, new directors tour corporate facilities during the orientation period.

### **Continuing Education**










The Governance, Safety and Sustainability Committee is, among other things, responsible for providing continuing education opportunities for the Corporation's directors. Management assists by regularly providing directors with access to analyst reports, industry publications, industry benchmarking information, and articles on developments in the area of corporate governance and sustainability. At each regular Board meeting, the directors are also provided with updates on the competitive landscape and the performance of each of the Corporation's principal subsidiaries. Select articles and presentations are also routinely provided to directors to keep current their knowledge and understanding of Chorus' industry and its attendant challenges and opportunities. Furthermore, site visits and facility tours are periodically arranged to provide directors with an opportunity to enhance their understanding of the operational aspects of Chorus' business.

In 2022, the Board attended a management presentation on aviation safety management systems and an industry update presented by Airbus. In 2023, several of the members of the Board attended a market update presented by Avions de Transport Régional GIE (ATR).

The Corporation is a member of the Institute of Corporate Directors ("ICD"). This membership provides Chorus directors with access to education programs and regular updates on corporate governance developments. Over the course of 2023, some of the directors participated in education programs provided by ICD and other organizations on various topics, including diversity disclosure practices, board cybersecurity governance, new aircraft technology, aviation industry updates, a director's role in talent management, and environmental, social and governance developments.









## Board Skills Matrix

The table below shows the skills and experience of each director nominee in areas identified as necessary for effective oversight of Chorus given its current operations and strategy. The table below identifies the top four competencies of each of our director nominees.

	CORE SKILLS								
	 Core Industries	 Cybersecurity/IT	 Health & Safety	 Financial/Audit & Risk	 Environmental/Social	 International Markets	 Legal/Public Policy	 M&A/Capital Market	 Senior Executive
Copp	●		●					●	●
Cramm			●	●	●	●			
Hamilton	●		●	●					●
Hannahs	●					●		●	●
Jenkins	●			●				●	●
Kazzaz	●			●		●			●
Levenson				●		●		●	●
Morin		●			●	●	●		
Rivett				●		●		●	●
Yu	●			●		●		●	



The definition of each core skill is set out below:

	<b>Core Industries</b>	<ul style="list-style-type: none"> <li>• Relevant experience in the industries in which the company operates</li> <li>• Degree in the area</li> </ul>
	<b>Cybersecurity/IT</b>	<ul style="list-style-type: none"> <li>• Current or former executive role in the IT sector</li> <li>• Expertise in digital technology, cyber security, digital marketing, social media</li> <li>• Degree in area</li> </ul>
	<b>Environmental/ Social</b>	<ul style="list-style-type: none"> <li>• Former or current executive role with direct control and responsibility for environment and sustainability</li> <li>• Former or current role with direct accountability for environment and sustainability in the same industry</li> <li>• Proven knowledge of global environmental management</li> <li>• Former or current role in non-profit or non-governmental organization</li> <li>• Former or current leadership of a trade union or experience with workforce engagement</li> <li>• Degree in area</li> </ul>
	<b>Financial/ Audit &amp; Risk</b>	<ul style="list-style-type: none"> <li>• CA, CFA, former CFO (financial expert)</li> <li>• Current or former partner of an auditing company</li> <li>• Current or former role in auditing or accounting</li> <li>• Current or former executive role in the finance industry - bank, insurance company or fund manager</li> <li>• Expertise in underwriting and insurance</li> <li>• Degree in area</li> </ul>
	<b>Health &amp; Safety</b>	<ul style="list-style-type: none"> <li>• Former or current executive role with direct control and responsibility for health, safety and workplace environment</li> <li>• Former or current role with direct accountability for health, safety and workplace environment in the same industry</li> <li>• Former or current executive role in HR</li> <li>• Current member of another large cap company's safety, health and workplace environment committee</li> </ul>
	<b>International Markets</b>	<ul style="list-style-type: none"> <li>• Current or recent executive or advisory role in an overseas market where the company has operations</li> <li>• Proven knowledge of the overseas markets in which the company operates</li> </ul>
	<b>Legal/ Public Policy</b>	<ul style="list-style-type: none"> <li>• Current or former practicing lawyer, solicitor or barrister</li> <li>• Former or current partner in a law firm</li> <li>• Former or current general counsel</li> <li>• Former or current role in the government</li> <li>• Former or current executive role in a government organization, body, entity, institution</li> <li>• Public and private sector experience in economic policy development &amp; analysis</li> <li>• Degree in area</li> </ul>
	<b>M&amp;A/ Capital Market</b>	<ul style="list-style-type: none"> <li>• Current or former role in investment banking, funds management</li> <li>• Proven experience with M&amp;A</li> <li>• Proven experience with capital raisings</li> <li>• Current or former corporate advisory role</li> </ul>
	<b>Senior Executive</b>	<ul style="list-style-type: none"> <li>• Current or former executive of publicly listed company or large private multinational</li> </ul>

## Strategic Planning

The Board works with management to develop Chorus' strategic direction. Management prepares materials related to the strategic direction and presents them to the Board for discussion and, where required, approval. The Board is actively involved in the strategy setting process. Management and the Board discuss the main risks facing Chorus' business, corporate opportunities, changes in the competitive landscape and other strategic issues at each regularly scheduled Board meeting. The Board also conducts special meetings dedicated to the review and discussion of strategic initiatives and the approval of the annual budget and long-range plan.

## Code of Ethics and Business Conduct

Chorus has adopted a Code of Ethics and Business Conduct (the "**Code**"), which was most recently updated and approved by the Board of Directors effective August 3, 2023. The Code applies to all directors of Chorus as well as to all officers and employees of Chorus and its subsidiaries. A copy of the Code can be obtained under Chorus' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) or on Chorus' website at [www.chorusaviation.com](http://www.chorusaviation.com). The Code addresses, among other things, the following matters:

- roles and responsibilities of directors, management and employees;
- conflicts of interest;
- use and safeguarding of information and other assets;
- respecting privacy and confidentiality;
- fair dealing with suppliers, customers and competitors;
- compliance with laws, internal policies and controls;
- employment policies;
- computer, e-mail and Internet policies;
- reporting suspected non-compliance, including anonymous reporting; and
- protection against retaliation.

The Governance, Safety and Sustainability Committee is responsible for monitoring compliance with and interpreting the Code. In addition, all management and administrative employees of Chorus and its subsidiaries not covered by a collective agreement are required to complete an acknowledgement annually under which they undertake to comply with the Code. The Code also includes provisions encouraging employees to report violations, and the Ethics Reporting Policy (described below) provides assurances of confidentiality and non-reprisal for anyone who reports a suspected violation in good faith. The Board has concluded that such measures are appropriate and sufficient to ensure compliance with the Code. Since the adoption of the Code, Chorus has not filed any material change report pertaining to any conduct of a director or executive officer of Chorus that constitutes a departure from the Code.

In addition to the relevant conflict of interest provisions of the Code and the CBCA applicable to directors, the Board's mandate provides that the directors shall disclose all actual or potential conflicts of interest and refrain from voting on matters in which the director has a conflict of interest.

## Ethics Reporting Program

Chorus has established an ethics reporting program (the "**Ethics Reporting Program**") to facilitate the anonymous and confidential reporting of violations of the Code or other Chorus policies. The Ethics Reporting Program consists of a reporting hotline hosted by an external service provider that is available 24/7 and allows reports to be submitted anonymously or confidentially via telephone, Internet or mail facilities. Chorus has also adopted an Ethics Reporting Policy which provides detailed instructions for accessing the ethics reporting hotline, the information that should be submitted with a report to enable an investigation to be conducted, who will be responsible for or involved in conducting the investigation, and the protections afforded to employees who submit reports in good faith.

The Ethics Reporting Program is available and communicated to all employees of Chorus and its subsidiaries. The Chair of the Audit, Finance and Risk Committee monitors reports and ensures follow up, including investigation as required. There have been no instances of any waiver of the Code for any director or officer as a result of a report received through the Ethics Reporting Program or otherwise.

## **Nomination of Directors**

The Governance, Safety and Sustainability Committee is composed entirely of independent directors. It is responsible for considering and making recommendations on the desired size of the Board, the need for recruitment and the expected skill-set of new candidates. In consultation with the Chair of the Board and the President and CEO, the Governance, Safety and Sustainability Committee identifies the desired skills and experience sought in new candidates by taking into account the existing strengths of the Board and the needs of Chorus, including the desire for diversity. The Governance, Safety and Sustainability Committee then reviews candidates for nomination as directors, and the Board approves the final choice of candidates for nomination and election as directors by Chorus' shareholders. Directors must have an appropriate mix of skills, knowledge and experience in business and an understanding of the industry and the geographical areas in which Chorus operates. Directors selected should be able to commit the requisite time for all of the applicable Board business. In accordance with the Board's mandate, directors are expected to:

- demonstrate high ethical standards and integrity in their personal and professional dealings;
- act honestly and in good faith with a view to the best interests of Chorus;
- promptly disclose to their fellow directors any interest that they may have in a material contract or transaction with the Corporation, whether made or proposed;
- promptly disclose to their fellow directors any information that may be necessary or relevant for the conduct of the Corporation's business;
- devote sufficient time to the affairs of Chorus and exercise care, diligence and skill in fulfilling their responsibilities both as Board members and as committee members;
- provide independent judgment on a broad range of issues concerning Chorus;
- understand Chorus' strategic objectives and be capable of critically evaluating decisions and business plans against those objectives;
- make all reasonable efforts to attend all Board and committee meetings;
- review the materials provided by management in advance of Board and committee meetings;
- actively participate in meetings of the Board and each committee, encourage candid discussion of significant issues, and be willing to change their mind in appropriate circumstances; and
- welcome, and be prepared to offer, constructive feedback with a view to enhancing the Board's effectiveness.

Please see the "Committees" section of this circular for a description of the duties and responsibilities of the Governance, Safety and Sustainability Committee.

## **Compensation**

Please see the "Remuneration of Directors" section of this circular for the criteria used to determine the remuneration of the directors. Please see the "Executive Compensation" section of this circular for the process and criteria used to determine the compensation of the officers of Chorus.

Please see the "Committees" section of this circular for a description of the duties and responsibilities of the Human Resources and Compensation Committee and the Governance, Safety and Sustainability Committee as they relate to compensation issues.

## **Assessments**

A key element of Chorus' governance practices is an annual process to assess and improve the performance of individual directors, Board committees and the Board as a whole.

The performance assessment process is the responsibility of the Chair of the Governance, Safety and Sustainability Committee and is conducted in conjunction with the Board Chair.

Objectives of the assessment include:

- evaluating the mechanisms in place for the Board and each committee to operate effectively and make decisions in the best interests of Chorus;

- improving the overall performance of the Board by assisting individual directors to build on their strengths;
- identifying gaps in skills and educational opportunities for the Board and individual directors; and
- developing the Board's succession plan and recruitment efforts.

The director evaluation process consists of a survey which may be completed (or supplemented) by interviews between the Chair of the Board or the Chair of the Governance, Safety and Sustainability Committee and each director. The survey includes reference to the mandates of the committees and the responsibilities of the Board Chair, committee Chairs and directors as outlined in the relevant charters and position descriptions.

Each director is surveyed regarding:

- the effectiveness of the Board and each committee of the Board of which the director is a member, including suggestions for improvement;
- a skills self-assessment, which is designed to help determine the strengths and gaps in Board skills as a whole and to identify skill requirements for recruiting future directors and for Board succession planning; and
- the Board Chair's performance.

The Chair of the Governance, Safety and Sustainability Committee shares the results of the surveys with the Board, and the Governance, Safety and Sustainability Committee formulates recommendations to the Board arising from the feedback.

Approximately every five years, the assessment process is completed by an independent third party who compiles the results, meets individually with each director and provides a report to the Board Chair and the Chair of the Governance, Safety and Sustainability Committee, including recommendations, if any, on ways to improve the effectiveness of the Board. An independent third party was most recently engaged for this assessment in late 2023.

On a quarterly basis, the Chair of each committee reports to the Board on the activities of their committee. If appropriate, the Board considers procedural or substantive changes to increase the effectiveness of the Board and its committees.

Annually, each committee reviews and reassesses the adequacy of its charter and recommends changes to the Governance, Safety and Sustainability Committee and the Board. As well, each committee regularly monitors the discharge of the duties and responsibilities set forth in its charter to ensure they are fulfilled.

### **Directorships with Other Public Companies**

The following current or proposed directors of Chorus are also directors of other public companies:

- David Levenson is currently a director of Algonquin Power and Utilities Corp.
- Marie-Lucie Morin is currently a director of Stantec Inc. and Sunlife of Canada.
- Paul Rivett is currently a director of GreenFirst Forest Products Inc. and Gold Reserve Inc.

There are no interlocking outside public company directorships among any of the current or proposed members of the Board. Please see "The Nominated Directors" section in this circular for additional information relating to each director nominated for election, including other boards on which they serve.

## ESG UPDATE

We have a responsibility to contribute to the sustainability of the communities where we live and work. Our values - Listen, Collaborate, and Improve - are fundamental to our continued success and commitment to sustainability.

### Environmental

#### *Reporting and Climate Risk*

Chorus' sustainability reporting is prepared in accordance with the Global Reporting Initiative ("GRI") standards and aligns with seven of the 17 United Nations Sustainable Development Goals (the "SDGs") where we believe Chorus can have the most impact: Good Health and Well-Being; Gender Equality; Decent Work and Economic Growth; Reduced Inequalities; Responsible Consumption and Production; and Climate Action and Partnerships. Please see Chorus' most recent sustainability report (available on our website at [www.chorusaviation.com](http://www.chorusaviation.com)) for details regarding our alignment with the SDGs and the GRI index.

Chorus recognises that both climate change-related risks and opportunities impact our business. Throughout 2023, we worked to expand upon our climate risk reporting, in line with the Financial Stability Board's Task Force on Climate-related Financial Disclosures framework. More information on our climate change-related risk disclosures can be found in the "Risk Factors" section of Chorus' Annual Information Form dated February 22, 2024, which can be found on our website at [www.chorusaviation.com](http://www.chorusaviation.com) and under our profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

In addition, Chorus completed its first CDP Climate Change disclosure questionnaire in 2023, which addresses a wide range of topics related to Chorus' climate risks, opportunities, investments and strategies, including our governance structure for overseeing climate-related issues and our GHGs from all three scopes. We received a 'C' rating for our first-ever submission, which indicates that we have awareness level climate engagement.

Chorus maintains an Enterprise Risk Management program to identify, assess, mitigate and manage principal risks to our business. Chorus has worked with the presidents of each of its subsidiaries to identify and define our climate-related risks and associated mitigations. Risks are reviewed, and updated as necessary, on a quarterly basis.

Management monitors these risks and associated mitigations and reports quarterly to the Board's Audit, Finance, and Risk Committee on quarter-over-quarter risk trends, which helps inform the Board's understanding of the main risks facing our business. Full risk remeasurement exercises are undertaken in the third quarter of every year.

#### *Environmental Commitment*

Canada's Aviation Climate Plan recognizes that a range of measures will be needed in order to achieve net-zero. The challenges facing the industry are complex and there is no single solution. We will work with our industry and government partners on a collective approach to reducing greenhouse gas emissions and will leverage our aircraft maintenance and overhaul expertise to mitigate environmental impacts wherever possible.

We took the following actions during 2023:

- Updated our Environmental Policy to include a renewed focus on finding opportunities to advance the decarbonization of the aviation industry.
- Falko (a Chorus subsidiary) moved into a new, energy-efficient office space in Dublin.
- Falko signed the Aircraft Leasing Ireland Sustainability Charter. By signing this charter, Falko joined with Aircraft Leasing Ireland to take collective actions to enhance the aircraft leasing industry's sustainability efforts while also taking steps to reduce our own environmental footprint as we increased the rigour and transparency of our greenhouse gas reporting.

## **Governance**

### *Board and Committee-level Oversight*

The Board is responsible for the stewardship of our business and is accountable to Chorus' shareholders. The Board annually reviews its committee charters and, at that time, also considers how changes to climate-related risks and the evolution of sustainability reporting should be reflected in the charters.

The Board has assigned the Governance, Safety and Sustainability Committee with the primary oversight of Chorus' sustainability program. This committee works in collaboration with the Board and the other Board committees to ensure proper oversight of Chorus' sustainability program, including:

- reviewing our environmental, social and governance ("**ESG**") disclosures, including our annual sustainability report;
- reviewing emerging ESG policies, regulations, trends and issues which are relevant to Chorus or the industry in which it operates;
- monitoring the implementation of Chorus' strategies, policies and processes in relation to environment, climate and community matters;
- undertaking such other initiatives that may be necessary and desirable to enable the Governance, Safety and Sustainability Committee to provide effective oversight of climate-related risks and opportunities;
- coordinating with the Audit, Finance and Risk Committee in assessing and monitoring climate change risks and opportunities related to our obligations, initiatives and activities; and
- coordinating with the Human Resources and Compensation Committee in relation to employee well-being initiatives that relate to our ESG strategy.

The Board delegated the following sustainability responsibilities to its other committees:

- The Human Resources and Compensation Committee is responsible for compensation policies and programs, and overseeing programs and policies related to equity, diversity, and inclusion.
- The Audit, Finance and Risk Committee is responsible for overseeing Chorus' enterprise risk management program.

Board members continue to build their knowledge of climate change-related risks and opportunities within the industry as part of their commitment to strong corporate governance.

### *Management Oversight*

While the Board maintains independent sustainability oversight, our executive team is responsible for the execution of our sustainability-related strategies and initiatives. The Senior Vice President, Chief Legal Officer and Corporate Secretary reports directly to the President and CEO and is the highest-level management position responsible for Chorus' ESG program. The Chorus Executive Committee (comprising the President and CEO and the executives who report directly to him) is responsible and accountable for the approval and implementation of our ESG strategy.

## **Social**

### *Diversity and Inclusion within our Workforce*

Chorus values diversity and seeks to have an inclusive working environment. We recognize that diversity of backgrounds and viewpoints are fundamental to our success. We strive to create a diverse and inclusive workplace that enables us to connect with our customers and the communities in which we work.

In 2022, the Board approved five-year representation goals for Chorus. These diversity goals encompass all executive and (employee) director level positions as well as employees within "senior management" as defined below. Chorus has committed to:

- increase the representation of all employees from each of the Designated Groups (as defined below) by at least 10%;

- increase overall (combined) diversity within its leadership to at least 50%, which includes a goal to increase women representation within leadership roles to 30%; and
- ensure that leadership development programs include participants from the Designated Groups at a percentage that meets or exceeds Chorus' five-year leadership representation goals.

We have several initiatives to promote diversity and inclusion, including the "Chorus for Women" committee. This is an advisory group comprising senior female leaders from across Chorus' businesses who work to identify and implement initiatives aimed at promoting, attracting, retaining and developing women at Chorus. The committee holds regular networking and development meetings and events for women within our companies.

It is important that we listen to the voices of our diverse employee population. Our Employee Resource Groups ("**ERGs**") are employee-led and company-supported communities, serving as networks for team members to build professional connections, build collective awareness and elevate underrepresented voices.

Our active ERGs include:

- 2SLGBTQSI+ Employee Resource Group
- Black Employee Network
- Diversity Council
- Indigenous Employee Resource Group
- Abilities Employee Resource Group

The ERGs are supported by the Chorus Inclusion Council. The Council consists of members of our executive leadership team as well as the employee chairs of our ERGs and supports ERG planning and activities throughout the year.

In 2023, we expanded our social initiatives to include the following:

- Launched the Black, Indigenous and People of Colour ("**BIPOC**") Pathway Program. The BIPOC Pathway Program is a key pillar of our equity, diversity and inclusion commitment. Through it, we aim to enhance access to professional development opportunities for Indigenous and racially underrepresented employees within the Chorus group of companies.
- Published a Human Rights Policy which sets out our approach to human rights and outlines the expectations we have of our employees, our supply chain, and our business partners.
- Published a Supplier Code of Ethics which lays out the guiding principles that we expect to be met in the provision of goods and services to Chorus, including assurance that no forced or child labour is used within the supply chain and avoidance of unnecessary emissions, energy and water use.
- Launched the Chorus Contributes community giving program. This program supports our community initiatives which fall under two main areas of focus: Healthy Communities and Inclusive Skies, both of which build on our commitments to equity, diversity, and inclusion within our workplace and communities.

### *Diversity on the Board of Directors*

The Board is committed to diversity and sees increasing diversity at the Board level as essential to improving governance and performance, and to creating a competitive advantage. Chorus believes a truly diverse Board will include and make good use of a variety of skills, experience, industry knowledge, perspectives, and backgrounds. The Board's diversity policy requires that women represent no less than 30% of the Board's membership.

The Governance, Safety and Sustainability Committee reviews and assesses the Board's composition on behalf of the Board and recommends the appointment of new directors. Pertaining to Board diversity, the Governance, Safety and Sustainability Committee will:

- annually review the Board's diversity by reference to the following groups, as defined in the *Employment Equity Act* (Canada): women, Indigenous peoples, persons with disabilities, and members of visible minorities (collectively, "**Designated Groups**");



- leverage the relationships and business networks of the Board's existing members to identify potential new directors from Designated Groups, and use objective, merit-based and unbiased criteria to evaluate candidates for nomination as directors;
- direct any search firm engaged to assist the Governance, Safety and Sustainability Committee in identifying candidates for appointment to the Board to include candidates from Designated Groups;
- consider the impact of the Board's diversity when assessing the effectiveness of the Board and its committees; and
- ensure that women represent no less than 30% of the Board membership.

Currently, three out of 10 directors (30%) are women and one out of 10 directors (10%) is a visible minority. Following the meeting, assuming all director nominees are elected, three out of 10 directors (30%) will be women and one out of 10 directors (10%) will be a visible minority. None of the Chorus directors self-identify as Indigenous peoples (0%) or persons with disabilities (0%).

#### *Board Term and Renewal*

Chorus does not have a mandatory retirement age or term limit for directors. The Board has determined that it can manage diversity, skills, renewal and succession planning adequately without imposing term limits and can also maintain an appropriate degree of continuity, both on the Board and on its committees. During the five-year period ending May 6, 2024, six new Board members will have joined the Board if all nominees named in the circular are elected. Excluding the executive director (Mr. Copp), the average tenure of the directors nominated by management for election to the Board is approximately 5 years.

The Governance, Safety and Sustainability Committee reviews the skills, experience and diversity requirements of the Board and recommends changes to its composition, as appropriate, to renew and strengthen the Board. The Chair of the Governance, Safety and Sustainability Committee leads the effort to identify and recruit candidates to join the Board having regard to the Board's requirements. The Board also has an annual performance assessment process (described above) that generates feedback used in assessing the Board's composition and practices.

#### *Diversity in Executive Positions*

The Board has determined that Chorus should employ a methodical approach to developing candidates from each of the Designated Groups who can accede to executive and director level positions.

Chorus' approach includes:

- focusing on gender equity in leadership through Chorus for Women, an advisory group comprising senior women leaders from across Chorus' businesses who work to identify and implement initiatives aimed at promoting, attracting, retaining and developing women at Chorus;
- directing any search firm engaged to assist Chorus in identifying candidates for employment to include at least one candidate from Designated Groups;
- embedding diversity considerations in the hiring and promotions process, including by ensuring that hiring managers throughout Chorus include at least one candidate from Designated Groups for every position to be filled at the management level or above, or explain why it was not possible to do so; and
- ensuring that mentorship and development programs support leadership development of persons from Designated Groups through a focus on diversity in participation.

Chorus' Vice President, Corporate Human Resources reports annually to the Human Resources and Compensation Committee, reviewing succession and development plans, and strategies to increase diversity within Chorus' leadership team. As part of this review, the Human Resources and Compensation Committee monitors Chorus' progress to ensure that management is identifying and developing an internal roster of talent that will, over time, increase the number of persons from Designated Groups in executive and director level positions, in all cases aligned with a merit-based system.

Chorus has implemented an emerging leaders program to develop its current and future leaders. Participants are selected from across the Chorus group of companies, taking into account Chorus' desire to increase the future diversity of its management team. To ensure that it successfully achieves its

diversity targets, Chorus will ensure participants in its leadership program reflect Chorus' diversity goals. The 12-to-18-month program includes leadership skills training, executive mentoring and coaching, and sessions with senior leadership to discuss strategy and leadership. The program has become a key component of Chorus' leadership development and succession planning.

As of the date of this circular, the number and percentage of members of senior management who self-identify as being a member of one or more of the Designated Groups, as defined in the *Employment Equity Act* (Canada), are as follows (out of a total of 37 people):

Designated Groups	Number #	Percentage %
Women	8	21.6
Indigenous peoples	0	0
Visible minorities	0	0
Persons with disabilities	2	5.4
Number of individuals who are members of more than one designated group	1	2.7

For the purposes of this disclosure, Chorus has only reported on the positions within the Corporation and its subsidiaries that are included in the definition of "members of senior management" as set out within the *Diversity Regulations Amending the Canada Business Corporations Regulations, 2001*. The regulations define "members of senior management" to mean: (a) the chair and vice-chair of the board of directors; (b) the president of the corporation; (c) the chief executive officer and chief financial officer; (d) the vice-president in charge of a principal business unit, division, or function, including sales, finance or production; and (e) an individual who performs a policy-making function in respect of the corporation. The number and proportion of members of senior management who self-identify as being a member of a Designated Group has been furnished by each of the individuals.

## COMMITTEES

The Board has three standing committees (collectively, the "**Committees**"):

- the Audit, Finance and Risk Committee;
- the Governance, Safety and Sustainability Committee; and
- the Human Resources and Compensation Committee.

All Committees are composed of independent directors of Chorus. The roles and responsibilities of each Committee are set out in written charters. These charters are reviewed annually to ensure that they reflect best practices and conform with applicable regulatory requirements.

Ad hoc committees of directors are formed from time to time to review specific matters or transactions. Such committees do not have a formal mandate or decision making-authority, and its members do not receive additional compensation for serving on them.

This section includes reports from each Committee, which provide details regarding their respective members, responsibilities and activities. The Board recently updated the Governance, Safety and Sustainability Committee charter to more clearly articulate the Board's approach to oversight of sustainability matters.

## **Audit, Finance and Risk Committee**

Chorus is required by law to have an audit committee. The Audit, Finance and Risk Committee is required to be composed of not less than three directors, as determined by the Board, all of whom must meet the independence, financial literacy and other membership requirements prescribed from time to time by applicable laws and stock exchange listing requirements to which Chorus is subject. The members of the Audit, Finance and Risk Committee must have no direct or indirect relationships with Chorus (including its management and related entities) that, in the opinion of the Board, could reasonably be expected to interfere with the exercise of their independent judgment. In order to be considered independent, a member of the Audit, Finance and Risk Committee must, among other restrictions, not receive, other than for service on the Board or the Audit, Finance and Risk Committee or other Committees of the Board, any consulting, advisory, or other compensatory fee from Chorus or any of its related parties or subsidiaries. The members of the Audit, Finance and Risk Committee must possess the mix of characteristics, experiences and skills to provide an appropriate balance for the performance of the duties of the Audit, Finance and Risk Committee.

The objectives of the Audit, Finance and Risk Committee include assisting the Board in its oversight of:

- the integrity of the Corporation's financial statements and public disclosure documents;
- the qualifications, performance and independence of the Corporation's external auditor;
- the performance of the Corporation's internal audit and risk management function;
- the adequacy of the Corporation's internal controls and enterprise risk management framework; and
- compliance with applicable laws.

The Audit, Finance and Risk Committee's responsibilities include the following:

- reviewing and recommending to the Board the approval of the interim and annual consolidated financial statements of the Corporation having first reviewed and considered, among other things, the external auditor's report, the accounting policies selected by management, the reasonableness of all significant estimates, accruals and reserves, any unadjusted differences, and any disagreements between the external auditor and management;
- reviewing and recommending to the Board the approval of management's discussion and analysis and earnings news release relating to the Corporation's consolidated financial statements;
- reviewing significant accounting policy developments and choices that may impact the Corporation's financial reporting;
- recommending to the Board a firm of chartered accountants to be nominated by the Board for appointment by shareholders as the Corporation's external auditor;
- recommending to the Board for approval the external auditor's fees, approving the scope, focus areas and materiality thresholds for audit of the Corporation's financial statements, overseeing the external auditor's work and assessing the external auditor's performance, monitoring the external auditor's independence, resolving any disagreements between the external auditor and management, and discussing with the external auditor any matters that could reasonably be thought to bear on the reliability of the Corporation's financial statements;
- pre-approving all fees for non-audit services provided by the external auditor to the Corporation and its subsidiaries;
- approving the Corporation's hiring policies regarding current and former partners and employees of the Corporation's current and former external auditor;
- reviewing the performance of and, as required, the appointment and removal of the internal auditor;
- approving the internal audit mandate and plan for each fiscal year and reviewing quarterly reports of all internal audit engagements and management's response to all significant findings;
- reviewing management's assessment of the principal financial and other risks to the Corporation and the procedures for continually identifying, monitoring and managing those risks;
- reviewing any material weaknesses identified by management in relation to the design or operation of the Corporation's internal controls over financial reporting and disclosure controls and procedures as well as management's actions to remediate any weaknesses identified and the process for assessing updates and changes thereto;

- approving the Corporation's public disclosure policy, procedures for the receipt, retention and treatment of complaints regarding the Corporation's accounting, internal accounting controls and auditing matters, and procedures for the confidential submission by employees of concerns regarding questionable accounting and auditing matters;
- reviewing information from management regarding the Corporation's compliance with material tax withholding and remittance obligations and debt covenants, as well as any significant legal claims or proceedings;
- reviewing reports from management concerning the overall operation of the retirement plans of the Corporation and its subsidiaries and, in this connection, approving statements of investment policies and procedures, approving the actuary and consultants for the plans, accepting actuarial assumptions and valuation reports, and recommending to the Board the funding policy and financial statements for the retirement plans;
- exercising oversight of the Corporation's information technology infrastructure, use and protection policies and practices, including in respect of cybersecurity, data governance, privacy and compliance; and
- recommending to the Board the Corporation's delegation of authority policy as well as procedures for approving the reimbursement of expenses claimed by the Corporation's officers.

The Audit, Finance and Risk Committee met four times during the period from January 1, 2023 to December 31, 2023.

The Audit, Finance and Risk Committee is currently composed of the following directors, all of whom the Board has determined are independent:

Members: Karen Cramm, Chair  
Gail Hamilton  
Alan Jenkins  
Frank Yu

Additional information regarding the Audit, Finance and Risk Committee is set out in the Corporation's Annual Information Form dated February 22, 2024 under "Directors and Officers – Audit, Finance and Risk Committee".

### ***Risk Oversight***

The Audit, Finance and Risk Committee, among other responsibilities, monitors risks to Chorus' business identified by management and oversees management's systems for effectively identifying, monitoring and managing those risks.

In its risk oversight role, the Audit, Finance and Risk Committee oversees management's efforts to monitor and manage compliance with legal and regulatory obligations, and periodically receives updates with respect to Chorus' technology and cyber-security risks.

### **Governance, Safety and Sustainability Committee**

The Governance, Safety and Sustainability Committee is required to be composed of not less than three directors of Chorus as determined by the Board, all of whom must meet the independence and other membership requirements prescribed from time to time by applicable laws and stock exchange listing requirements to which Chorus is subject.

The objectives of the Governance, Safety and Sustainability Committee include assisting the Board in its oversight of:

- the process for nominating individuals for election or re-election as directors;
- the process for evaluating the effectiveness of the Board, its committees and directors;
- the Corporation's approach to corporate governance;
- the Corporation's approach to health, safety, environmental and social risk; and
- the Corporation's response to shareholder proposals.

The Governance, Safety and Sustainability Committee's responsibilities include the following:

- recommending to the Board a code of ethics and business conduct for the Corporation and its subsidiaries, including a process for obtaining confirmations of compliance and identifying material violations;
- recommending to the Board guidelines respecting trading in the Corporation's securities by directors, officers and employees;
- developing and recommending to the Board a process for assessing the effectiveness of the Board and its directors and overseeing the execution of that process;
- recommending to the Board a mandate for the Board, charters for each of the Board's standing committees and position descriptions for the Chairs of the Board and its committees and for the President and CEO;
- developing and recommending to the Board practices and policies that are reasonably expected to enhance the effectiveness of the Board and the Corporation's approach to corporate governance;
- assessing and providing recommendations to the Board in relation to any proposals submitted by shareholders;
- reviewing the Board's diversity, skills and experience and advising the Board in relation to any skills, experience or other characteristics that should be sought in new candidates for the Board;
- reviewing the Board's approach to renewing its membership and recommending to the Board any policies that may be advisable in this regard;
- reviewing the performance of the Corporation's operating subsidiaries in relation to their environmental, health and safety obligations;
- reviewing emerging ESG policies, regulations, trends and issues which are relevant to the Corporation or industry in which the Corporation operates;
- coordinating with the Audit, Finance and Risk Committee in assessing and monitoring climate-related risks and opportunities related to the Corporation's obligations, initiatives and activities;
- reviewing the Corporation's ESG disclosures, including the annual sustainability report;
- coordinating with the Human Resources and Compensation Committee in relation to employee wellbeing initiatives that relate to the Corporation's ESG strategy;
- monitoring the implementation of the Corporation's strategies, policies and processes in relation to, environment, climate and community matters;
- undertaking such other initiatives that may be necessary and desirable to enable the Committee to provide effective oversight of climate-related risks and opportunities;
- recommending to the Board individuals to be nominated for election or appointment as directors; and
- recommending to the Board the form and amount of compensation paid to directors, the orientation offered to new directors, continuing education opportunities available to directors, and professional advice available to directors to enable them to fulfil their duties.

The Chair of the Governance, Safety and Sustainability Committee, in conjunction with the Board Chair, annually conducts an assessment of the Board's effectiveness as outlined in the "Assessments" provisions in the "Statement of Governance Practices" section of this circular.

The Governance, Safety and Sustainability Committee met four times during the period from January 1, 2023 to December 31, 2023.

The Governance, Safety and Sustainability Committee is currently composed of the following directors, all of whom the Board has determined are independent:

Members: Marie-Lucie Morin, Chair  
Karen Cramm  
Gail Hamilton  
R Stephen Hannahs  
Frank Yu

## Human Resources and Compensation Committee

The Human Resources and Compensation Committee is required to be composed of not less than three directors of Chorus, as determined by the Board, all of whom must meet the independence and other membership requirements prescribed from time to time by applicable laws and stock exchange listing requirements to which Chorus is subject.

The objectives of the Human Resources and Compensation Committee include assisting the Board in its oversight of:

- compensation policies and programs;
- compensation risk management;
- practices for the attraction, development and retention of key personnel; and
- succession plans for key personnel.

The responsibilities of the Human Resources and Compensation Committee include the following:

- developing and recommending to the Board a compensation philosophy for executives of the Corporation and its subsidiaries;
- reviewing and recommending to the Board the terms and conditions of all short and long-term incentive compensation programs for executives;
- reviewing and recommending to the Board the design of any retirement programs provided to executives;
- assessing the President and CEO's performance and recommending to the Board any adjustments to the President and CEO's salary and any awards to the President and CEO under short and long-term incentive plans;
- reviewing the President and CEO's evaluation of the other executives and recommending to the Board any adjustments to their salaries and any awards under short and long-term incentive plans;
- in formulating compensation recommendations to the Board, considering, among other factors, the Corporation's performance on an absolute and (where appropriate comparators can be ascertained) relative basis, and whether incentive programs are expected to create incentives for unethical behavior or the taking of inappropriate or excessive risks and the effectiveness of the Corporation's internal controls in preventing such conduct;
- recommending to the Board, as and when required, the appointment and removal of the Corporation's officers;
- reviewing with the President and CEO succession and development plans for executives;
- reviewing the programs and practices employed by the Corporation and its subsidiaries in relation to equity, diversity and inclusion; and
- approving share ownership guidelines for executives.

The Human Resources and Compensation Committee met four times during the period from January 1, 2023 to December 31, 2023.

The Human Resources and Compensation Committee is currently composed of the following directors, all of whom the Board has determined are independent:

Members:        Alan Jenkins, Chair  
                     R Stephen Hannahs  
                     David Levenson  
                     Marie-Lucie Morin

The individuals who have served, and intend to serve after the meeting, as members of the Human Resources and Compensation Committee bring many years of relevant experience to their role and duties on the committee. Mr. Jenkins, the Chair of the Human Resources and Compensation Committee, and Mr. Hannahs both have extensive executive experience in the aviation industry with particular expertise in the aircraft leasing sector and related compensation practices. Ms. Morin and Mr. Levenson both have extensive experience leading complex organizations over the course of their careers, in Ms. Morin's case as a senior Canadian federal public servant and in Mr. Levenson's case as a senior investment professional with significant experience in mergers, acquisitions and corporate restructurings.

The Human Resources and Compensation Committee annually reviews the succession plan for executive management, including the President and CEO and for positions reporting to executives. Management identifies immediate and longer-term successors, both internal and external, as appropriate. Management also outlines plans to address gaps identified in the succession plan, if any. Development plans for key successors at the senior level and key talent at other levels are also reviewed by the Human Resources and Compensation Committee to ensure leadership sustainability and continuity. Retention risks, if any, are identified by management to the committee.

## EXECUTIVE COMPENSATION

### Overview – 2023 Executive Compensation

In 2023, the activities of the HRCC were informed by Chorus' continued transformation, including:

- The transition of CEO responsibilities to Colin Copp following Joe Randell's retirement in March 2023.
- A focus on strong cash generation and deleveraging of the balance sheet.
- A focus on transitioning Chorus' leasing business to an asset-light model to unlock embedded equity value.
- A focus on succession planning, including an enterprise-wide talent review with a three to five year planning horizon.
- Continued progress on the sustainability strategy, including publishing Chorus' GHG emissions from all three scopes and progress against Chorus' five-year diversity goals.

### *2023 Incentive Programs*

In 2023, Chorus introduced changes to the short and long-term incentive plans to better align with Chorus' strategy and market practice. The Annual Incentive Plan (the "**AIP**") for NEOs at the Chorus corporate level is based on consolidated financial metrics, strategic initiatives, and individual contribution. The financial metrics for the Chorus AIP are weighted evenly between Free Cash Flow and Adjusted Earnings available to Common Shareholders per Common Share (basic) (referred to in this circular as "**Adjusted EPS**").<sup>1</sup> The AIP metrics for Chorus' subsidiaries are set at the subsidiary level to drive greater accountability for results.

The Falko AIP (in which Mr. Barnes participates) is based on Falko financial metrics and strategic initiatives, and individual contribution. The financial metrics under the Falko AIP are Free Cash Flow and Adjusted Earnings Before Tax ("**EBT**") in each case for the Regional Aircraft Leasing segment. Adjusted EBT under the Falko AIP is defined as the Regional Aircraft Leasing segment's earnings before taxes, excluding variable compensation expense and foreign exchange gains and losses. Free Cash Flow under the Falko AIP is calculated in the same manner as for Chorus except that it is calculated by reference only to the Regional Aircraft Leasing segment.

Financial performance for the Chorus and Falko AIPs (in which the NEOs participate) exceeded the Free Cash Flow targets but did not meet the earnings thresholds mainly due to the deferral of Falko's Fund III and certain aircraft impairments. Fund III was unable to launch in 2023 due to macro-economic conditions that made the fundraising environment challenging for many alternative asset managers like Falko. This reduced the achievement of the financial metrics under the Chorus AIP to 63.3% of target and the Falko AIP to 48.3% of target.

Performance-based restricted share units ("**PSUs**") granted under the Long-Term Incentive Plan ("**LTIP**") in 2021 vested at a rate of 85.6%. The 14.4% vesting shortfall was due to the continued impact of the COVID-19 pandemic on Chorus' financial performance in 2021 and 2022 which was not contemplated

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<sup>1</sup> Free Cash Flow and Adjusted Earnings available to Common Shareholders per Common Share (basic) are non-GAAP financial measures that are not recognized measures for financial statement presentation under GAAP. As such, they do not have standardized meanings, may not be comparable to similar measures presented by other issuers and should not be considered a substitute for or superior to GAAP results. For further information, including the composition and use of such non-GAAP financial measures, refer to Section 18 – Non-GAAP Financial Measures in Management's Discussion and Analysis of Results of Operations and Financial Condition in respect of Chorus' fourth quarter and year-end 2023, which is available on Chorus' website ([www.chorusaviation.com](http://www.chorusaviation.com)) and under Chorus' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).



when Chorus' long range plan, on which the PSU targets were based, was approved by the Board in December 2020. The value of all 2021 PSUs and time-based restricted share units ("**RSUs**") that vested in February 2024 was approximately 41.7% of the intended value at the date of grant due to the 14.4% vesting shortfall of PSUs and the decline in share price between the grant date and vesting date. Although it is intended that NEOs derive a greater proportion of their compensation from LTIP awards, the decreased value of the RSUs and PSUs granted in 2021 resulted in compensation from short term incentive payments exceeding compensation from long term incentive payments for 2023.

The metrics for performance-based awards under the LTIP are set at the Chorus level. The AIP and LTIP are described in more detail in this circular, including changes to LTIP awards starting with the 2023 grants, such as the addition of a total shareholder return ("**TSR**") modifier to better align incentive awards with shareholder experience.

### *Succession Planning*

In 2023, an enterprise-wide strategic talent review was included in the annual strategic planning process. The strategic talent review supplemented the annual review process with a three to five year outlook of the talent required to align human resources with Chorus' strategy.

### *Named Executive Officers*

The Executive Compensation section of this circular describes the philosophy, policies and components of our executive compensation program, as well as the compensation decisions of the HRCC and the Board, for the following named executive officers (collectively, "**NEOs**") in 2023. As Mr. Randell was President and CEO for part of the 2023 year, he is included as an NEO.

<b>Name</b>	<b>Position</b>
Colin Copp <sup>(1)</sup>	President and CEO
Gary Osborne	Chief Financial Officer (" <b>CFO</b> ")
Jolene Mahody	Executive Vice President and Chief Strategy Officer (" <b>EVP, CSO</b> ")
Dennis Lopes	SVP, Chief Legal Officer and Corporate Secretary (" <b>SVP, CLO</b> ")
Jeremy Barnes	CEO, Falko Regional Aircraft Limited (" <b>CEO Falko</b> ")
Joseph D. Randell <sup>(2)</sup>	Former President and CEO

(1) Mr. Copp was appointed President and Chief Executive Officer of Chorus on March 3, 2023.

(2) Mr. Randell retired from the position of President and Chief Executive Officer of Chorus on March 3, 2023.

### *Compensation Philosophy*

Chorus needs a highly experienced and skilled executive team to profitably grow and diversify its business. Chorus' executive compensation program is designed to attract, retain, and motivate the key people Chorus needs to develop and execute its strategic plans. In addition, the executive compensation program aligns executive and shareholder interests through:

- compensation which is market competitive (50<sup>th</sup> percentile) with companies of similar complexity and size;
- incentives which reward the achievement of corporate objectives and long-term value creation and ensure most of the executive compensation is variable/at risk; and
- share ownership guidelines which ensure executives have a personal ownership stake in Chorus that aligns their interests with shareholders.

Compensation programs at Chorus' subsidiaries are designed to reflect the unique business strategy and risk profile of each entity.

### *Aligning Risk and Compensation*

Chorus' executive compensation program reflects high standards of corporate governance through policies and practices that provide strong oversight and risk mitigation. The HRCC assesses, on a regular basis and periodically, in consultation with external consultants as it determines appropriate, the risks associated with Chorus' executive compensation program. To minimize emphasis on short-term results, Chorus' executive compensation program has evolved to place greater emphasis on longer-term share-

based compensation. Furthermore, most of the senior executive compensation takes the form of variable/at risk compensation. In 2023, the percentage of compensation at-risk was 71% for Mr. Copp and 63% to 67% for the other NEOs.

Chorus uses the following compensation practices and policies to incent performance while mitigating risk:

- compensation design centered on a pay for performance philosophy;
- share ownership guidelines for executives;
- a Guidelines on Trading Policy that prohibits the hedging of equity grants and includes specific guidance to safeguard against insider trading (see “Anti-Hedging Policy” below);
- a compensation recoupment (or clawback) policy (see “Compensation Recoupment Policy” below);
- a balanced mix of fixed to variable and short to long-term compensation that ensures executives are incented to consider both the immediate and long-term implications of decisions;
- the AIP and LTIP include both minimum performance thresholds and maximum payouts;
- the ability to exercise discretion to increase or decrease payments under the AIP and LTIP to reflect risks taken to achieve results and to ensure that payments reflect the business performance viewed holistically;
- a balance of financial, strategic and individual measures in the AIP;
- an LTIP which, for NEOs, is 50% contingent on the achievement of performance targets for vesting (referred to in this circular as PSUs); and
- double trigger provisions for equity vesting (i.e. vesting requires both a change of control and termination without cause or resignation for good reason within a specified period, except as described in “Key Terms of the LTIP”).

The HRCC is satisfied that:

- Chorus’ compensation policies and practices do not encourage any NEO or president of a principal business unit or division to take inappropriate or excessive risks; and
- there are no identified risks arising from the compensation policies and practices that would be reasonably likely to have a material adverse effect on Chorus.

### **External Consultants**

The HRCC has direct access to independent consultants specializing in compensation and benefits. However, the decisions made by the HRCC are its responsibility and may reflect factors and considerations in addition to the information and recommendations provided by consultants. Management also provides recommendations to the HRCC, and those recommendations are sometimes based on the advice or recommendations of consultants engaged by management. The HRCC meets regularly in camera without members of management and has the authority to engage compensation consultants and other professional advisors in its discretion to evaluate management’s proposals.

In 2023, Mercer (Canada) Limited (“**Mercer**”) assisted with compensation advisory services in connection with the compensation review and incentive design initiated in 2022, and the implementation of those plans in 2023. Mercer also provided information on emerging compensation trends and responded to compensation questions arising over the course of the year. In 2022 Mercer completed a comprehensive review of Chorus’ executive incentive programs to inform recommendations for incentive plan design that would better align with Chorus’ strategy and market practices. Mercer first provided compensation advisory services to management in 2006.

### *External Consultant Fees*

Set out below are the aggregate fees billed by each consultant or advisor, or any of its affiliates, for services related to (i) determining compensation for Chorus' directors and executive officers and (ii) any other matters.

<b>Advisor</b>	<b>2023</b>		<b>2022</b>	
	<b>Executive Compensation Related Fees</b>	<b>All Other Fees</b>	<b>Executive Compensation Related Fees</b>	<b>All Other Fees</b>
Mercer Canada Limited	\$31,111	\$757,994 <sup>(1)</sup>	\$93,500	\$642,766 <sup>(1)</sup>

(1) Mercer billed \$757,994 in 2023 and \$642,766 in 2022 for retirement and non-pension employee benefit plans consulting services to Chorus' Canadian subsidiaries related to ongoing retirement consulting services, including the design, financing, administration and investment monitoring of the pension plans. The terms of Mercer's engagement do not require pre-approval by the Board or HRCC for retirement and non-pension employee benefit plans consulting services or any other services performed at the request of management.

### *Say on Pay*

At Chorus' 2023 annual meeting of shareholders, shareholders were given the opportunity to cast an advisory vote on Chorus' approach to executive compensation. Shareholders expressed support for Chorus' approach to executive compensation with 90.55% of the votes cast in favour of the resolution.

### *Executive Share Ownership Guidelines*

Share ownership guidelines are intended to promote share ownership by executives to better align their interests with those of our shareholders. The Board has established share ownership guidelines applicable to all executives of the Corporation and its subsidiaries, and these guidelines are required to be achieved within five years from the later of the executive officer's date of hire (if hired directly into an executive role) or the date of the individual's promotion to an executive role. The share ownership guidelines applicable to the NEOs are as follows:

<b>Position</b>	<b>Ownership Guideline</b>
President and CEO	3 x base salary
All other NEOs	2 x base salary

Shares, as well as RSUs and PSUs granted under the LTIP, are included in determining whether an executive has satisfied the applicable minimum ownership guideline. The value of 100% of RSUs and 50% of PSUs are included for such purposes. PSUs are at risk due to the possibility of forfeiture if performance vesting criteria are not met. The value of equity holdings is calculated using the higher of the share price on the date the securities were acquired, and the date compliance is determined. Subject to any increase in the target ownership resulting from any promotion or salary increase, once an executive has met their target ownership, they are deemed to continue meeting that target in future years so long as they have not disposed of any equity holdings that enabled them to initially meet the target.

## 2023 NEO Share Ownership

Each NEO's status in achieving the ownership guidelines is set out below. The value shown is based on the closing price of \$2.56 per share on December 31, 2023. All NEOs meet or exceed their ownership targets, with the exception of Mr. Barnes who has until May 3, 2027 to meet his ownership targets.

Name	RSUs/PSUs held (#)	RSUs/PSUs towards shareholdings <sup>(1)</sup>	Shares held (#)	Value (\$)	Multiple of base salary	Ownership guideline multiple	Ownership guideline achieved
Colin Copp <sup>(2)</sup>	655,722	491,792	75,629	1,452,596	2.1	3	Yes
Gary Osborne	375,836	281,877	35,283	811,930	2.0	2	Yes
Jolene Mahody	475,300	356,475	257,079	1,570,698	3.3	2	Yes
Dennis Lopes	482,357	372,376	64,161	1,117,533	2.7	2	Yes
Jeremy Barnes <sup>(3)</sup>	395,215	296,411	0	758,813	1.1	2	No

(1) The value is based on 100% of RSUs and 50% of PSUs per the Corporation's share ownership guidelines.

(2) Mr. Copp is deemed to have met the Corporation's share ownership guidelines as the book value of his holdings (\$2,271,927) exceeds 3x his 2023 base salary.

(3) Mr. Barnes resides in the United Kingdom and is therefore paid in Great British Pounds ("GBP"). For the purpose of this calculation, the 2023 base salary of GBP 420,000 (\$704,928) was converted at an exchange rate of 1.00 GBP = 1.6784 Canadian Dollars ("CAD") (which is the 2023 average daily rate published by the Bank of Canada for GBP to CAD).

## Anti-Hedging Policy

NEOs and directors of the Corporation are restricted from engaging in transactions that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. The Corporation's Guidelines on Trading Policy, which applies to all Chorus insiders, prohibits hedging strategies, equity monetization transactions, transactions using short sales, puts, calls, exchange contracts, derivatives and other types of financial instruments (including, but not limited to, prepaid variable forward contracts, equity swaps, collars and exchange funds), and the pledging of or granting of any other security interest in any share or other equity security of Chorus as security for any loan where recourse is limited to the pledged security.

## Compensation Recoupment Policy

Chorus has a Compensation Recoupment Policy which provides the Board with the discretion to recover some or all of the after-tax amount of incentive compensation received or realized by an executive officer and any other Chorus employee with material oversight responsibility over those who prepare Chorus' financial statements (together, the "**Designated Individuals**") where: (i) there has been a material misrepresentation or material error resulting in the restatement of Chorus' financial statements; (ii) the Designated Individual(s) would have received less incentive compensation based upon the restated financial statements; and (iii) the Board determines that the Designated Individual(s) engaged in misconduct which contributed to the requirement for such restatement. In such circumstances, the Board may seek recoupment if the restatement of any of Chorus' financial statements occurs within 36 months of the original date that such financial statements were first publicly disclosed.

## Compensation Benchmark Group

In determining compensation, the HRCC considers a benchmark group of Canadian businesses which guides executive compensation decisions. The composition of the benchmark group is assessed annually by management and the HRCC and adjusted as appropriate. Companies that cease to be publicly traded or have been consistently outside the set parameters (i.e., one-third to three times revenue) are removed from the benchmark group.

Companies chosen by the HRCC for the benchmark group are:

- headquartered in Canada;
- in the following sectors: airlines/transportation, aerospace/industrial equipment, and companies with a similar business complexity and/or operating model; and
- have revenues approximately one-third to three times that of Chorus.

The benchmark group employed by the HRCC is set out below:

Company name	Headquartered	Approx. 1/3 to 3x revenue <sup>(1)</sup>	Industrial sector <sup>(2)</sup>
Aecon Group Inc.	Toronto, ON	✓	Construction and Engineering
ATS Automation Tooling Systems, Inc.	Cambridge, ON	✓	Industrial Machinery
CAE Inc.	Saint-Laurent, QC	✓	Aerospace & Defense
Cargojet Inc.	Mississauga, ON	✓	Air Freight and Logistics
Element Fleet Management	Toronto, ON	✓	Specialized Finance
Exchange Income Corporation	Winnipeg, MB	✓	Airlines
Magellan Aerospace Corporation	Mississauga, ON	✓	Aerospace and Defense
Superior Plus Corp.	Calgary, AB	✓	Trading Companies and Distributors
Transat A.T. Inc.	Montreal, QC	✓	Hotels, Resorts, Cruise lines
Wajax Corporation	Mississauga, ON	✓	Trading Companies and Distributors

(1) Chorus operating revenue of \$1.68 billion (2023).

(2) S&P/JP Morgan Chase Global Industry Classification Code (GICS).

### **Chorus Compensation Practices**

The HRCC ensures that Chorus' executive compensation program is competitive, pays for performance, motivates and attracts talent, and focuses on creating shareholder value.

#### **What We Do**

- ✓ **Pay for performance** – pay is aligned with corporate, business unit and individual performance, and we use several performance measures to avoid undue focus on any particular measure.
- ✓ **Align pay to shareholder returns** – a significant portion of total compensation is provided in annual equity awards, with the largest proportion based on RSUs and PSUs. Options are not a regular compensation component and are only used in special circumstances.
- ✓ **Pay at risk** – approximately 2/3s of the target direct compensation for the NEOs is at-risk pay, contingent on performance, and not guaranteed.
- ✓ **Share ownership** – all executives are required to own a minimum value of shares (or share-equivalents, such as RSUs) of Chorus.
- ✓ **Performance-based vesting** – one-half of the annual LTIP grants for NEOs are PSUs which vest at the end of three years contingent on achievement of financial performance targets. The Board retains discretion to determine the mix of RSUs and PSUs with the approval of each grant.
- ✓ **Benchmarking** – executive compensation is benchmarked against a size and industry appropriate comparator group and target compensation to the 50<sup>th</sup> percentile of the group (see "Benchmark Group" above).
- ✓ **Caps on incentive payouts** – AIP pay-outs and PSU grants under the LTIP are capped at a maximum of 200% of target. The maximum pay-out for AIP requires a combination of exceptional individual and corporate performance. As an exception, Mr. Barnes' AIP is capped at 150% of target due to his higher legacy AIP pay-out at target, thereby providing a similar maximum opportunity to other NEOs.
- ✓ **Clawbacks** – Compensation Recoupment Policy applies to all incentive compensation awarded to executive officers and any other employees with material oversight responsibility over those who prepare Chorus' financial statements.
- ✓ **Board discretion** – Board discretion, upward and downward, is applied as appropriate to address exceptional circumstances not contemplated by performance measures.
- ✓ **Time periods** – a range of time periods are covered in our incentive plans to balance short-term objectives and longer-term performance measurement.
- ✓ **Realized and realizable pay** – the value ultimately realized from a long-term incentive award can be significantly different from the grant value due to the performance vesting criteria for PSUs (which can result in the forfeiture of some or all PSUs) and changes in the share price between the grant date and vesting date.
- ✓ **Modest benefits and perquisites** – these are a small part of total compensation and are market competitive.

- ✓ **Double trigger change of control** – severance and vesting provisions in equity plans have double triggers in the event of a change of control (except as described in “*Key Terms of the LTIP*”).
- ✓ **Maximum severance multipliers** – the maximum severance multiplier is two times in all cases.
- ✓ **Independent advice** – the HRCC has access to independent advisors.

#### ***What We Don’t Do***

- x No repricing of stock options.
- x No tax gross ups for executives.
- x No loans to executives.
- x Executives are not permitted to hedge or offset their exposure to economic risk under our compensation plans.
- x No guaranteed bonuses.
- x No excessive perquisites.

#### **Executive Compensation Program**

Chorus’ executive compensation program aligns executives’ interests with those of shareholders by emphasizing incentive compensation that is linked to Chorus’ annual and long-term financial performance.

The principal elements of fixed, variable, and indirect compensation are evaluated together to determine the appropriate compensation level for Chorus executives. Consideration is given to the balance between fixed and variable (at risk), short and long-term, and cash and equity components. Each element and the specific objective(s) it is designed to achieve are described below.

#### ***Direct Compensation***

<b>Compensation Element</b>	<b>Objectives</b>	<b>Form</b>	<b>Performance Period</b>	<b>Pay at Risk</b>
Base Salary	Attract and retain talent  Compensate for day-to-day responsibilities, contribution, and experience	Cash	Annually	Fixed/No risk
AIP	Motivate and reward achievement of corporate and individual performance	Cash	Annual	At risk; financial, strategic and individual performance thresholds
LTIP	Reward for creating sustained shareholder value; Encourage retention	RSUs and PSUs	Three-year performance cycle	At risk; 1/2 of each annual grant consists of PSUs
	Motivate leadership through extraordinary events or initiatives	Options	Up to 10 years	At risk; not a regular component of compensation

### **Indirect Compensation**

<b>Compensation Element</b>	<b>Objectives</b>	<b>Form</b>	<b>Performance Period</b>	<b>Pay at Risk</b>
Pension	Attract and retain talent; Provide post-employment financial support	Defined contribution plan, plus (i) a defined benefit supplemental executive retirement plan (“ <b>SERP</b> ”) for executives hired prior to March 2, 2011, and (ii) a defined contribution supplemental plan introduced in 2023 for certain executives not participating in the SERP (“ <b>DC SERP</b> ”)	Ongoing	No risk
Benefits	Attract and retain talent; Support health and well being	Group life, disability, dental and extended health	Ongoing	No risk
Employee Share Ownership Program	Aligns interests of employees with shareholder	Voluntary purchase of shares through payroll deduction from 2-6% of salary. Employer match suspended from June 1, 2020	Ongoing	At risk (employee investment)
Perquisites	Attract and retain talent	Taxable car allowance, health spending account, optional health assessment and financial advisory services (applies to certain executives)	Ongoing	No risk

### **Current Compensation Mix**

The following reflects the current compensation mix:

<b>Name</b>	<b>Target annual incentive (% of base earnings)</b>	<b>Target long-term incentive (% of base salary)</b>	<b>Percentage of direct compensation “at risk”</b>
Colin Copp	110%	130%	71%
Gary Osborne	70%	100%	63%
Jolene Mahody	70%	100%	63%
Dennis Lopes	70%	100%	63%
Jeremy Barnes	100%	100%	67%

In addition, the Board can make discretionary awards of stock options, RSUs or PSUs to executives under the LTIP, thereby providing increased at-risk long-term incentive compensation.

Mr. Barnes also participates in Falko’s carried interest program (described below under “Elements of Compensation – (8) Carried Interest”).



## Elements of Compensation

### (1) *Base Salary*

Competitive base salaries for Chorus' executives, including the NEOs, are established by the HRCC based on the responsibilities, contribution, experience, and skill set of each executive. When reviewing base salaries, the HRCC also considers equitable factors (such as the desire to maintain a similar level of compensation for an officer group, irrespective of function or length of service) and salaries offered by other companies in Chorus' benchmark group for similar positions. Base salaries are reviewed annually and compensate individuals for fulfilling their responsibilities.

#### *2023 Base Salary*

Following the annual compensation review, the Board approved base salary increases effective January 1, 2023. The increases shown in the table below reflect the demonstrated capabilities of the executives and ensure that their base salaries are competitive with the market for their positions.

<b>Name</b>	<b>Base Salary 2022</b>	<b>Base Salary 2023</b>
Colin Copp <sup>(1)</sup>	\$547,030	\$700,000
Gary Osborne	\$360,000	\$415,000
Jolene Mahody	\$465,250	\$480,000
Dennis Lopes	\$403,520	\$415,000
Jeremy Barnes <sup>(2)</sup>	\$435,499	\$704,928

(1) Mr. Copp's salary was increased on January 1, 2022 to \$482,250 and subsequently to \$700,000 on September 14, 2022 concurrent with the announcement of his pending appointment to President and CEO. The table reflects these combined earnings for 2022.

(2) Mr. Barnes resides in the United Kingdom and is therefore paid in GBP. The base salary of GBP 420,000 was converted for 2022 at an exchange rate of 1.00 GBP = 1.6076 CAD and for 2023 at an exchange rate of 1.00 GBP = 1.6784 CAD (in each case based on the average daily rate published by the Bank of Canada for GBP to CAD for the respective year). His base salary for 2022 reflects the date on which Chorus acquired Falko (i.e., May 3, 2022).

### (2) *Short-Term Incentive Compensation*

#### *Annual Incentive Plan*

During 2023, the Board revised the AIP performance measures to encourage greater accountability for executives of Chorus subsidiaries (also referred to in this circular as "business units"). The performance measures were amended to anchor on each subsidiary's financial performance, unique operating characteristics, and strategic priorities, thereby ensuring business unit executives are incentivized to focus on factors they are best positioned to influence. The design and financial metrics used for both the AIP and the LTIP are approved by the Board for all participants. All eligible members of management participate in the AIP at target bonus percentages commensurate with their management level.

There are three components of the AIP that determine payouts to the NEOs: performance against financial metrics, achievement of strategic initiatives, and the individual's contribution. The financial and strategic initiatives constitute 75% of each NEO's annual incentive, with financial metrics weighted at 75% and strategic initiatives weighted at 25%. Chorus NEOs are evaluated against the financial metrics of Chorus' Free Cash Flow and Adjusted EPS, equally weighted. Free Cash Flow replaced Adjusted EBITDA in 2023 due to Chorus' focus on transitioning its leasing business to an asset-light model.

Mr. Barnes participated in the business unit plan for Falko, which is based on Falko's financial metrics of Free Cash Flow and Adjusted EBT, and Falko-specific strategic initiatives. Free Cash Flow was chosen as a metric due to the above-described focus on transitioning to an asset-light leasing model. Adjusted EBT was selected as a reliable earnings metric for Falko, recognizing that taxes are not allocated at the subsidiary level. The Chorus and Falko metrics strike a balance between cash and earnings-related performance measures.

The strategic initiatives are derived from Chorus' long range plan and cascade down for business unit NEOs, promoting alignment within the Chorus group of companies.

The individual component is 25% of the NEOs' incentive. An individual performance factor is applied to the individual component. Payment of the individual component is subject to meeting the threshold for at least one of the financial metrics. Each NEO is assessed by the President and CEO based on a common

set of evaluation criteria, including achievements against annual and strategic objectives, leadership, and contribution to Chorus' culture. The HRCC assesses the individual performance of the President and CEO with a focus on achievement of strategic priorities critical for long-term shareholder value growth and recommends to the Board his individual performance factor.

Chorus NEOs are eligible to receive payouts of between 0.5x and 2.0x each weighted metric based on achievement between a threshold (or minimum) value and a stretch (or maximum) value as shown in the charts that follow. Mr. Barnes participates in the Falko AIP, which caps payouts at 1.5x for each component. Participants will not receive a payout for a metric if performance is below threshold.

### *2023 AIP – Chorus Financial Metrics*

The Chorus AIP financial metric payout was 63.3%, based on the weighted Free Cash Flow performance. Details of the performance against Chorus consolidated financial targets for the 2023 AIP, which applied to all NEOs, except for Mr. Barnes, were as follows:

<b>Metric<sup>(1)</sup></b>	<b>Weighting</b>	<b>Range</b>	<b>Payout Range</b>	<b>Threshold (\$)</b>	<b>Target (\$)<sup>(1)</sup></b>	<b>Stretch (\$)</b>	<b>Actual (\$)</b>	<b>Weighted Percentage Payout<sup>(2)</sup></b>
Adjusted EPS	50%	85-115%	0.5-2.0x	0.41	0.48	0.55	0.23	0%
Free Cash Flow	50%	70-130%	0.5-2.0x	226.4	323.4	420.4	349.5	63.3%

(1) All variable compensation expense and foreign exchange gains and losses were excluded from the actual and target results.

(2) Payout percentages reflect linear interpolation between threshold, target and stretch.

### *2023 AIP – Falko Financial Metrics*

The Falko AIP financial metric payout was 48.3%, based on the weighted Free Cash Flow performance. Details of the performance against Falko's financial targets for the 2023 AIP, which applied to Mr. Barnes, were as follows:

<b>Metric<sup>(1)</sup></b>	<b>Weighting</b>	<b>Range</b>	<b>Payout Range</b>	<b>Threshold (\$)</b>	<b>Target (\$)<sup>(1)</sup></b>	<b>Stretch (\$)</b>	<b>Actual (\$)</b>	<b>Weighted Percentage Payout<sup>(2)</sup></b>
Adjusted EBT	50%	80-120%	0.5-1.5 x	65.5	81.9	98.3	27.6	0.0%
Free Cash Flow	50%	70-130%	0.5-1.5 x	142.4	203.4	264.4	199.1	48.3%

(1) All variable compensation expense and foreign exchange gains and losses were excluded from the actual and target results.

(2) Payout percentages reflect linear interpolation between threshold, target and stretch.

### *2023 AIP – Strategic Initiatives*

The strategic initiatives are key areas of focus identified and presented as part of Chorus' annual budget and long-range planning exercise. These initiatives are generally non-financial in nature and/or are of a longer-term focus. The discussion below is focused on the strategic initiatives which affected AIP payouts for the NEOs.

In March 2023, Chorus transitioned to a new President and CEO and updated Chorus' strategy, including an emphasis on transitioning to an asset light leasing model, a strong focus on cash generation and strengthening of the balance sheet. Significant progress was made in reducing debt levels to prepare for and enable future growth. Chorus' Leverage Ratio<sup>1</sup> was reduced to 3.6x at the end of 2023 approaching management's target range of 2.5x to 3.5x.

Higher interest rates and tighter debt markets impacted progress in asset sales. However, nearing the end of 2023, a transaction was secured for the sale of certain aircraft assets for net proceeds of \$28.3 million, unlocking embedded equity value and advancing Chorus' asset light strategy.

<sup>1</sup> Leverage Ratio is a non-GAAP ratio that is not recognized measures for financial statement presentation under GAAP. As such, it does not have a standardized meaning, may not be comparable to similar measures presented by other issuers and should not be considered a substitute for or superior to GAAP results. For further information, including the composition and use of such non-GAAP ratio, refer to Section 18 – Non-GAAP Financial Measures in Management's Discussion and Analysis of Results of Operations and Financial Condition in respect of Chorus' fourth quarter and year-end 2023, which is available on Chorus' website ([www.chorusaviation.com](http://www.chorusaviation.com)) and under Chorus' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Falko maintained its position as a leading regional aircraft lessor, completing 57 aircraft transactions in 2023, including new leases, lease extensions, sales and leasebacks, and purchases of aircraft with leases attached, utilizing third party capital. The team's strong performance as servicer of the Fund I portfolio resulted in Kroll Bond Rating Agency upgrading the rating of the Series A Loan notes issued under the Regional 2021-1 Limited asset backed securitization from a BBB+ to A-. Falko's Fund II was refinanced in early 2023, improving returns within the fund and freeing up further capital for aircraft acquisitions. Falko was the winning bidder on a portfolio of 24 Embraer jets sold by Nordic Aviation Capital, with the transaction being announced post year-end. With 2023 being a challenging fundraising year for many alternative asset managers, Falko's Fund III raise will take longer to close than originally anticipated. Although not achieved in 2023, interest from potential investors remains strong.

Chorus and its subsidiaries made strong progress in addressing skills gaps and aligning resources with areas of focus. During 2023, an in-depth succession planning exercise was completed, with a high percentage of executive positions having ready successors. The third cohort of Chorus' emerging young leaders' program was launched as the company builds its pipeline of diverse talent.

Chorus continued its commitment to its cultural values of sustainability, safety and diversity, with strong progress against its published five-year goals for equity deserving groups. Advancement was also made with the publication of Chorus' first Supplier Code of Conduct and Human Rights Policy and improvements in procurement processes.

The Board approved a 1.25 performance factor for the strategic initiatives under the Chorus AIP based on corporate performance and the strong performance of Jazz and Voyageur and a 1.0 for the strategic initiatives under the Falko AIP.

### ***Individual Performance of NEOs***

Mr. Copp assumed the role of President and CEO on March 3, 2023. In 2023, the CEO and his team focused on achieving the key targets and strategic goals. The Board reviewed Mr. Copp's performance in financial and non-financial areas and strategic results, including the exercise of oversight and support of Chorus' subsidiaries.

### ***Financial Achievements***

- Despite the challenging macro-economic environment for most of 2023, Chorus met its financial guidance for 2023, while at the same time significantly strengthening its balance sheet. Specifically:
  - Adjusted EBITDA<sup>1</sup> increased from \$441 million in 2022 to \$458.7 million in 2023.
  - Strong Free Cash Flow of \$331.4 million was generated in 2023; and
  - Leverage target for 2023 was achieved, with the Leverage Ratio improving from 4.4 at December 31, 2022 to 3.6 at December 31, 2023.

### ***Progress on Strategy***

- Updated strategic plan and presented it at Chorus' first Investor Day in March 2023.
- Completed a strategic talent review in tandem with the strategic planning session to ensure resources were aligned with strategy and advancement of Chorus' diversity goals.
- Effectively addressed the evolving pilot wage environment by amending the Jazz pilot collective agreement, enhancing pilot capacity at Jazz.
- Supported strong year-over-year growth in Voyageur parts sales (+25%) and specialty MRO (+51%), while securing long term contracts for defence and air ambulance services.

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<sup>1</sup> Adjusted EBITDA is a non-GAAP financial measure that is not recognized measures for financial statement presentation under GAAP. As such, it does not have a standardized meaning, may not be comparable to similar measures presented by other issuers and should not be considered a substitute for or superior to GAAP results. For further information, including the composition and use of such non-GAAP measure, refer to Section 18 – Non-GAAP Financial Measures in Management's Discussion and Analysis of Results of Operations and Financial Condition in respect of Chorus' fourth quarter and year-end 2023, which is available on Chorus' website ([www.chorusaviation.com](http://www.chorusaviation.com)) and under Chorus' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

- Maintained Falko's leadership position as regional aircraft lessor and asset manager, successfully concluding 57 aircraft transactions during the year and executing letters of intent for a further 30 aircraft transactions.
- Launched Cygnet Aviation Academy in early 2023, addressing a strong industry need to increase pilot supply.

Based on Mr. Copp's achievements in 2023 and his seamless transition to the CEO role, the Board approved an individual contribution factor of 1.5 under the AIP.

All other NEOs received an individual performance factor of 1.5 based on Mr. Copp's assessment of their contributions.

### *2023 AIP Summary*

The table below sets out the 2023 AIP opportunity as a multiple of base earnings at target (1.0x) and maximum for each NEO (2.0x), with the exception of Mr. Barnes at (1.5x) and the value of the payment actually received.

	<b>AIP Target as a % of Base Earnings</b>	<b>AIP Target Award Opportunity</b>	<b>AIP Maximum Opportunity</b>	<b>2023 AIP Payment</b>
<b>Name</b>				
Colin Copp	110%	770,000	1,540,000	743,820
Gary Osborne	70%	290,500	581,000	280,623
Jolene Mahody	70%	336,000	672,000	324,576
Dennis Lopes	70%	290,500	581,000	280,623
Jeremy Barnes <sup>(1)</sup>	100%	716,646	1,074,969	597,683

(1) Mr. Barnes' 2023 bonus was GBP 350,280 converted at an exchange rate of 1.00 GBP = 1.7063 CAD (date AIP was approved). The same exchange rate was used to determine target (100%) and maximum opportunity (150%).

### **(3) Long-Term Incentive Compensation**

In 2023, Chorus had two long-term incentive compensation programs: (i) the LTIP for all executives, and (ii) the Special Long-Term Incentive Plan ("**SLTIP**") for select executives involved in the integration of Falko and Chorus Aviation Capital (Chorus' former aircraft leasing business).

#### **Long-Term Incentive Plan**

The LTIP is Chorus' share-based, long-term incentive plan that enhances Chorus' ability to attract, retain and motivate executives and other key employees (as approved by the Board from time to time). The LTIP aligns the interests of executives with the interests of Chorus' shareholders because the value of a participant's holdings (whether RSUs, PSUs or options) is directly related to the value of Chorus' shares. Furthermore, if the Board awards PSUs, the value of those awards is also dependent on the achievement of the performance vesting conditions (see "Key Terms of the LTIP" below).

## Key Terms of the LTIP

<b>Eligible participants</b>	<p>The President and CEO and other officers of Chorus or named individuals, employees or officers of any other entity designated by the Board.</p> <p>Types of awards</p> <ul style="list-style-type: none"><li>• RSU – a right to receive upon vesting one share or cash equal to the then trading price of a share.</li><li>• PSU – an RSU that, in addition to a time vesting condition, only vests upon the achievement of specified performance targets.</li><li>• Option – a right to purchase a share at an exercise price per option at least equal to the closing price of a share on the date the option is granted.</li></ul>
<b>Total issuable</b>	11,000,915 shares (of which 7,195,082 have been issued or reserved for issuance under the LTIP).
<b>Option exercise price</b>	Determined by the Board but may not be less than the closing price of the shares on the grant date (or if the shares did not trade on such date, the average of the bid and ask prices of the shares at the close of trading on such date).
<b>Insider limits</b>	Shares issued from treasury to insiders within any one-year period pursuant to the LTIP, together with the shares of Chorus issued from treasury to insiders during such one-year period under all of Chorus' other treasury share based compensation arrangements, will not exceed 10% of Chorus' total issued and outstanding shares of Chorus. The total number of shares of Chorus issuable from treasury to insiders under the LTIP, at any time, together with the shares of Chorus issuable from treasury to insiders under all of Chorus' other treasury share based compensation arrangements, will not exceed 10% of Chorus' total issued and outstanding shares.
<b>Vesting</b>	Generally, RSUs and PSUs vest at the end of three years. Vesting of PSUs is dependent on whether performance between threshold and a maximum of target is achieved. Commencing with the PSUs issued in February 2023, performance against targets results in vesting of PSUs from nil to 2.0x with 0.5x vesting if performance thresholds are met and 2.0x vesting if the TSR metric is exceeded. For grants issued prior to 2023, the PSUs eligible for vesting ranges from 0.8 to 1.0x the number granted, with 0.8x vesting if performance thresholds are met and 1.0x vesting as long as performance targets are achieved with no additional PSU opportunity if targets are exceeded. RSUs and PSUs with a performance cycle up to a maximum of five years may also be granted. However, where the vesting date is more than three years after the grant date, the RSUs or PSUs are exercisable for shares issued from treasury or cash at the participant's election. Unless otherwise specified by the Board, each vested option may be exercised at any time or from time to time, in whole or in part, for up to the total number of shares with respect to which it is then exercisable and it remains exercisable until expiration or termination of the option.

<b><i>Dividend equivalents</i></b>	If and when dividends are paid on the shares, additional RSUs are credited as dividend equivalents calculated by dividing: (i) the amount obtained by multiplying the amount of the dividend declared and paid by Chorus per share by the number of RSUs recorded in the participant's account on the record date for the payment of such dividend, by (ii) the five-day volume weighted average price of the shares for the period including and ending on the third trading day prior to the record date for the payment of such dividend. Dividend equivalents accrued on PSUs which do not vest are forfeited. Options do not earn dividend equivalents. Chorus has not paid a dividend on its shares since April 17, 2020.
<b><i>Option term</i></b>	Maximum of 10 years. However, if an option expires during, or within five business days after, a routine or special trading black-out period imposed by Chorus to restrict trades in Chorus' securities, then, notwithstanding any other provision of the LTIP, unless the delayed expiration would result in tax penalties, the option will expire 10 business days after the trading black-out period is lifted by Chorus.
<b><i>Termination of employment for cause or resignation</i></b>	<p>All RSUs and PSUs credited to the participant's account will be forfeited and cancelled.</p> <p>All options, whether vested or not, held by a participant terminated for cause will be forfeited and cancelled.</p> <p>In the case of resignation, any options that are not vested will be forfeited and cancelled and any vested options will continue to be exercisable until the earlier of 90 days and the date on which the exercise period of the options expire.</p>
<b><i>Termination of employment due to retirement, long-term disability, death or termination without cause</i></b>	Any unvested RSUs and PSUs will be pro-rated based on the completed months of service during the three-year performance cycle. RSUs subject only to time vesting will vest within 45 days. The participant will be entitled to PSUs at the end of each applicable cycle, depending on the achievement of performance targets. Any options that are exercisable will continue to be exercisable by the member (or the executor/administrator in the case of death) until the earlier of: (a) the date which is twelve (12) months after the Termination Date, and (b) the date on which the Exercise Period of the particular Option expires, following which such Options shall immediately expire and be cancelled. Options that have not vested on or prior to the date of termination are forfeited.
<b><i>Change of control</i></b>	Double trigger change of control vesting applies to all RSUs, PSUs and options, except as described in the paragraph that follows. In the event of the participant's termination without cause or termination for "good reason" (as defined in the LTIP) within 24 months following a Change of Control (as defined in the LTIP), any RSUs, PSUs or options outstanding immediately prior to the change of control, but which have not vested as of the termination date, will become fully vested, and the options will become fully exercisable, on the termination date and the options remain exercisable until the earlier of (i) the date which is 90 days after the termination date, and (ii) the date on which the exercise period for the particular options expires.

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Except as provided in the award agreement, if any RSU, PSU or option is not assumed or replaced by an entity resulting from the change of control or a parent of such entity, in each case of which the voting equity is listed on a stock exchange in North America, with an award (i) for which appropriate adjustments have been made to the number and kind of securities of such entity or parent in order to preserve the compensation element of the award at the time of the change of control transaction, and (ii) which provides for subsequent vesting, exercise (if applicable) and settlement of the award on no less favourable terms and conditions, then such RSU, PSU or option becomes fully vested upon the change of control and the option becomes exercisable until the earlier of (a) 90 days after the date of the change of control, and (b) the date on which the exercise period of the particular options expire. In the event that the change of control occurs in the circumstances of an internal reorganization involving Chorus or its subsidiaries, the Board may, in its sole discretion, determine that RSUs and PSUs will not vest and the options will not be exercisable upon the occurrence of the change of control, and/or shorten the option exercise period.

The LTIP defines a “Change of Control” to mean (i) the issuance to or acquisition by any person, or group of persons acting jointly or in concert of more than 50% of the outstanding Shares or equity securities of the Corporation; or (ii) individuals who comprise the Board as of the last annual meeting of shareholders of the Corporation (the “incumbent board”) for any reason cease to constitute at least a majority of the members of the Board, provided that any new director whose election or nomination for election was approved by a vote of at least a majority of the incumbent board shall be deemed to be a member of the incumbent board; or (iii) the sale of all or substantially all of the assets of the Corporation; or (iv) a wind-up or liquidation of the assets of the Corporation; or (v) a merger or amalgamation of the Corporation into another person. “Shares” is defined in the LTIP and includes “shares” as such term is used in this circular.

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***Assignability***

Except as provided in the LTIP, the rights of participants under the LTIP cannot be assigned, charged, anticipated, given as security, transferred or surrendered, in whole or in part, either directly or by operation of law or otherwise in any manner.

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***Amendments***

Shareholder approval is required for any amendment to the LTIP that results in (i) an increase in the number of shares reserved for issuance by Chorus from treasury pursuant to the LTIP; (ii) permission for RSUs, PSUs or options to be transferred other than for normal estate settlement purposes; (iii) a reduction in the exercise price of an option, (iv) extending eligibility to participate in the LTIP to non-employee directors; (v) an extension to the term of an option beyond its original expiry date (except where the expiry date would have fallen within a black-out period applicable to the participant or within five business days following the expiry of such black-out period); or (vi) any changes to the amendment provisions other than to add items for which shareholder approval is required. Subject to the above, the Board may amend, suspend or discontinue the LTIP in such manner as the Board, in its sole discretion, determines appropriate, including without limitation, by amending the LTIP (i) for the purpose of making formal minor or

technical modifications to any provisions of the LTIP, (ii) to correct any ambiguity, defective provision, error or omission, (iii) to change the vesting provisions of awards or the LTIP, (iv) to change the termination provisions of awards or the LTIP, or (v) to change the incentive amounts to the extent they are expressed in the LTIP, provided, however, that no such amendment: (a) results in the LTIP becoming a “salary deferral arrangement” under the Income Tax Act (Canada) or any applicable provincial legislation; (b) reduces the number of RSUs, PSUs or options granted prior to such amendment or adversely modifies the vesting condition(s) of such RSUs, PSUs or option, as applicable; and (c) modifies the amendment provision of the LTIP without the consent of all participants with respect to RSUs, PSUs or options granted prior to the amendment.

#### **Recent amendments**

On August 4, 2022, the LTIP was amended to: a) replace the reference to “Chorus Aviation Capital Corp.” with a reference to “Falko Regional Aircraft Limited”; and b) correct certain cross-reference errors.

Shareholder approval was not required for the amendments described above.

#### **2021 PSU Performance Measures and Vesting**

PSUs granted in 2021 with a three-year performance cycle ending December 31, 2023 had target performance goals based on Adjusted Cash Provided by Operating Activities at a 50% weighting, and Adjusted Return on Invested Capital (“**ROIC**”) and Adjusted EPS each at a 25% weighting<sup>1</sup>. Weighting of these measures was intended to ensure a balanced focus on maintaining profitability, generating adequate returns on invested capital, and maintaining strong cash flows to support investment for future growth.

The realized value of all 2021 PSUs and RSUs that vested in February 2024 was approximately 41.7% of the value at the date of grant. This is due to the 14.4% vesting shortfall of PSUs and the decline in share price between the grant date and vesting date.

The percentage of PSUs granted in 2021 under the LTIP which vested are as follows:

<b>Objective</b>	<b>Weight</b>	<b>Target</b>	<b>Actual</b>	<b>% Vesting</b>
Aggregate Adjusted Cash from Operating Activities (\$000,000)	50%	725.8	752.4	51.8%
Aggregate Adjusted EPS (\$)	25%	1.50	0.68	11.3%
Aggregate Adjusted ROIC (%)	25%	20.7%	18.6	22.5%
<b>Total Payout Percentage</b>				<b>85.6%</b>
Threshold Payout Percentage				80%
Maximum Payout Percentage				100%

<sup>1</sup> Adjusted Cash Provided by Operating Activities, Adjusted ROIC and Adjusted EPS are non-GAAP financial measures that are not recognized measures for financial statement presentation under GAAP. As such, they do not have standardized meanings, may not be comparable to similar measures presented by other issuers and should not be considered a substitute for or superior to GAAP results. For further information, including the composition and use of such non-GAAP financial measures, refer to Section 18 – Non-GAAP Financial Measures in Management’s Discussion and Analysis of Results of Operations and Financial Condition in respect of Chorus’ fourth quarter and year-end 2021 (the “**2021 MD&A**”), which is available on Chorus’ website ([www.chorusaviation.com](http://www.chorusaviation.com)) and under Chorus’ profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). For the purposes of the 2021 PSUs granted prior to 2023, Adjusted Cash Provided by Operating Activities and Adjusted EPS were only adjusted to remove the impact of variable and equity compensation expenses and unrealized and realized foreign exchange gains or losses and do not to reflect any other adjustments set out in the 2021 MD&A. Adjusted ROIC was calculated by taking the non-GAAP financial measure of ROIC from the 2021 MD&A and removing the impact of variable and equity compensation expenses and unrealized and realized foreign exchange gains or losses.



## 2023 LTIP Grant

Consistent with our compensation philosophy, the 2023 LTIP awards were granted to NEOs at market competitive percentages of salary. Awards were issued on the basis of 50% RSUs and 50% PSUs.

The table below sets out the value of the RSUs and PSUs awarded to NEOs on February 21, 2023, with a performance/vesting cycle ending December 31, 2025. The actual value realized by the NEOs could be less or more than the value at grant date based on our share price at the time of vesting and the TSR modifier applicable to the PSUs.

Name	PSUs (#) (1)	RSUs (#) (1)	Value on grant date (\$) (2)	Value on Dec 31, 2023 (\$) (3)
Colin Copp	156,686	156,686	1,037,258	802,230
Gary Osborne	62,689	62,689	415,001	320,968
Jolene Mahody	72,508	72,508	480,003	371,241
Dennis Lopes	62,689	62,689	415,001	320,968
Jeremy Barnes	103,833	103,833	687,374	531,625
Joseph D. Randell	168,883	168,883	1,118,002	864,678

(1) The 2023 LTIP awards were based on a percentage of base salary for each NEO as follows: Mr. Copp's 2023 LTIP award was 130% of his base salary plus a top-up award for the period from September 14, 2022 to December 31, 2022 to reflect an increase in LTIP award from 100% to 130% and the increase in base salary which took effect upon the announcement of his pending appointment as President and CEO. The LTIP awards for Mr. Osborne, Ms. Mahody, Mr. Lopes and Mr. Barnes were 100% of base salary, and 130% for Mr. Randell.

(2) The number of PSUs and RSUs awarded was calculated as follows: percentage of NEO's salary (expressed as a value in CAD) divided by the fair market value of a share on the grant date (\$3.31).

(3) The value is based on the closing price of a share on the TSX as of December 31, 2023 (\$2.56) and assumes 100% of PSUs will vest.

Following a review of the LTIP program, the Board approved amended metrics to better align LTIP awards with market practice and incentivize execution of Chorus' strategy. Starting with the 2023 LTIP grants, vesting of PSUs is tied to the achievement of targets for Adjusted Return on Equity ("**Adjusted ROE**")<sup>1</sup> (60% weighting) and Free Cash Flow (40% weighting). Targets are based on the applicable Chorus budget and long-range plan. The range for Adjusted ROE is a threshold of -15% of target to a maximum of +15% target; for Free Cash Flow, a threshold of -30% target to a maximum of +30% target.

Adjusted EPS, which was a duplicate measure in the AIP and LTIP was removed. Adjusted ROE is better aligned with an asset management strategy, and Free Cash Flow supports the transition to an asset light strategy. The Board believes these metrics are fundamental to increasing shareholder value. Variable compensation expense is excluded from target calculations. LTIP grants for the Chorus executive team and subsidiary presidents consist of 50% PSUs and 50% RSUs.

The Board approved a TSR modifier of +/-25% based on the three-year performance of Chorus' shares against the TSX Composite Index to better align LTIP vesting outcomes with shareholder experience. The TSR modifier will provide a potential upside for PSU vesting if Chorus outperforms the TSX Composite Index but also adjust PSU vesting down if Chorus under-performs the TSX Composite Index, in each case over the three-year performance period. The TSR modifier will be applied such that performance in the first quartile will result in a +25% modifier, fourth quartile performance will result in a -25% modifier, with straight line vesting for performance in between. Performance against targets will result in vesting of PSUs from 0 (nil) to 2.0x, with 0.5x vesting if only thresholds are met. PSUs granted prior to 2023 are capped at 1.0x the number issued at the date of grant.

No changes were made to the metrics or vesting conditions for LTIP awards granted prior to 2023.

<sup>1</sup> Adjusted return on equity is a non-GAAP financial measure that is not recognized measures for financial statement presentation under GAAP. As such, it does not have a standardized meaning, may not be comparable to similar measures presented by other issuers and should not be considered a substitute for or superior to GAAP results. For further information, including the composition and use of such non-GAAP measure, refer to Section 18 – Non-GAAP Financial Measures in Management's Discussion and Analysis of Results of Operations and Financial Condition in respect of Chorus' fourth quarter and year-end 2023, which is available on Chorus' website ([www.chorusaviation.com](http://www.chorusaviation.com)) and under Chorus' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### Special Long Term Incentive Plan

The SLTIP granted in 2022 was a one-time non-recurring program intended to recognize the extraordinary efforts required to integrate the Falko and Chorus Aviation Capital leasing businesses and support the future growth of Falko's asset management business. The NEOs participate in the SLTIP. Awards were granted at a value equal to one-time base salary.

The SLTIP consists of 50% PSUs and 50% RSUs with a performance vesting period ending December 31, 2024. The performance-vesting targets include both financial metrics and strategic initiatives. The financial targets consist of aggregated Adjusted EBT and Free Cash Flow for the 2023 and 2024 years from the Falko financial plan approved by the Board in December 2022 (following the acquisition of Falko in May 2022). The strategic objectives approved by the Board span the performance period. The performance metrics (financial and strategic) for the PSU vesting will be assessed at the end of the performance cycle.

### Equity Compensation Plan Information

The table below sets out information about the equity plans as at December 31, 2023.

Objective	(a) Number of securities to be issued upon the exercise of outstanding options and vesting of RSUs/PSUs <sup>(1)</sup>		(b) Weighted average exercise price of outstanding options, warrants and rights <sup>(3)</sup>	(c) Number of securities remaining available for future issuances under equity compensation plans, excluding securities reflected in column (a)	
	% of shares outstanding <sup>(2)</sup>	Number		% of shares outstanding	Number
Equity compensation plans approved by security holders	0.50%	970,719 <sup>(4)</sup>	3.59	1.97%	3,805,833
Equity compensation plans not approved by security holders	Nil	Nil	Nil	Nil	Nil
Total	0.50%	970,719	3.59	1.97%	3,805,833

(1) Does not include shares underlying unvested RSUs or PSUs as these will either be redeemed for shares purchased on the secondary market (and not issued from treasury) and/or equivalent cash at the option of the participant.

(2) As of December 31, 2023, a total of 193,427,537 shares were issued and outstanding.

(3) RSUs do not have an exercise price so they are not factored into the weighted average price calculation.

(4) Includes (i) 900,000 share purchase options with an exercise price of \$3.59 per share, and (ii) one grant of 66,313 RSUs/PSUs (plus 4,406 RSU/PSU dividend equivalents) with a vesting date more than three years from the grant date, which was exercisable solely for shares issued from treasury or cash.

The approved maximum number of shares which may be issued from treasury under the LTIP is 11,000,915 (the **"Reserved LTIP Shares"**). The Reserved LTIP Shares represent approximately 5.69% of Chorus' issued and outstanding shares as at December 31, 2023.

There have been 6,244,363 shares issued under the LTIP since its inception, which represents approximately 3.22% of Chorus' issued and outstanding shares as at December 31, 2023. As of December 31, 2023, 4,776,552 shares remained available for issuance under the LTIP, 970,719 of which are currently reserved for issuance pursuant to outstanding options, RSUs and PSUs that would need to be settled through the issuance of shares from treasury.

The table below sets out the dilution, overhang and burn rate for the LTIP as of December 31 for each of the last three years. The total number of shares issued and outstanding as of December 31 of each year was as follows: 193,427,537 (2023), 201,332,016 (2022), 177,650,988 (2021). There were 900,000 share purchase options granted in 2022. Shares underlying the RSUs and PSUs granted in 2023, 2022 and 2021 under the LTIP and SLTIP are not currently redeemable for shares issuable from treasury but rather from secondary market purchases or cash.

<b>Metric</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Dilution <sup>(1)</sup>	0.50%	0.48%	0.04%
Overhang <sup>(2)</sup>	2.43%	2.34%	2.65%
Burn Rate <sup>(3)</sup>	Nil	0.45%	Nil

(1) Dilution represents: (total options and RSUs outstanding issuable from treasury) divided by (total number of shares outstanding).

(2) Overhang represents: (total shares available for issue + options outstanding) divided by (total number of shares outstanding).

(3) Burn rate represents: (total options granted during the year and RSUs granted during the year which are redeemable for shares issued from treasury) divided by (total number of shares outstanding).

#### **(4) Pension**

Under Chorus' registered defined contribution pension plan (the "**Pension Plan**"), NEOs resident in Canada receive a contribution equal to the maximum allowable amount under the *Income Tax Act* (Canada). Mr. Copp and Ms. Mahody also participate in the supplemental executive retirement plan (the "**SERP**"), which is closed to new participants (see "Pension Benefits" below). Mr. Osborne and Mr. Lopes participate in a Defined Contribution Supplemental Plan that, with the Pension Plan, provides an aggregate defined contribution retirement benefit equal to 15% of their base salaries. Mr. Barnes, who does not reside in Canada, receives a monthly payment equal to 10% of his base salary to contribute towards a personal pension plan in his jurisdiction.

#### **(5) Benefits**

Benefits are intended to be at the median level for Chorus' benchmark group. Benefits include life insurance, accidental death, and dismemberment insurance, extended health, dental and short and long-term disability insurance.

#### **(6) Employee Share Ownership Plan**

NEOs are eligible to participate in Chorus' Employee Share Ownership Plan (the "**ESOP**") which enables employees to purchase shares through payroll deductions. Eligible employees may deduct up to 6% of their base salary to invest in the purchase of shares on the secondary market.

The Board may, from time to time, authorize an employer match of the investments made by participants under the ESOP. The percentage of matching contributions and the base threshold amounts are established and subject to adjustment by the Board. Effective June 1, 2020, the Board ceased the employer match (unless contractually committed) in view of cost reductions initiatives undertaken by Chorus to address the impact of the COVID-19 pandemic. In November 2023, as per the previous two years, the Board determined not to provide a discretionary employer match for contributions made in the following year.

#### **(7) Perquisites**

Perquisites offered to certain NEOs include a taxable car allowance, a medical reimbursement plan and optional health assessment and financial advisory services. Perquisites are intended to be at the median level for Chorus' benchmark group and represent a small portion of overall compensation. As an executive of Falko, Mr. Barnes does not receive a car allowance or financial advisory services.

#### **(8) Carried Interest**

Falko currently manages aircraft investment funds on behalf of third-party investors. Consistent with norms in the fund management industry, Falko has a carried interest program pursuant to which a specified percentage of the investment returns generated for third-party investors above an agreed preferred return hurdle are shared (based on an agreed allocation) between Falko (i.e., the corporate allocation) and certain members of the Falko management team (i.e., the management allocation). Since carried interest is only payable if the preferred return target is exceeded, Falko's management team is directly incentivized to generate strong returns for fund investors, which in turn benefits Chorus and its shareholders by (i) generating strong returns on Chorus' capital invested in those funds, (ii) generating carried interest for Chorus in its capacity as owner of Falko and the general partner entity, and (iii) perpetuating a successful fund management business. The amount of carried interest payable is typically only known towards the end of a fund's life after all investments have been monetized and capital has been returned to investors.

The specific percentages of the carried interest opportunity, the preferred return, the vesting periods and allocation of carried interest as between Falko and the members of its management team can vary by fund.

As a member of Falko's management team, Mr. Barnes participates in Falko's carried interest program. None of the other NEOs participate in this program. There were no payments made under the carried interest program in 2023.

### **Performance Graph**

The following graph compares the total cumulative return of a \$100 investment in Chorus shares made on January 1, 2019 with the cumulative return of the S&P/TSX Composite Index for the period beginning on January 1, 2019 and ended December 31, 2023. Before the onset of the COVID-19 pandemic, the total return on Chorus shares met, and during most of the period exceeded, the S&P/TSX Composite Index. However, the performance graph below shows the dramatic drop in total return on Chorus shares relative to the S&P/TSX Composite Index in the first quarter of 2020 concurrent with the onset of the COVID-19 pandemic and the continuing impact of the prolonged aviation sector recovery and subsequent macro-economic conditions that have slowed Chorus' transition to an asset-light leasing model.

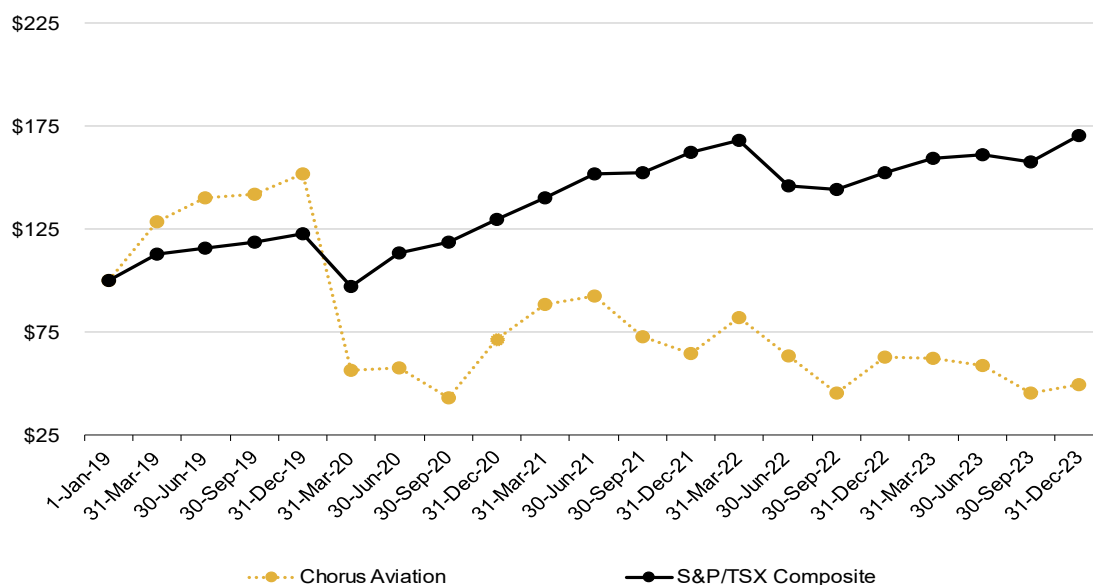
The trend shown in the graph generally corresponds to the trend in the compensation of the NEOs, excluding the impact of individual performance factors and increases in compensation due to promotion. In 2020, the President and CEO agreed to forego 70% of his salary and other senior executives agreed to forego up to 50% of their salaries. On July 1, 2020, salary reductions for executive management were extended for the remainder of the year at 20%, and frozen until April 2021. To further conserve cash, the Board used downward discretion, despite the achievement of metrics under the AIP, not to approve payments under the AIP for 2020. Instead, the Board approved a limited budget to recognize those individuals who made an extraordinary contribution in 2020 to mitigating the impact of the COVID-19 pandemic on Chorus and/or positioning Chorus for future growth. In all cases, these special awards were between 25% to 50% of the target incentive percentage for the recipients.

The AIP continued to be impacted in 2021 with the financial component (which made up 75% of the AIP for NEOs) paying out at 23.8% of target. Although incentives returned to target levels in 2022, they were again impacted by earnings performance in 2023 as detailed in this circular.

A significant portion of NEO compensation is in the form of long-term, equity-based incentives which are based on the fair market value of Chorus shares at the time of grant, such that target values are only realized if Chorus' share price does not decline after the grant date. Furthermore, because 50% of annual LTIP grants are made in the form of PSUs which are at risk of forfeiture if financial performance targets are not met, the value of equity-based awards to NEOs can be reduced even further at the time of vesting. As a result of these factors, the dollar value of equity-based incentives for NEOs have performed at or below the return on Chorus shares. The realized value of equity grants for NEOs compared to the intended value of the grants during this period was as follows: 2019 – 101.4%; 2020 – 49.4%; 2021 – 18.4%; 2022 – 29.4% and 2023 – 41.7%.

When making compensation decisions during this period, the Board has carefully balanced the objectives of retaining executive talent, adhering to Chorus' compensation philosophy, and taking shareholder experience into account.

**Comparison of Total Return of Chorus Aviation Inc. Shares  
with S&P/TSX Composite Index January 1, 2019 to December 31, 2023**



## Summary Compensation Table

The following table provides a summary of the compensation awarded to Chorus' NEOs for the years ended December 31, 2023, 2022 and 2021.

Name and principal position	Year	Salary	Share-based awards		Non-equity Incentive plan	Pension Value <sup>(5)</sup>	All other compensation <sup>(6)</sup>	Total compensation
			Value of RSUs/PSUs granted <sup>(1)</sup>	Options <sup>(2)</sup>	Short-Term Incentive <sup>(3) (4)</sup>			
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Colin Copp President & CEO	2023	700,000	910,000		743,820	201,660	0	2,555,480
	2022	547,030	964,500		740,050	2,506,580	0	4,758,160
	2021	468,169	461,250		337,834	101,510	2,522	1,256,087
Gary Osborne CFO	2023	415,000	415,000		280,623	62,250	0	1,172,873
	2022	360,000	720,000		417,680	30,780	0	1,528,460
	2021	324,800	320,000		234,377	29,210	0	988,387
Jolene Mahody EVP, CSO	2023	480,000	480,000		324,576	151,160	0	1,435,736
	2022	465,250	930,500		547,656	159,480	0	2,102,885
	2021	451,675	445,000		325,931	103,110	2,446	1,439,412
Dennis Lopes SVP, CLO	2023	415,000	415,000		280,623	62,250	0	1,172,873
	2022	403,520	807,040		474,752	30,780	0	1,716,092
	2021	392,700	385,000		281,985	29,210	1,074	1,089,969
Jeremy Barnes <sup>(7)</sup> CEO, Falko	2023	704,928	687,374		597,683	70,493	0	2,060,478
	2022	435,499	673,302	1,089,855	676,830	43,550	0	2,919,036
Joseph D. Randell <sup>(8)</sup> Former President & CEO	2023	165,385	1,118,000		152,815	63,559	41,667	1,541,436
	2022	860,000	1,978,000		1,534,140	438,480	0	4,810,620
	2021	832,300	1,066,000		888,145	227,510	1,398	3,281,853

- (1) Represents value of RSUs and PSUs granted in the financial year shown and, for 2022, includes the one-time non-recurring SLTIP grants. Value of RSUs and PSUs granted as shown in the table is based on the closing price per share on the TSX as of the grant date, which was \$3.31 per share for the February 2023 LTIP grant, \$4.34 for the March 2022 LTIP grant, \$3.59 for the May 2022 SLTIP grant, and \$4.76 for the March 2021 LTIP grant. The value of the RSUs and PSUs for accounting purposes at the date of grant is also based on the closing price per share on the TSX as of the grant date.
- (2) In 2022, 500,000 share purchase options were granted to Jeremy Barnes pursuant to his post-acquisition employment agreement. The fair value for the options granted on May 10, 2022, as reported in this table, and for accounting purposes, is determined at the time of grant using a Black-Scholes option pricing model. The estimated fair value on the date of grant of the options was \$2.18. The fair value of the options is recognized as expense over the vesting period, based on the number of options expected to vest, with a corresponding entry to equity. The number of options expected to vest is reviewed at least once annually with any impact on previously recognized expense being adjusted immediately.
- (3) Amounts shown represent payments for performance relating to the particular financial year for each NEO.
- (4) Amounts shown include payments made to certain NEOs under the recovery incentive program which partly mitigated some of the impact of the Covid-19 pandemic on executive compensation from 2020 to 2022. The following NEOs received amounts for the years 2021 and 2022: Mr. Copp \$115,313, Mr. Osborne \$80,000, Ms. Mahody \$111,250, Mr. Lopes \$96,250, and Mr. Randell \$266,500.
- (5) This column includes the compensatory changes reflected in the pension plan and, where applicable, the SERP tables. Mr. Copp and Ms. Mahody participate in the Defined Benefit SERP; Mr. Randell received SERP contributions until his retirement date. The 2022 pension value for Mr. Copp was determined as of December 31, 2022 on an actuarial basis reflecting his planned appointment to President and Chief Executive Officer on March 3, 2023, his pensionable salary in that new role, and applicable economic and other assumptions. Mr. Osborne and Mr. Lopes participate in the Defined Contribution SERP.
- (6) Perquisites did not exceed the lesser of 10% of base salary and \$50,000.
- (7) Mr. Barnes is resident in England and paid in GBP. His base salary of £420,000 and pension were converted above at an exchange rate of 1.00 GBP = 1.6784 CAD (which is the 2023 average daily rate published by the Bank of Canada for GBP to CAD). His 2023 LTIP grant and 2023 bonus were converted at the daily rate for the date of grant (LTIP) and date of approved payment (AIP). His pension contributions are received at 10% of salary and deposited to his pension investments in England.
- (8) Mr. Randell's salary is in respect to the period up to his retirement on March 3, 2023. Amounts under "all other compensation", represent consulting services from after his retirement until December 31, 2023.

## Incentive Plan Awards

### 2023 Outstanding Option-Based Awards and Share-Based Awards at Fiscal Year End

The table below shows the award of share purchase options granted to Mr. Barnes in 2022 and the market value of those options on December 31, 2023. The table also shows the RSUs and PSUs granted in 2023 to the NEOs and the market value of those RSUs and PSUs on December 31, 2023. Pursuant to the LTIP, participants could have between 0.8 and 1.0x their PSUs vest or none at all. PSUs make up one-half of each annual LTIP award.

In February 2024, the Board, on the HRCC's recommendation, approved the vesting of all RSUs and 85.6% of the PSUs granted in 2021 under the LTIP (see "Compensation of NEOs" above). Vesting of the 2021 RSUs and PSUs occurred in 2024 and, therefore, is not treated as having vested in 2023 for the purposes of the table below.

Name	Option-Based Awards				Share-Based Awards (LTIP)	
	Number of securities underlying un-exercised options	Option exercise price	Option Expiration date	Value of unexercised in-the-money options <sup>(1)</sup>	Number of shares that have not vested <sup>(2)</sup>	Market value of share-based awards that have not vested <sup>(3)</sup>
	(#)	(\$)		(\$)	(#)	(\$)
Colin Copp				Nil	2023 Grant	313,371
					2022 Grant	245,449
					2021 Grant	96,901
					Aggregate	655,721
Gary Osborne				Nil	2023 Grant	125,378
					2022 Grant	183,229
					2021 Grant	67,227
					Aggregate	375,834
Jolene Mahody				Nil	2023 Grant	145,016
					2022 Grant	236,797
					2021 Grant	93,487
					Aggregate	475,300
Dennis Lopes				Nil	2023 Grant	125,378
					2022 Grant	205,378
					2021 Grant	80,882
					Aggregate	411,638
Jeremy Barnes	500,000	3.59	May 10, 2032	Nil	2023 Grant	207,666
					2022 Grant	187,549
					Aggregate	395,215
Joseph D. Randell				Nil	2023 Grant	337,765
					2022 Grant	497,158
					2021 Grant	223,950
					Aggregate	1,058,873

(1) The value of unexercised option-based awards was calculated based on the market value of Chorus shares at December 31, 2023 of \$2.56 per share.

- (2) Amounts represent number of RSUs/PSUs awarded under the LTIP in each case on the date of grant.
- (3) Based on the market value of shares at December 31, 2023 of \$2.56 per share. The amounts for 2023 and 2022 LTIP grants are shown as the minimum payouts reflecting that 50% of each grant are PSUs and therefore subject to performance measures. The market value for the 2021 LTIP grant reflects the fact that vesting was determined on February 22, 2024 to be 85.6% of the original PSU grant.
- (4) Upon Mr. Randell's retirement, RSUs and PSUs granted in 2021 or after, continue to vest (without pro-ration) according to their regular vesting schedules and, in the case of the PSUs, subject to the achievement of applicable performance targets.

### Incentive plan awards – value vested or earned during 2023

The following table provides the value of share-based awards that vested, and the non-equity incentive plan compensation earned during the year ended December 31, 2023, for each NEO.

Name	Option-based awards value vested during the year (1) (\$)	Share-based awards value vested during the year (2) (\$)	Non-equity incentive plan compensation value earned during the year (3) (\$)
Colin Copp	-	137,148	743,820
Gary Osborne	-	99,140	280,623
Jolene Mahody	-	132,317	324,576
Dennis Lopes	-	114,477	280,623
Jeremy Barnes	-	-	597,683
Joseph D. Randell	-	316,964	152,815

- (1) No options vested in 2023.
- (2) Represents value of all RSUs vested in 2023 determined on the date of delivery of shares or cash in lieu of shares. The Board typically approves the vesting of RSUs and PSUs in February of each year in respect of performance cycles concluding at the end of the previous calendar year. In February 2024, the Board approved the vesting of 85.6% of all PSUs granted in 2021 under the LTIP. Since the RSUs and PSUs granted in 2021 did not vest in 2023, they are not reflected in this table.
- (3) Consists of payments under the AIP.

### Pension Benefits

#### Pension Plan

The table below summarizes the accumulated balances in the executive defined contribution pension plan (the “**DC Pension Plan**”) account of each NEO (except Mr. Barnes) at January 1, 2023 and December 31, 2023 as well as the factors that have caused the balance to change during 2023.

Name	Accumulated value at start of year (\$)	Compensatory change (\$)	Accumulated value at end of year (\$)
Colin Copp	1,192,717	31,560	1,379,253
Gary Osborne	660,396	31,560	793,921
Jolene Mahody	763,526	31,560	892,587
Dennis Lopes	210,265	31,560	270,357
Jeremy Barnes <sup>(1)</sup>	-	-	-
Joseph D. Randell <sup>(2)</sup>	924,289	6,069	1,061,961

- (1) Mr. Barnes receives a monthly payment equal to 10% of his base salary monthly to contribute towards a personal pension plan in his jurisdiction.
- (2) The compensatory change and accumulated value for Mr. Randell are as of his March 3, 2023 retirement date.

The SERP benefit (applicable only to Messrs. Copp and Randell, and Ms. Mahody) is reduced by a deemed benefit from the DC Pension Plan.

#### Supplemental Executive Retirement Plan

Effective February 19, 2014, the Board closed the SERP to new participants. Prior to this, the Board had applied its discretion under the SERP to approve new participants. There have been no new participants added since 2011. Therefore, Messrs. Osborne, Lopes and Barnes do not participate in the SERP.

In aggregate, for each year of credited service as an executive, the DC Pension Plan and the SERP are intended to provide a target pension benefit of 1.5% of final average earnings up to, and 2.0% of final average earnings in excess of, the final average Year's Maximum Pensionable Earnings (the “**YMPE**”).



For this purpose, “final average earnings” is defined as the average salary in the best three consecutive years and the final average YMPE is the average of the YMPE (as defined under the Canada Pension Plan) in the year of termination and the preceding two years. The SERP benefit is reduced by a deemed benefit from the DC Pension Plan.

The normal retirement date under the SERP is the first day of the month coincident with or next following attainment of age 65. Members who attain age 55 can retire prior to their normal retirement date provided that if they retire prior to age 57, their pension is reduced by the ratio of the executive’s service at the date of pension commencement to what the executive’s service would have been at age 57 if the executive had continued in employment.

If a member’s employment is terminated prior to age 55, the member is entitled to receive a pension commencing at age 55. All SERP participants are over the age of 55.

The normal form of pension for members with a spouse at the date of pension commencement is payable for the lifetime of the member with 60% of the member’s pension continuing to a surviving spouse. The normal form of pension for members without a spouse at the date of pension commencement is payable for the lifetime of the member, with a guarantee that a minimum of 120 monthly payments would be made.

Participants in the SERP have the option of the normal form of retirement benefit or lump sum commuted value at retirement without a tax adjustment.

The table below shows the following information for each NEO participating in the SERP:

- years of credited service as at December 31, 2023;
- estimated annual benefit accrued, or earned, for service up to December 31, 2023 and up to the age of 65; and
- a reconciliation of the accrued obligation from December 31, 2022 to December 31, 2023.

In accordance with GAAP, the amounts below make no allowance for the different tax treatment of the portion of pension not paid from the registered or qualified pension plans. All amounts shown below are estimated based on assumptions and represent contractual entitlements that may change over time. The method and assumptions used to determine estimated amounts will not be identical to the method and assumptions used by other issuers and, as a result, the figures may not be directly comparable across issuers.

	Accrued benefits payable at year end (3)	Accrued benefits payable at 65 (4)	Accrued obligation at start of year (5)	Compensatory change (6)	Non- compensatory change (7)	Accrued obligation at year end s (8)
Name	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Colin Copp <sup>(1)</sup>	340,240	428,054	6,066,300	170,100	528,500	6,764,900
Jolene Mahody <sup>(1)</sup>	268,349	339,224	4,217,100	119,600	363,000	4,699,700
Joseph D. Randell <sup>(2)</sup>	537,825	n/a	8,600,400	57,500	139,700	8,797,600

(1) Mr. Copp has 36.7 years of credited service, and Ms. Mahody has 36.26 of credited service. Both Mr. Copp and Ms. Mahody received an additional 2.5 years of pensionable service for the period from January 1, 2014 to December 31, 2018, vesting on December 31, 2018, and received an additional 2.5 years of pensionable service for the period from January 1, 2019 to the date when each of them reached age 55, vesting in 2022 upon reaching age 55. For Mr. Copp, the 5 years of additional service applies to his pre-promotion (to President and CEO) salary.

(2) Mr. Randell retired on March 3, 2023. The accrued obligation figure at year-end shown for him is the accrued obligation as of his retirement date.

(3) The annual lifetime pension is payable at age 65 based on the NEO’s earnings and credited service as at December 31, 2023.

(4) Mr. Randell is 70 years old.

(5) The accrued obligation at the start of year is the value of the projected pension earned for service to December 31, 2022. The values have been determined based on the 2022 actual earnings adjusted to reflect expected increases in pensionable earnings using the same actuarial assumptions used for determining the pension plan obligations at December 31, 2022 as disclosed in the notes to the 2022 consolidated financial statements as presented by Chorus.

(6) The values shown under the column headed “Compensatory change” include the value of the projected pension earned for service in the year plus the differences between actual and assumed compensation for the year.

- (7) The values shown under the column headed “Non-compensatory change” include the impact of amounts attributable to interest accruing on the beginning of year obligation, changes in the actuarial assumptions, and any other experience gains and losses, including the impact of exchange rate changes and demographic changes.
- (8) The accrued obligation at year end is the value of the projected pension earned for service to December 31, 2023. The values have been determined based on the 2023 actual earnings adjusted to reflect expected increases in pensionable earnings using the same actuarial assumptions used for determining the pension plan obligations at December 31, 2023 as disclosed in the notes to the 2023 consolidated financial statements of Chorus.

### **Defined Contribution Supplemental Plan**

In November 2022, the Board approved a supplemental plan for Mr. Osborne and Mr. Lopes, who do not participate in the SERP. This plan, which was effective January 1, 2023, supplements the current executive defined contribution plan in order to provide Mr. Osborne and Mr. Lopes an aggregate defined contribution retirement benefit equal to 15% of their base salaries.

The following table sets forth details regarding the plan participation of Mr. Osborne and Mr. Lopes during 2023. The table reflects the top-up to 15%. Details of the contributions under the DC Pension Plan are found under “Pension Plan”.

<b>Name</b>	<b>Applicable Plan</b>	<b>Accumulated value at start of year (\$)</b>	<b>Compensatory change (\$)</b>	<b>Accumulated value at end of year (\$)</b>
Gary Osborne	DC SERP	0	30,690	32,588
Dennis Lopes	DC SERP	0	30,690	32,588

### **Termination and Change of Control Benefits**

Chorus has entered termination and change of control agreements with Mr. Copp, Mr. Osborne, Ms. Mahody and Mr. Lopes. Falko has also entered into a termination agreement with Mr. Barnes. As Mr. Randell retired on March 3, 2023, he is not included in this section. His retirement provisions are detailed in the applicable tables.

#### **Compensation Upon Termination**

The following is a summary of the compensation upon termination that would be payable to the NEOs as at December 31, 2023.

Pursuant to their termination and change of control agreements with Chorus, each of Messrs. Copp, Osborne, Lopes and Ms. Mahody becomes entitled to certain benefits upon the occurrence of one of the following triggering events: (i) a termination of employment without cause; or (ii) the occurrence of a change of control and a termination by the executive of their employment for “good reason” (as defined in the agreement) within 24 months of the occurrence of the change of control. A “change of control” is defined in those agreements to mean a transaction or series of transactions whereby any individual or corporation, or group of individuals or corporations acting jointly or in concert, obtains a sufficient number of securities of Chorus to affect materially the control of Chorus. For purposes of these agreements, an individual or corporation, or group of individuals or corporations acting jointly or in concert, holding shares or other securities in excess of the number which, directly or following conversion thereof, would entitle such individual(s) and/or corporation(s) to cast 50% or more of the votes attaching to all shares of Chorus which may be cast to elect directors of Chorus, shall be deemed to be in a position to affect materially the control of Chorus.

As of December 31, 2023, on the occurrence of a triggering event, Messrs. Copp, Osborne, Lopes and Ms. Mahody would each be entitled to 12 months of annual compensation (salary, AIP, and basic benefits) plus one additional month of compensation per year of service to a maximum combined severance of 24 months.

As of December 31, 2023, Mr. Copp would be entitled to a cash severance payment of \$1,400,000 and an AIP payment of \$1,155,000, Mr. Osborne would be entitled to a cash severance payment of \$830,000 and an AIP payment of \$492,057, Ms. Mahody would be entitled to a cash severance payment of \$960,000 and an AIP payment of \$651,086 and Mr. Lopes (based on seven full years of service) would be entitled to a cash severance payment of \$657,083 and an AIP payment of \$446,687. The AIP payments represent the number that is the product of (A) the number of months of the severance period

divided by 12, and (B) the greater of the average bonus payment for the previous two calendar years and 75% of the target bonus under the AIP. Continuation of benefits for the severance period is valued at \$18,623 for each of Messrs. Copp, Osborne, and Ms. Mahody, and \$14,743 for Mr. Lopes.

As of December 31, 2023, the value of the incremental annual pension benefit payable to the above NEOs under their agreements, determined by assuming that each executive would receive, in the case of Mr. Copp and Ms. Mahody, 24 months of additional pension service credits under the SERP as at the date of termination, is as follows: Mr. Copp \$132,000 and Ms. Mahody \$47,000. The incremental annual pension benefit represents the additional SERP pension payable immediately for these executives as they are currently eligible for retirement. Messrs. Osborne, Lopes and Barnes do not participate in the SERP.

Under the terms of his employment agreement, Mr. Barnes would, in the case of termination without cause, be entitled to 12 months of basic salary (£420,000) and health benefits until the earlier of the end of such 12-month period or the date he becomes eligible for health benefits through new employment.

The treatment of RSUs and PSUs for all NEOs on termination of employment, a change of control, and retirement are described under “Executive Compensation Program – 3) Equity Plans – LTIP” above, with certain modifications for Mr. Copp described below under “Retirement provisions”. As of December 31, 2023, the range of values for each of the NEOs of the total number of RSUs awarded under the LTIP on a termination without cause (based on the closing market price of Chorus shares on December 31, 2023), is as follows: Mr. Copp \$467,188 - \$934,376, Mr. Osborne \$295,901 - \$591,801, Ms. Mahody \$383,604 - \$767,207, Mr. Lopes \$332,279 - \$664,559 and Mr. Barnes \$248,646 - \$497,292.

As of December 31, 2023, the value (based on the closing market price of Chorus shares on December 31, 2023) for each of the NEOs of the total number of RSUs and PSUs awarded under the LTIP in the event of a change of control (as defined in the LTIP) and termination without cause or for good reason (as defined in the LTIP) within 24 months, is as follows: Mr. Copp \$1,678,646, Mr. Osborne \$962,135, Ms. Mahody \$1,216,768, Mr. Lopes \$1,053,793 and Mr. Barnes \$1,011,750.

The vesting of options granted on May 10, 2022 to Jeremy Barnes, in the event of termination without cause or change of control, will be in accordance with the award agreement. Since the share price on December 31, 2023 was lower than the exercise price of the options, no value is attributable to the options.

All NEOs are subject to certain contractual confidentiality, non-solicitation, and non-disparagement obligations.

#### *Retirement Provisions*

The employment agreement entered into with Mr. Copp on September 14, 2022 provides that if his retirement occurs at least three years after the effective date of his appointment as President and CEO, any unvested RSUs and PSUs then outstanding will not be reduced in number and will remain eligible for vesting in accordance with their terms (including, in the case of PSUs, the achievement of applicable performance-vesting conditions). In June 2023, Chorus entered into a retention agreement with Ms. Mahody pursuant to which, if she continues to provide service through to January 15, 2025, she will receive a retirement allowance equal to one year's cash compensation to be payable at her election in a lump sum or installments upon leaving her employment, together with certain post-retirement benefits, including one year of pensionable service under the SERP and certain health benefits.

## OTHER IMPORTANT INFORMATION

### Certain Proceedings

To the knowledge of Chorus, none of the proposed nominees for election as directors (a) are, as at the date hereof, or have been, within 10 years before the date of this circular, a director, chief executive officer or chief financial officer of any company that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an “**Order**”) that was issued while the proposed nominee was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the proposed nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, (b) are, as the date of this circular, or have been within 10 years before the date of this circular, a director or executive officer of any company that, while person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (c) have, within the 10 years before the date of this circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed nominee, except that (A) Alan Jenkins resigned from his position as Chief Financial Officer of Nordic Aviation Capital DAC within one year prior to it entering into a scheme of arrangement with certain of its lenders which arrangement was approved by the Irish High Court in 2020, and (B) Alan Jenkins was Chief Financial Officer of Waypoint Leasing (Ireland) Limited at the time it filed for bankruptcy protection under chapter 11 of title 11 of the United States Bankruptcy Code in 2018.

### Interest of Informed Persons in Material Transactions

To the best of our knowledge, no informed person of Chorus, any proposed director of Chorus, or any associate or affiliate of any informed person or proposed director, has or has had any direct or indirect material interest in any transaction since the commencement of Chorus' most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

In connection with the acquisition of Falko and the Brookfield Investment in May 2022, Chorus entered into the Brookfield Investor Rights Agreement pursuant to which, among other things, Messrs. Levenson and Yu were appointed to the Board. The Brookfield Investment is described in the Corporation's Material Change Report dated May 3, 2022, which is available under Chorus' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). A copy of the Brookfield Investor Rights Agreement is available under Chorus' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### Directors' and Officers' Liability Insurance

Chorus maintains directors' and officers' liability insurance for the benefit of the directors and officers of Chorus and its subsidiaries. The current policy is effective from October 1, 2023 to October 1, 2024 and, among other things, protects the directors and officers for allegations of alleged “wrongful acts” in the conduct of their activities as directors and officers. The directors and officers are indemnified by Chorus from and against any losses or damages they may suffer in such capacities, to the fullest extent permitted, but subject to the limitations stipulated, by applicable law.

### Indebtedness of Directors and Officers

Chorus does not have any outstanding loans made to any of its officers, directors, employees or former officers, directors or employees or to any associate of such persons, other than routine indebtedness.

## Receipt of Proposals for our 2025 Annual Meeting

Any shareholder who intends to present a proposal at the Corporation's 2024 annual meeting of shareholders must send the proposal to Chorus, Attention: Corporate Secretary at 3 Spectacle Lake Drive, Suite 380, Dartmouth, Nova Scotia, B3B 1W8. In order for the proposal to be included in the proxy materials sent to shareholders for that meeting, the proposal must be received by Chorus no earlier than January 27, 2025 and no later than March 28, 2025 and must comply with the requirements of Section 137 of the CBCA.

## Communication with Directors and Shareholder Engagement

The Board is always interested in receiving shareholders' views about the Corporation, its operations and governance. Instructions for communicating with the Board are set out below:

Shareholder Engagement Process	Contact Information
Shareholders may communicate with the Chair of the Board or other independent directors by mailing (by regular mail or other means of delivery) to the address set out in the right-hand column of this table.	Attention: Chair of the Board, 3 Spectacle Lake Drive, Suite 380, Dartmouth, Nova Scotia B3B 1W8
If the envelope is marked "Private and Confidential", it will be delivered, unopened, to the Chair of the Board of Directors, or such other independent director to whom it is addressed.	In a sealed envelope marked "Private and Confidential – Attention, Chair of the Board of Directors of Chorus Aviation Inc."

## HOW TO REQUEST MORE INFORMATION

### Documents You Can Request

You can ask us for a copy of the following documents at no charge:

- the Consolidated Financial Statements of Chorus for the year ended December 31, 2023, together with the accompanying auditors' report thereon and the MD&A related to such consolidated financial statements;
- any Unaudited Interim Condensed Consolidated Financial Statements of Chorus that were filed after its financial statements for the year ended December 31, 2023, together with the MD&A related to such interim financial statements;
- the Annual Information Form of Chorus for the year ended December 31, 2023; and
- the NCIB notice filed with the TSX.

Please write to Chorus Investor Relations, 3 Spectacle Lake Drive, Suite 380, Dartmouth, Nova Scotia B3B 1W8.

These documents are also available on our website at [www.chorusaviation.com](http://www.chorusaviation.com) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). All of our news releases are also available on our website.

## **Receiving Information Electronically**

You can choose to receive copies of our corporate documents electronically. We will send you an email informing you when they are available on our website.

### ***How to sign up – shareholders generally***

To sign up for electronic delivery of corporate documents, go to the website <https://tsxtrust.com/edelivery> and follow the instructions.

### ***How to sign up – employees holding shares under the Employee Share Ownership Plan of Chorus***

If you are not sure whether you are an employee holding your shares under the Employee Share Ownership Plan, please contact Computershare at 1-866-982-0314.

To sign up for electronic delivery of corporate documents, go to the website [www.computershare.com/employee/ca](http://www.computershare.com/employee/ca) and follow the instructions.

## APPENDIX A - MANDATE OF THE BOARD OF DIRECTORS

### CHORUS AVIATION INC.

(the “Corporation”)

#### 1. PURPOSE

This mandate describes the role of the Board of Directors (the “**Board**”) of Chorus Aviation Inc. (the “**Corporation**”). The Corporation is a reporting issuer with securities listed on the Toronto Stock Exchange. This mandate is subject to the provisions of the Corporation’s articles of incorporation, by-laws and applicable laws. This mandate is not intended to limit, enlarge or change in any way the responsibilities of the Board as determined by such articles, by-laws and applicable laws. Directors are elected annually and, together with those appointed to fill vacancies or appointed as additional directors throughout the year, collectively constitute the Board.

#### 2. ROLE

The Board is responsible for the stewardship of the Corporation and its business, and is accountable to its shareholders (the “**Shareholders**”) for the performance of the Corporation.

The Board establishes the overall policies for the Corporation, monitors and evaluates the Corporation’s strategic direction, and retains all authorities and powers for those functions not specifically delegated by it to its committees or to the Corporation’s management (“**Management**”). Accordingly, in addition to the duties of directors of a Canadian corporation as prescribed by applicable laws, the mandate of the Board is to supervise the management of the business and affairs of the Corporation with a view to evaluate, on an ongoing basis, whether the Corporation’s resources are being managed prudently and ethically, having appropriate regard for the interests of the Corporation’s stakeholders, in order to enhance value for its Shareholders. In discharging their duties, directors shall act honestly and in good faith, with a view to the best interests of the Corporation. Directors shall also exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances

The Board may, at the Board’s option, delegate to Board committees matters it is responsible for to the extent permitted by law; however, the Board retains its oversight function and ultimate responsibility for all delegated responsibilities.

#### 3. COMPOSITION

##### *Directors*

The Board is elected by the Shareholders and shall be comprised of that number of directors as shall be determined from time to time by the Board.

The Governance, Safety and Sustainability Committee of the Board assists the Board with assessing its overall effectiveness, the optimal size of the Board, and the desired skills and characteristics of new candidates. The Governance, Safety and Sustainability Committee reviews and recommends to the Board candidates for nomination as directors. The Board approves the final choice of the candidates that are to be nominated for election by the Shareholders.

The Board should have an appropriate mix of skills, knowledge and experience, should enhance the diversity of perspectives on the Board, and possess an understanding of the industry and the geographical areas in which the Corporation operates. Directors selected should be able to commit the requisite time for all of the Board’s business. The Board ensures, through the Governance, Safety and Sustainability Committee, that new directors are provided with an appropriate orientation and that all directors are provided with relevant education opportunities.

### *Chair*

A Chair of the Board shall be appointed by the Board. If the President and Chief Executive Officer of the Corporation (the “CEO”) is also the Chair of the Board, a Lead Director shall be appointed by the Board’s independent directors.

### *Independence*

A majority of the Board shall be composed of directors who do not have any direct or indirect relationship with the Corporation which, in the view of the Board, could reasonably be expected to interfere with the exercise of their independent judgment and who are otherwise considered to be independent under the laws and stock exchange listing requirements to which the Corporation is subject.

### *Nationality*

A majority of the Board shall be composed of directors who are resident Canadian <sup>1</sup>.

### Criteria for Board Membership

Board members are expected to demonstrate the following conduct:

- (a) demonstrate high ethical standards and integrity in their professional and personal dealings;
- (b) act honestly and in good faith with a view to the best interests of the Corporation;
- (c) promptly disclose to their fellow directors any interest that they may have in a material contract or transaction with the Corporation, whether made or proposed;
- (d) promptly disclose to their fellow directors any information that may be necessary or relevant for the conduct of the Corporation’s business;
- (e) devote sufficient time to the affairs of the Corporation and exercise care, diligence and skill in fulfilling their responsibilities both as Board members and as committee members;
- (f) provide independent judgment on a broad range of issues concerning the Corporation;
- (g) understand the Corporation’s strategic objectives and be capable of critically evaluating decisions and business plans against those objectives;
- (h) make all reasonable efforts to attend all Board and committee meetings;
- (i) review the materials provided by Management in advance of Board and committee meetings;
- (j) actively participate in meetings of the Board and each committee, encourage candid discussion of significant issues, and be willing to change their mind in appropriate circumstances; and
- (k) welcome, and be prepared to offer, constructive feedback with a view to enhancing the Board’s effectiveness.

## **4. COMPENSATION**

The Board has determined that the directors should be compensated in a form and amount which is appropriate and which is customary for comparable corporations, having regard for such matters as time commitment, responsibility and trends in director compensation.

## **5. RESPONSIBILITIES**

Without limiting the Board’s legal obligations, general Board responsibilities shall include the following:

- (a) developing the Corporation’s approach to corporate governance;

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<sup>1</sup> A “resident Canadian” for the purposes of this document refers to a person who is (i) “resident Canadian” within the meaning of subsection 1(1) of the *Canada Business Corporations Act*, and (ii) “Canadian” within the meaning of subsection 55(1) of the *Canada Transportation Act*.



- (b) approving a code of ethics and business conduct (the “**Code**”), and, to the extent feasible, satisfying itself as to (i) the integrity of the CEO and the other officers of the Corporation, and (ii) the existence of a culture of integrity throughout the Corporation and its subsidiaries;
- (c) approving significant policies governing the business and affairs of the Corporation and its subsidiaries;
- (d) evaluating and approving the Corporation’s strategic objectives, having regard to, among other factors, the opportunities and risks of the Corporation’s business;
- (e) reviewing and approving the Corporation’s annual business plan, and in connection therewith, evaluating whether the plan will, if executed, advance the Corporation’s progress against its strategic objectives;
- (f) approving, prior to their public disclosure, the Corporation’s financial statements, management’s discussion and analysis, earnings new release, annual information form, proxy circular and all other disclosure documents which the Board is required to approve under applicable law;
- (g) considering the principal risks of the Corporation’s businesses and satisfying itself, to the extent feasible, as to the existence of appropriate systems to identify, manage and monitor those risks;
- (h) appointing the CEO and the Corporation’s officers, and ensuring that appropriate development and succession plans are in place for these positions;
- (i) satisfying itself, to the extent feasible, as to the effectiveness of the Corporation’s internal controls over financial reporting and management information systems;
- (j) approving a disclosure policy for the Corporation and satisfying itself, to the extent feasible, as to the effectiveness of the Corporation’s disclosure controls and procedures;
- (k) ensuring effective measures exist for receiving feedback from the Corporation’s stakeholders;
- (l) reviewing and approving material transactions outside the ordinary course of the Corporation’s business as well as all matters that the Board is required to approve under Canada Business Corporations Act (the “**CBCA**”);
- (m) subject to paragraph (l) above, approving a delegation of authority policy pursuant to which authority to execute commitments on behalf of the Corporation is delegated to the Chair of the Board, the CEO and/or other directors or officers of the Corporation;
- (n) approving the compensation paid to the CEO and other designated officers of the Corporation;
- (o) providing advice and counsel to the CEO and Management;
- (p) implementing structures, practices and procedures designed to enable the Board and its committees to function effectively and independently of Management, including periodic assessments of the effectiveness of the Board, its committees and individual members;
- (q) nominating individuals for election by the Shareholders as the Corporation’s directors and, subject to the CBCA, filling vacancies on the Board and appointing additional directors as required;
- (r) nominating a firm of chartered accountants for appointment by the Shareholders as the Corporation’s auditors, and approving the external auditor’s remuneration;
- (s) selecting a Chair of the Board and, if required, a Lead Director;
- (t) establishing and constituting committees of the Board, and delegating to those committees such duties and responsibilities as the Board deems appropriate to assist the Board in discharging its duties and responsibilities.

## **6. MEETINGS**

### *Frequency*

The Board will meet at least quarterly, with additional meetings scheduled as required. Each director has a responsibility to attend and participate in meetings of the Board. The Chair of the Board will ensure that meeting agendas and minutes are distributed to the Board.

### *Quorum*

Subject to the by-laws of the Corporation, a majority of directors in office shall constitute a quorum for the transaction of business at any meeting of the Board, provided that a majority of the directors comprising such quorum shall be resident Canadian.

### *Information and Materials*

Information and materials that are important to the Board's understanding of the agenda items and related topics will be distributed in advance of a meeting. Management will deliver information on the business, operations and finances of the Corporation to the Board, as required. Each member of the Board is expected to have reviewed all materials provided in connection with a meeting in advance of such meeting and be prepared to discuss such materials at the meeting.

### *In Camera Sessions*

On the occasion of each Board meeting, the independent directors will endeavor to hold an in-camera session chaired by an independent director. The director chairing such in-camera sessions will forward to the Chair of the Board (if the Chair did not participate in such in-camera session) and to the CEO any questions, comments or suggestions of the directors.

## **7. DECISIONS REQUIRING PRIOR BOARD APPROVAL**

In addition to those matters requiring prior Board approval pursuant to the Corporation's by-laws or delegation of authority policy, the Board will be responsible for the following:

- (a) submitting to Shareholders any question or matter requiring their approval;
- (b) filling a vacancy among the directors or in the office of auditor, or appointing additional directors;
- (c) issuing securities of the Corporation;
- (d) declaring dividends or establishing a dividend policy;
- (e) purchasing, redeeming or otherwise acquiring shares issued by the Corporation;
- (f) paying a commission in consideration of any purchase or agreement to purchase shares of the Corporation;
- (g) approving a management proxy circular;
- (h) approving a take-over bid circular or directors' circular;
- (i) approving the annual information form;
- (j) approving financial statements; and
- (k) adopting, amending or repealing by-laws.

## **8. BOARD COMMITTEES**

There are three standing committees of the Board: the Audit, Finance and Risk Committee, the Governance, Safety and Sustainability Committee, and the Human Resources and Compensation Committee. The roles and responsibilities of each committee are described in the respective charters. The Board may appoint other standing or *ad hoc* committees to assist it in its oversight functions or to exercise decision-making authority, or parts thereof, or amend the charters of existing committees, subject to applicable laws.

All members of the Audit, Finance and Risk Committee, the Governance, Safety and Sustainability Committee, and the Human Resources and Compensation Committee shall be independent as required under the charter of each Committee and the laws and listing requirements to which the Corporation is subject. No less than half of the members of each committee shall also be resident Canadian.

## **9. ADVISERS**

Any director may, upon obtaining the authorization of the Governance, Safety and Sustainability Committee, engage a non-Management advisor to assist him or her on matters pertaining to his or her responsibilities as a director at the expense of the Corporation.

## **10. OTHER MATTERS**

The Board expects directors as well as officers and employees of the Corporation to act ethically at all times and to acknowledge their adherence to the Code. The Board, with the assistance of the Governance, Safety and Sustainability Committee, is responsible for monitoring compliance with the Code.

Every director shall disclose all actual or potential conflicts of interest and refrain from voting on matters in which the director has a conflict of interest.

The Board shall review this mandate periodically and make any amendments thereto as it deems appropriate.

*Effective: November 8, 2023*

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**TIME IS OF  
THE ESSENCE.  
PLEASE VOTE  
TODAY.**

**Shorecrest**

**Questions may be directed to:**

North American Toll-Free **1-888-637-5789**

Banks and Brokers and collect calls outside North America **647-931-7454**

Email at **[contact@shorecrestgroup.com](mailto:contact@shorecrestgroup.com)** | **[www.shorecrestgroup.com](http://www.shorecrestgroup.com)**

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