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Annual Information Form

February 19, 2025

Chorus Aviation Inc.

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EXPLANATORY NOTES

Date of Information – The information in this AIF is stated as at December 31, 2024, unless otherwise indicated. The information in any document incorporated by reference in this AIF is current as at the date specified in that document with respect to such information.

Corporation – References to the "Corporation" refer solely to Chorus Aviation Inc.

Chorus – References to "Chorus" include references, as the context may require, to Chorus Aviation Inc. and one or more of its current and former subsidiaries.

Management – References to "management" refer to the management of Chorus.

Subsidiaries – The term "subsidiary" has the meaning given to it in the *Canada Business Corporations Act*, and, for purposes of this AIF, includes, in relation to the Corporation, any corporation, partnership, limited partnership or other entity whose financial statements are consolidated with the financial statements of the Corporation.

Defined Terms – Unless defined when first used, capitalized terms used in this AIF are defined in the "Glossary of Terms" section at the end of this AIF.

Currency – Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars.

Market Data – Market data used in this AIF was obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable at the relevant time, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, industry forecasts, market research and other publicly available information, while believed to be reliable, have not been independently verified, and the Corporation does not make any representation as to the accuracy or the completeness of such information. Any estimates and forecasts involve risks and uncertainties and are subject to change based on various factors including those discussed below under "Caution regarding forward-looking information".

Caution regarding forward-looking information – This AIF includes forward-looking information and statements within the meaning of applicable securities laws (collectively, "forward-looking information"). Forward-looking information is identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "potential", "predict", "project", "will", "would", and similar terms and phrases, including negative versions thereof. Such information may involve but is not limited to comments with respect to assumptions, strategies, expectations, planned operations or future actions. Forward-looking information relates to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and other uncertain events. Forward-looking information, by its nature, is based on assumptions, including those referenced in this AIF and Chorus' public disclosure record, and are subject to important risks and uncertainties. Any forecasts or forward-looking predictions or statements cannot be relied upon due to, among other things, external events, changing market conditions and general uncertainties of the business. Such information involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from those indicated in the forward-looking information. As a result, there can be no assurance that the forward-looking information included in this AIF will prove to be accurate or correct.

Examples of forward-looking information in this AIF include statements regarding expectations as to Chorus' contracted revenues and competitive position and the generation of cash flows and potential deployment of those proceeds to enhance returns to Shareholders and/or invest in accretive growth opportunities. Actual results may differ materially from those anticipated in forward-looking information for

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a number of reasons, including if: any one or more of the key assumptions described in the Outlook section of the Annual MD&A fails to materialize; Chorus (including any of its subsidiaries) is unable to attract and retain the type and number of human resources it needs to operate its business; labour relations deteriorate giving rise to unfavourable negotiations or disputes; new pandemic or endemic diseases emerge; fraud, accidents, cybersecurity attacks or failures in information technology cause disruptions to Chorus' business; general economic conditions worsen or general conditions for the aviation industry deteriorate; supply chain constraints and/or increased costs (due to, among other things, inflation, currency exchange rates, increased tariffs and interest rates) reduce Chorus' profitability or cause operational disruptions; new competitors emerge and/or competition intensifies in the business sectors in which Chorus participates; payments cease (in whole or in part) under the CPA; disputes arise under the CPA; Chorus defaults under any of its debt covenants; asset impairments and/or provisions for expected credit losses are required; changes in law are made (including regulations relating to climate change) which adversely affect Chorus' business or assets; and/or one or more of the risk factors referenced in this AIF or in the Corporation's public disclosure record available under its profile on SEDAR+ at www.sedarplus.ca materializes. The forward-looking information contained in this AIF represents Chorus' expectations as of the date of this AIF (or as of the date it is otherwise 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 to reflect new information, subsequent events or otherwise, except as required by applicable securities laws. Readers are cautioned that the foregoing factors and risks are not exhaustive.

CORPORATE STRUCTURE

The Corporation is a holding company incorporated on September 27, 2010 under the *Canada Business Corporations Act*.

The Corporation's chief executive office is located at 3 Spectacle Lake Drive, Suite 380, Dartmouth, Nova Scotia, B3B 1W8, and its registered office is located at 100 King Street West, 1 First Canadian Place, Suite 6200, P.O. Box 50, Toronto, Ontario M5X 1B8.

The Corporation's Restated Articles of Incorporation and Third Amended and Restated By-Law No. 1 are available on the Corporation's website at www.chorusaviation.com and under its profile on SEDAR+ at www.sedarplus.ca. The Corporation's articles were amended on February 5, 2025 to (i) consolidate the number of outstanding Shares on the basis of one post-consolidation Share for every seven pre-consolidation Shares, (ii) reduce the maximum number of Shares issuable upon the conversion of all series of Preferred Shares on a basis proportionate with the consolidation of the outstanding Shares; and (iii) delete all references to the Series 1 Preferred Shares. The Corporation's articles were subsequently restated on February 6, 2025 to incorporate the amendments made on February 5, 2025.

Additional information regarding Chorus' corporate structure is provided in the consolidated financial statements for the year-ended December 31, 2024 and the Annual MD&A, both of which are available on the Corporation's website at www.chorusaviation.com and under its profile on SEDAR+ at www.sedarplus.ca.

Intercorporate Relationships

The table below identifies the Corporation's subsidiaries as of December 31, 2024 which represented more than 10% of the Corporation's total consolidated assets or more than 10% of the Corporation's total consolidated operating revenues as of that date. The subsidiaries excluded from the table together represented 20% or less of the Corporation's total consolidated assets and 20% or less of the Corporation's consolidated operating revenues as of December 31, 2024.

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Subsidiary	Jurisdiction of Incorporation or Formation	Percentage ownership held directly or indirectly by the Corporation
Aviation General Partner Inc.*	Ontario, Canada	100% voting common shares
Chorus Aviation Capital Corp.	Canada	100% voting common shares
Jazz Aviation LP	Ontario, Canada	100% non-voting limited partnership units
Jazz Leasing Inc.	Canada	100% voting common shares
Voyageur Aviation Corp.	Ontario, Canada	100% voting common shares

* General partner of Jazz Aviation LP

THE CHORUS BUSINESS

Chorus is a Canadian company focused on aviation services businesses. Chorus' operating subsidiaries are Jazz, the largest regional airline in Canada and provider of regional air services under the Air Canada Express brand; Voyageur, a leading provider of specialty charter, aircraft modifications, parts provisioning and in-service support services; and Cygnet, an industry leading accredited training academy preparing pilots for direct entry into airlines.

Together, Chorus' subsidiaries provide services that encompass every stage of a regional aircraft's lifecycle, including aircraft acquisition and leasing; aircraft refurbishment, engineering, modification, repurposing and transition; contract flying; aircraft and component maintenance, disassembly, and parts provisioning; and pilot training.

Prior to the sale of the assets comprising its Regional Aircraft Leasing ("**RAL**") segment on December 6, 2024, Chorus had two reportable operating segments: the RAL segment and the Regional Aviation Services ("**RAS**") segment. Upon entering into a binding agreement for the sale of its RAL segment, the RAL segment was re-classified as a discontinued operation and Chorus ceased reporting its results on a segmented basis. (For additional information, please see below, "Three-Year History".)

The Corporation currently owns subsidiaries which operate in the following four sectors of the aviation industry:

- a) Contract flying: Jazz and Voyageur provide contract flying services. Jazz is the largest regional airline in Canada and operates more flights into more airports in Canada through its scheduled services under the CPA with Air Canada than any other Canadian airline. (For additional information, please see "Description of the Business - Contract Flying - Capacity Purchase Agreement with Air Canada")

Voyageur provides charter services and specialized contract flying, such as medical, logistical and humanitarian flights, to international and Canadian customers.

- b) Aircraft leasing: Jazz currently earns leasing revenue under the CPA from Chorus-owned aircraft and Spare Engines. (For additional information, please see "Description of the Business - Contract Flying – Capacity Purchase Agreement with Air Canada"). Voyageur also earns revenue from aircraft leasing.
- c) Maintenance, repair and overhaul ("**MRO**"), part sales and technical services: Jazz provides MRO services and is certified on Dash, CRJ and Embraer aircraft. Voyageur provides specialty MRO and engineering services on Dash, CRJ, Embraer, Diamond DA-20/40/42, and Beechcraft King Air aircraft products. Voyageur also focuses on aircraft disassembly and aircraft parts provisioning to customers globally. (For additional information, please see "Description of the Business - Maintenance, Repair and Overhaul Operations, Part Sales, and Technical Services".)

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- d) Pilot training: Cygnet is a pilot academy in Canada that, together with CAE Inc., enables cadets to achieve their Integrated Airline Transport Pilot Licence and acquire an airline specific type training.

Three-Year History

This section contains forward-looking information. Please refer to the caution regarding forward-looking information included in the section of this AIF titled "Explanatory Notes".

2024 (including subsequent events up to and including February 19, 2025)

On February 5, 2025, the Corporation consolidated its Shares on the basis of one post-consolidation Share for every seven pre-consolidation Shares (the "**Share Consolidation**"). The Corporation filed a Material Change Report in respect of the foregoing on February 6, 2025, which is available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

On February 3, 2025, the Corporation purchased for cancellation a total of \$43.8 million aggregate principal amount of Series B Debentures and a total of \$37.8 million aggregate principal amount of Series C Debentures pursuant to offers announced on December 9, 2024. As of the date of this AIF, \$28.7 million aggregate principal amount of Series B Debentures and \$47.2 million aggregate principal amount of Series C Debentures remain outstanding.

On December 31, 2024, the Corporation (i) repaid upon maturity all of its outstanding Series A Debentures (\$86.3 million aggregate principal amount) together with all accrued and unpaid interest thereon, and (ii) redeemed all of the outstanding Series 1 Preferred Shares, in each case for cash and in accordance with the respective terms of each security. The Series A Debentures were delisted from the TSX. The Corporation filed a Material Change Report in respect of the foregoing on January 2, 2025, which is available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

On December 6, 2024, the Corporation announced that it had completed the sale of its RAL segment, including the Falko Group (as defined below), which was first announced on July 30, 2024. The Corporation filed a Material Change Report in respect of the foregoing on December 10, 2024, which is available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

On November 6, 2024, Chorus announced that it had received approval from the TSX to renew its normal course issuer bid ("**NCIB**"). Under the renewed NCIB, the Corporation was authorized to purchase for cancellation up to a maximum of 14,826,478 of its Shares (pre-Share Consolidation), representing 10% of the public float of the Shares as of November 4, 2024 calculated in accordance with the TSX rules. The NCIB commenced on November 14, 2024 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, 2025. On February 10, 2025, the Shares began trading on the TSX on a post-Share Consolidation basis, at which time the maximum number of Shares Chorus is authorized to purchase for cancellation for the remainder of the NCIB was adjusted to 1,685,150 Shares.

On July 30, 2024, the Corporation and its wholly-owned subsidiary, Chorus Aviation Capital Corp. ("**CACC**"), entered into a binding sale and purchase agreement with Cruise Bidco ULC and Falko Holdings Limited (collectively, the "**Buyers**"), each of which was an affiliate of investment funds managed by HPS Investment Partners, LLC, whereby the Buyers agreed to purchase the Corporation's RAL segment, comprised of (i) all of the limited partnership interests in Chorus Aviation Investment Holdings LP held by the Corporation, (ii) all of the shares in Chorus Aviation Leasing Inc. held by CACC, and (iii) all of the shares in Chorus Aviation Holdings GP Inc. held by the Corporation (the "**Transaction**"). The Transaction would result in the disposition of Falko Regional Aircraft Limited, Falko (Ireland) Limited and their respective affiliates in the RAL segment (collectively, the "**Falko Group**"), together with Chorus' ownership of the

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aircraft in the RAL segment and its interests in the aircraft investment funds in the RAL segment managed by the Falko Group. A more detailed explanation of the Transaction is contained within the Management Proxy Circular dated August 19, 2024 filed in advance of the special meeting of shareholders to approve the Transaction and the Material Change Reports in respect of the Transaction dated December 10, 2024, all of which are available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

2023

On November 8, 2023, the Corporation received approval from the TSX to renew its NCIB. Under the renewed NCIB, the Corporation was authorized to purchase for cancellation up to a maximum of 15,160,372 of its Shares, representing 10% of the public float of the Shares as of November 6, 2023 calculated in accordance with the TSX rules. The NCIB would commence on November 14, 2023 and conclude on the earlier of the date on which the Corporation purchased the maximum number of Shares permitted under the NCIB and November 13, 2024.

On August 28, 2023, Chorus announced that Jazz and its pilots, represented by ALPA, ratified modifications to their collective agreement effective September 1, 2023 to address the changing pilot wage environment.

On March 28, 2023, Chorus announced the launch of Cygnet Aviation Academy, a first of its kind pilot academy in Canada providing leading edge flight training with direct access to career opportunities.

On March 6, 2023, Chorus announced that Colin Copp had begun his tenure as President and Chief Executive Officer of the Corporation following the retirement of Joseph Randell. Mr. Copp was also appointed to the Board.

On January 27, 2023, Chorus entered into a second amendment and restatement of its operating credit facility (the "**Operating Credit Facility**") with The Bank of Nova Scotia as lender, sole lead arranger, bookrunner, administrative agent and issuing bank, and the Canadian Imperial Bank of Commerce and the Bank of Montreal, as lenders. The amendment and restatement extended the maturity date of the Operating Credit Facility for an additional 15 months from October 14, 2024 to January 27, 2026 and added a \$50 million uncommitted accordion feature. In March 2023, Chorus partially exercised the accordion feature under the committed operating credit facility, thereby increasing the limit from \$100 million to \$125 million. On May 5, 2023, Chorus exercised the remaining \$25 million accordion feature under the committed operating credit facility, thereby increasing the limit from \$125 million to \$150 million.

2022

On December 14, 2022, Chorus announced that it would redeem \$115,000,000 principal amount of Chorus' 6.00% Senior Debentures due December 31, 2024 (the "**6.00% Debentures**"), representing all of the 6.00% Debentures then outstanding, and that it had sold two wholly-owned aircraft. The redemption closed on December 29, 2022, resulting in the release of certain Dash 8-100 and Dash 8-300 aircraft and real estate property owned by Chorus' subsidiaries which were held as security for the 6.00% Debentures, as well as the expiry of 24,242,424.242 Share purchase warrants that had been issued to affiliates of Fairfax Financial Holdings Limited ("**Fairfax**") in connection with the issuance of the 6.00% Debentures. The redemption of the 6.00% Debentures was funded using the net proceeds from the sale of wholly-owned aircraft and Chorus' available cash resources.

On November 9, 2022, the Corporation received approval from the TSX for an NCIB to purchase for cancellation up to a maximum of 15,928,236 of its Shares, representing 10% of the public float of the Shares as of November 7, 2022 calculated in accordance with the TSX rules. The Corporation filed a Material Change Report in relation to this NCIB on November 18, 2022, which is available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

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On September 14, 2022, Chorus announced that Joseph Randell, its President and Chief Executive Officer, planned to retire during the first quarter of 2023, and that upon his retirement, Colin Copp, the Chief Operating Officer, Chorus and President, Chorus Aviation Services, would be appointed President and Chief Executive Officer of Chorus.

On May 3, 2022, Chorus announced that it had completed the acquisition of Falko Regional Aircraft Limited, together with certain of its affiliates, and equity interests in certain entities and aircraft managed by Falko (the "**Falko Acquisition**").

Concurrent with the Falko Acquisition, the Corporation completed a private placement with BSI Dragonfly Holdings LP ("**Brookfield**"), an affiliate of Brookfield Special Investments Fund L.P., pursuant to which Brookfield subscribed for US\$300 million of Series 1 Preferred Shares and US\$74 million of Shares, and the Corporation issued 18,642,772 warrants to purchase one Share each at an initial exercise price of \$4.60 per Share (subject to certain adjustments) to Brookfield (collectively, the "**Brookfield Private Placement**"). The net proceeds of the Brookfield Private Placement were used to partially fund the Falko Acquisition. In connection with the Brookfield Private Placement, the Corporation also entered into an investor rights agreement with Brookfield, and Mr. David Levenson, then Managing Partner and Global Head of Brookfield Special Investments, and Frank Yu, then Managing Director, Brookfield Special Investments, were appointed to the Board. Messrs. Richard Falconer and Sydney John Isaacs, retired from the Board to enable the immediate appointment of Messrs. Levenson and Yu. The Corporation filed Material Change Reports in respect of the Falko Acquisition and the Brookfield Private Placement on March 8, 2022 and May 3, 2022, as well as a Business Acquisition Report in respect of the Falko Acquisition on January 17, 2023, all of which are available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Chorus' Strategy

Chorus is focused on providing a comprehensive suite of regional and specialty aviation services to customers around the world by drawing on its expertise in all areas of regional aviation.

The Chorus team is highly experienced in all facets of the regional aviation industry and offers asset management and aircraft leasing in addition to providing an integrated suite of flying operations, including special mission services, maintenance, repair and overhaul modifications, and parts provisioning to regional aircraft owners and operators around the world. These capabilities differentiate Chorus from its competition.

Additional information on Chorus' strategy is discussed in section 3 "Strategy" of Chorus' Annual MD&A, which section is incorporated into this AIF by reference.

DESCRIPTION OF THE BUSINESS

Chorus' business includes contract flying (including ACMI and charter operations), MRO services (including parts provisioning and sales and technical services) that are carried on by Jazz and Voyageur as well as aircraft leasing under the CPA, aircraft leasing by Voyageur to third parties and pilot training.

In 2024, Chorus derived approximately 91% of its revenue from the CPA, and in 2023, Chorus derived approximately 92% of its revenue from the CPA¹.

¹ Upon executing the purchase and sale agreement for the disposition of the assets comprising the Corporation's RAL segment on July 30, 2024, the RAL segment was reclassified to discontinued operations. The results of the discontinued operations have been removed from prior period figures per IFRS 5 to conform to current period presentation in alignment with the Annual MD&A.

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Contract Flying

Capacity Purchase Agreement with Air Canada

Overview

Jazz is the largest regional airline in Canada and operates more flights into more airports in Canada than any other airline. Jazz and Air Canada are parties to the CPA under which Air Canada purchases substantially all of Jazz's fleet capacity. Air Canada is responsible for purchasing all necessary fuel for Scheduled Flights, for scheduling, pricing, product distribution, seat inventories, marketing and advertising, and customer service at certain airports staffed or administered directly by Jazz. Air Canada is entitled to all revenues associated with the operation of the Covered Aircraft, including revenue from passenger ticket sales and cargo services. Accordingly, Air Canada bears all market risk associated with fluctuations in those revenues.

Jazz's operations provide a significant part of Air Canada's domestic and transborder network under the Air Canada Express brand. Under the CPA, Jazz provides service throughout Canada and to and from certain destinations in the United States. Jazz uses Air Canada's two-letter flight designator code (AC), and any other code specified by Air Canada and belonging to a Star Alliance® partner or other partner of Air Canada, to identify Scheduled Flights.

The current term of the CPA runs until December 31, 2035. As Chorus derives most of its revenue from the CPA, it is substantially dependent on the CPA (see "Risk Factors" for a description of the risks relating to Chorus' relationship with Air Canada).

Aircraft Fleet Under the CPA

As part of the amendments to the CPA announced on January 14, 2019 (the "**2019 CPA Amendments**"), Jazz and Air Canada agreed to extend the term of the CPA by 10 years ending December 31, 2035 and reduce the minimum number of Covered Aircraft to 105 over the period starting January 1, 2019 through December 31, 2025. From January 1, 2026 through December 31, 2035, Air Canada has the right to determine the composition of the fleet of Covered Aircraft on the condition that the fleet must have a minimum of 80 aircraft with 75 to 78 seats.

As part of the amendments to the CPA announced on March 1, 2021 (the "**2021 CPA Amendments**"), 25 Embraer 175 aircraft were added to the Covered Aircraft fleet and 19 Dash 8-300 were removed from the Covered Aircraft fleet.

Revenues and Costs Under the CPA

Jazz earns revenue under the CPA from five sources:

- 1) Fixed Margin
- 2) Performance Incentives
- 3) Controllable Cost Revenue
- 4) Pass-Through Revenue
- 5) Aircraft leasing under the CPA

Jazz incurs two types of costs under the CPA:

- 1) Controllable Costs
- 2) Pass-Through Costs

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Fixed Margin

Jazz earns a Fixed Margin under the CPA which is set for each year based on the number of Covered Aircraft under the CPA. For 2024, Jazz earned an aggregate amount of \$61.3 million. The Fixed Margin will decrease to no less than \$59.6 in 2025 and no less than \$43.9 in 2026 with no further changes thereafter. (Please refer to the caution regarding forward-looking information included in the section of this AIF titled "Explanatory Notes".)

Performance Incentives

Performance incentives are available under the CPA for achieving established performance targets in relation to controllable on-time performance, controllable flight completion, incidences of mishandled luggage at airports where Jazz is responsible for baggage handling, and other customer satisfaction measures related to the in-flight and check-in experience.

Controllable Cost Revenue

Jazz is paid Controllable Cost Revenue rates based on Controllable Costs that are estimated using certain variables. The CPA includes provisions which, subject to limited exceptions, limit Jazz's exposure to \$2.0 million annually for variances between the Controllable Cost Revenue Jazz receives from Air Canada and the Controllable Costs actually incurred by Jazz to perform its services for Air Canada (referred to as the "**Controllable Cost Guardrail**"). If Jazz's Controllable Costs exceed the revenue received from Air Canada by more than \$2.0 million, Air Canada is required to pay Jazz an amount equal to the excess over \$2.0 million. Conversely, if the Controllable Cost Revenue paid by Air Canada to Jazz exceeds Jazz's actual Controllable Costs by more than \$2.0 million, Jazz is required to pay Air Canada an amount equal to the excess over \$2.0 million.

Controllable Costs include costs relating to items such as wages and benefits, certain depreciation and amortization, certain aircraft maintenance, materials and supplies, third party operating leases, and other general overhead expenses, such as crew variable expense, professional fees, travel, and training. Substantially all Controllable Costs are subject to the Controllable Cost Guardrail and related reconciliation.

The CPA provides that Jazz will deliver a quarterly reconciliation of the Controllable Cost Guardrail to Air Canada. If the cumulative amount due under that reconciliation to either Air Canada or Jazz exceeds \$20 million, the applicable party is required to pay the excess amount at the end of each quarter following the reconciliation. Payment of the quarterly reconciliation are subject to procedures provided for under the CPA.

Pass-Through Revenue

Jazz receives Pass-Through Revenue, which is based on Pass-Through Costs reimbursed by Air Canada.

Aircraft Leasing under the CPA

Jazz earns aircraft leasing revenue under the CPA from the following owned assets: Dash 8-400s, CRJ900s and Spare Engines. The leases for these aircraft and Spare Engines expire at different times between 2025 and 2030, unless otherwise extended.

Please refer to section 2 "About Chorus" of the Annual MD&A for the number of aircraft and Spare Engines owned by Chorus, which section is incorporated into this AIF by reference. The Annual MD&A is available on Chorus' website at www.chorusaviation.com and under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

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Passenger and Ramp Handling Services

As at December 31, 2024, Jazz operated to 46 airports in Canada, and Jazz employees provided the passenger handling function at 35 of these airport locations and the ramp handling function at two. Jazz provides airport handling services to Air Canada at agreed upon rates.

Air Canada provides certain handling functions to Jazz at certain airport locations.

Facilities

Under the CPA, Air Canada is responsible for the costs associated with:

- opening, closing and moving maintenance and crew bases, where such changes are due to changes required by Air Canada to operate the Scheduled Flights;
- any additional facilities required as a result of increased frequency of Scheduled Flights; and
- any required relocation of Jazz to comparable airport facilities reasonably acceptable to Jazz contiguous to Air Canada leased premises, ramp, gate and office space.

Return of Aircraft

The CPA provides that Air Canada shall bear the cost and expense of the removal of aircraft from the Covered Aircraft fleet, the return of such aircraft to lessors and all return condition obligations contained in any lease or sublease arrangement relating to the Covered Aircraft or the Spare Engines used to support the Covered Aircraft.

Term

The CPA expires on December 31, 2035. Neither party has the right to terminate the CPA prior to its expiry date for convenience.

When the CPA expires, all leases from Air Canada (or any affiliate of Air Canada) to Jazz for Covered Aircraft and Spare Engines will automatically be terminated, and Air Canada (or the affiliate of Air Canada) will have the right to the return of those particular Covered Aircraft and Spare Engines. If the CPA is terminated as a result of an event of default committed by Jazz, many leases will not be terminated and Jazz will remain liable for its obligations under the leases for Covered Aircraft and Spare Engines. If the CPA is terminated as a result of an event of default committed by Air Canada, Jazz may terminate any such leases, which right must be exercised concurrently with termination of the CPA.

When the CPA expires or is terminated by either party, Jazz generally ceases to earn leasing revenue under the CPA from Covered Aircraft and Spare Engines owned by Chorus.

Termination for Default

During the term of the CPA, Air Canada or Jazz (in either case, as non-defaulting party) may terminate the CPA upon determination through arbitration that the other party has committed an event of default. Events of default applicable to either party include, without limitation:

- bankruptcy or insolvency;
- failure to pay amounts when due where such default continues for a period of 30 days after notice;
- failure to comply with any of its obligations under the CPA, where such default continues for a period of 30 days after notice; and
- default with respect to a material term of any other material agreement between Jazz and Air Canada if such default continues for more than the applicable period, if any.

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Events of default applicable to Jazz include, without limitation:

- suspension or revocation of any of Jazz's regulatory authorizations and licenses required for Jazz to perform the air services required by the CPA;
- more than 50% of the Covered Aircraft (and certain substitutes therefor) do not operate any Scheduled Flights for more than seven consecutive days or 25% of those aircraft do not operate any Scheduled Flights for more than 21 consecutive days, other than as a result of an order of a governmental authority affecting the industry generally or as a result of any action by Air Canada, any strike by Air Canada employees or any force majeure (including any cessation, slow-down, interruption of work or any other labour disturbance);
- default by Jazz with respect to a material term of any other material agreement to which it is a party if such default continues for more than the applicable period, if any;
- failure by Jazz to maintain adequate insurance;
- failure of Jazz to maintain specified critical service levels for four consecutive quarters or five of the prior eight quarters; and
- failure by Jazz to comply with Air Canada's audit and inspection rights.

Force Majeure

If either Air Canada or Jazz is prevented from performing its obligations under the CPA in whole or in part due to a force majeure event, the affected party may be temporarily excused from performing its obligations to the extent it is so prevented.

In addition, if Jazz is affected by a force majeure event which prevents it from performing all of its services under the CPA, Air Canada's obligation to pay the agreed rates related to certain limited fixed costs would continue, however, Air Canada's obligation to pay the other agreed rates would be temporarily suspended. All other obligations of Air Canada, including, but not limited to, those related to the fleet of Covered Aircraft and minimum average daily utilization guarantee would also be temporarily suspended and inapplicable in respect of the period of the force majeure event. Such force majeure event would also trigger prorated adjustments to be made to Air Canada's payment obligations in respect of the period of the force majeure event to reflect the level of service Jazz provides during such period.

Air Canada or Jazz may terminate the CPA if the other party is prevented from performing all or substantially all of its obligations hereunder for more than 60 days due to a force majeure event.

Change of Control

Under the CPA, if a change of control of Jazz occurs without the consent of Air Canada that results in Jazz being directly or indirectly controlled by, or under common control with (a) certain air carriers operating out of Vancouver, Calgary, Toronto, Montreal, or (b) entities which own or operate a loyalty program which provides its members the ability to redeem points in exchange for air transportation services, Air Canada may terminate the CPA. The existence of this right may limit Chorus' ability to negotiate or consummate the sale of all or part of its business to another entity or otherwise participate in any consolidation in the airline industry.

Charter Operations

Jazz can sell and operate charter flights during the term of the CPA using the Covered Aircraft (subject to the payment of a charter fee to Air Canada) or with other aircraft, provided that Jazz continues to meet its obligations under the CPA, does not market such flights as Air Canada flights and otherwise complies with the non-competition provisions of the CPA. Jazz is responsible for all incremental costs and expenses associated with such flights and is entitled to all revenues.

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Voyageur provides specialized contract flying operations to Canadian and international customers in four primary segments: ACMI contract operations; aeromedical operations; ad-hoc charter services; and special missions flying. ACMI contracts often involve medical, logistical and humanitarian flights to customers comprised primarily of government entities and intergovernmental organizations.

Maintenance, Repair and Overhaul Operations, Part Sales, and Technical Services

Jazz Technical Services (a division of Jazz) (“**JTS**”) is certified to perform heavy maintenance on CRJ aircraft, Dash-8 aircraft and Embraer aircraft. JTS is authorized to work on Transport Canada, Federal Aviation Administration, European Aviation Safety Agency and United Kingdom Civil Aviation Authority aircraft.

Voyageur is an Approved Maintenance Organization (“**AMO**”) and Design Approval Organization (“**DAO**”), specializing in comprehensive regional aircraft MRO activities and aircraft design engineering on Mitsubishi (formerly Bombardier), De Havilland (formerly Bombardier), Embraer, ATR, and Beechcraft aircraft. Its AMO approvals are designed to satisfy a worldwide client base and include Transport Canada Civil Aviation, the United States Federal Aviation Administration, and the European Aviation Safety Agency. Voyageur provides client-dedicated solutions for all levels of aircraft inspections, heavy checks, modifications, installations, and repairs. AMO activities are also supported by Voyageur’s Transport Canada Approval for the Manufacture Certification of Aeronautical Products. Through its AMO and DAO capabilities, Voyageur’s work often involves highly specialized aircraft modifications and unique in-service support operations for government entities, defence departments, and the wider defence industry.

Voyageur provides parts provisioning and sales and aeronautical product support for regional aircraft to customers around the world. It serves airlines, maintenance organizations, leasing companies, and other aviation-related companies in the provisioning of aircraft parts, inventory management, inventory consignment services, component repair and overhaul, and aircraft disassembly management.

Pilot Training

Chorus established Cygnet in early 2023 with the objective of providing future commercial aircraft pilots with training services from a facility located at the airport in Kingston, Ontario. In collaboration with CAE, Cygnet enables students with no prior flight experience to earn an Integrated Airline Transport Pilot Licence and acquire an airline specific type training within 20 months.

RESOURCES

Fleet

For a description of aircraft owned by Chorus and operated by the Corporation’s subsidiaries as at December 31, 2024, please refer to section 6 “Fleet” of the Annual MD&A, which is incorporated into this AIF by reference.

People

As at December 31, 2024, the Corporation and its subsidiaries had 4,308 full-time equivalent employees.

Currently, Jazz has the following collective agreements in place with its employees:

- Pilots, represented by ALPA, expires on December 31, 2035. This collective agreement contains a no strike or lockout provision which continues for the length of the agreement. The collective agreement allows for an increase in wages in 2029 during an open bargaining period, in which the parties can freely negotiate, subject to final binding arbitration.
- Flight attendants, represented by CFAU, expires on December 31, 2025.

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- Flight dispatchers, represented by CALDA, expires on December 31, 2025.
- Maintenance employees have recently changed bargaining agents and are now represented by the Aircraft Mechanics Fraternal Association (“AMFA”), and Jazz will enter into bargaining with the bargaining units represented by AMFA.
- Airport services employees, represented by Unifor, expires on January 1, 2027.
- Crew schedulers, represented by Unifor, expires on June 30, 2025.

Under a pilot mobility agreement between Jazz and Air Canada, Air Canada offers qualified Jazz pilots who have applied to work for Air Canada, on an annual basis and subject to Air Canada’s applicable hiring policies and standards as they pertain to pilots, a minimum of 30% to 60% of its new hire positions depending on the date of hire at Jazz. This mobility agreement provides Jazz the ability to attract the pilots required for its operations at industry competitive wages for the regional airline sector.

Currently, Voyageur has one collective agreement with its aircraft maintenance engineers and project/shop supervisors, represented by the IAM, which expires on June 14, 2026. In December 2024, the IAM was recognized as the bargaining agent for certain of Voyageur’s office, clerical and administrative employees. A collective agreement has yet to be reached with these employees.

FACILITIES

The Corporation owns an office building and land in Dartmouth, Nova Scotia and leases a portion of the building to third party tenants. The Corporation also leases office space in Toronto, Ontario.

Jazz owns an administrative and operations facility located at the Halifax Stanfield International Airport, which comprises office and hangar space. The land on which Jazz’s Halifax airport facility is located is leased from the Halifax International Airport Authority.

The following is a description of the principal facilities leased by Jazz. The first four facilities listed below are leased by Jazz from Air Canada and are provided at no cost to Jazz. Jazz leases the fifth facility from an arm’s length landlord, and Air Canada reimburses Jazz for the cost of that lease.

- 1) Hangar at Toronto Pearson International Airport.
- 2) Hangar at Calgary International Airport.
- 3) Hangar at Montreal-Pierre Elliott Trudeau International Airport.
- 4) Hangar at Vancouver International Airport.
- 5) Office space at Airway Centre in Mississauga, Ontario.

In addition to the foregoing, Jazz leases training, storage, maintenance shop, hangar, airport terminal building, office, counters, maintenance offices, baggage make-up, crew rooms and parking spaces throughout Canada from various landlords.

Voyageur owns over 200,000 square feet of aircraft hangars, workshops and office space consisting of four buildings located in the North Bay Aerospace Park. The land on which these buildings are located is also owned by Voyageur.

Voyageur owns a building in New Brunswick at the Greater Moncton International Airport. This facility comprises office and hangar space. The land on which this facility is located is leased from the Greater Moncton Airport Authority.

CAPITAL STRUCTURE

For more information on Chorus’ capital structure (including amounts outstanding) as at December 31, 2024 and December 31, 2023, please refer to section 8 “Capital Structure” of the Annual MD&A, which

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section is incorporated into this AIF by reference. The Annual MD&A is available on Chorus' website at www.chorusaviation.com and under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Share Capital

The authorized share capital of the Corporation consists of an unlimited number of Variable Voting Shares and Voting Shares (referred to collectively in this AIF as "**Shares**"). In addition, the directors of the Corporation may from time-to-time issue Preferred Shares in one more series.

As at February 5, 2025, immediately following the implementation of the Share Consolidation, 26,939,368 Shares were issued and outstanding. All of the issued and outstanding Series 1 Preferred Shares were redeemed on December 31, 2024; therefore, there are no Preferred Shares outstanding

The following summaries describe the rights, privileges, restrictions and conditions that are attached to the Variable Voting Shares and the Voting Shares, and the Preferred Shares. The summaries do not purport to be complete and are subject to, and qualified in their entirety by reference to, the terms of the Corporation's Restated Articles of Incorporation, which are available on the Corporation's website at www.chorusaviation.com and under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Variable Voting Shares

Voting

The holders of the Variable Voting Shares are entitled to receive notice of, and to attend and vote at, all meetings of the Shareholders of the Corporation, except where the holders of a specified class are entitled to vote separately as a class as provided in the CBCA. The Variable Voting Shares may only be held, beneficially owned or controlled, directly or indirectly, by persons who are not Qualified Canadians and shall be entitled to one vote per Variable Voting Share unless any of the thresholds set forth in (a), (b) or (c) below, as the case may be, is exceeded, in which case the vote attached to a Variable Voting Share will decrease in the following circumstances:

- a) if at any time:
 - i) a single non-Qualified Canadian holder of Variable Voting Shares (a "**Single Non-Canadian Holder**"), either individually or in affiliation with any other person, holds a number of Variable Voting Shares outstanding that, as a percentage of the total number of all voting shares outstanding, exceeds 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), or
 - ii) the total number of votes that would be cast by or on behalf of a Single Non-Canadian Holder, either individually or in affiliation with any other person, at any meeting would exceed 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 total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share held by all Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder, will decrease proportionately and automatically without further act or formality only to such extent that, as a result (x) the Variable Voting Shares held by all Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder do not carry in the aggregate 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 aggregate votes attached to all issued and outstanding voting shares of the Corporation, and (y) the total number of votes cast by or on behalf of all Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder at any meeting do not exceed in the aggregate 25% (or any different percentage that

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may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting.

For greater certainty, a single Non-Canadian Holder Authorized to Provide Air Service (as defined below) also constitutes a Single Non-Canadian Holder.

b) if at any time:

- i) one or more non-Qualified Canadians authorized to provide an air service in any jurisdiction (each, a **“Non-Canadian Holder Authorized to Provide Air Service”** and collectively, the **“Non-Canadian Holders Authorized to Provide Air Service”**), collectively hold, either individually or in affiliation with any other person, a number of Variable Voting Shares outstanding that, as a percentage of the total number of all voting shares outstanding, after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with (a), above (if any, as may be required thereunder), exceeds 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), or
- ii) the total number of votes that would be cast by or on behalf of Non-Canadian Holders Authorized to Provide Air Service and persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service at any meeting would, after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with (a), above (if any, as may be required thereunder), exceed 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 total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share held by such Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service will decrease proportionately and automatically without further act or formality only to such extent that, as a result (x) the Variable Voting Shares held by such Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service do not carry in the aggregate 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 aggregate votes attached to all issued and outstanding voting shares of the Corporation, and (y) the total number of votes cast by or on behalf of such Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service at any meeting do not exceed in the aggregate 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 total number of votes cast at such meeting.

c) If at any time:

- i) the number of Variable Voting Shares outstanding, as a percentage of the total number of all voting shares outstanding, after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with (a), above, and after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service in accordance with (b), above (in each case, if any, as may be required under (a) and

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- (b)), exceeds 49% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation), or
- ii) the total number of votes that would be cast by or on behalf of holders of Variable Voting Shares at any meeting would, after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with (a), above, and after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service in accordance with (b), above (in each case, if any, as may be required under (a) and (b)), exceed 49% (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 total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share will decrease proportionately and automatically without further act or formality only to such extent that, as a result (i) the Variable Voting Shares do not carry more than 49% (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 aggregate votes attached to all issued and outstanding voting shares of the Corporation, and (ii) the total number of votes cast by or on behalf of holders of Variable Voting Shares at any meeting do not exceed 49% (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 total number of votes cast at such meeting.

Dividends and Distributions

Subject to the rights, privileges, restrictions and conditions attaching to the shares of any other class ranking senior to the Variable Voting Shares, the holders of the Variable Voting Shares shall, at the discretion of the Corporation's directors, be entitled to receive, out of monies, assets or property of the Corporation properly applicable to the payment of dividends or distributions, any dividends or distributions declared and payable by the Corporation on the Variable Voting Shares. The Variable Voting Shares rank equally as to dividends and distributions on a share-for-share basis with the Voting Shares participating on an as-converted basis, and all dividends and distributions declared in any fiscal year of the Corporation shall be declared in equal or equivalent amounts per share on all Variable Voting Shares and Voting Shares participating on an as-converted basis at the time outstanding, without preference or distinction.

Subdivision or Consolidation

No subdivision or consolidation of the Variable Voting Shares or the Voting Shares shall occur unless, simultaneously, the shares of the other class are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.

Rights upon Liquidation, Dissolution or Winding Up

Subject to the rights, privileges, restrictions and conditions attaching to the shares of the Corporation ranking prior to the Variable Voting Shares, upon liquidation, dissolution or winding up of the Corporation or other distribution of the Corporation's assets among its shareholders for the purpose of winding up its affairs, the holders of the Variable Voting Shares and Voting Shares shall be entitled to receive the remaining property of the Corporation and shall be entitled to share equally, share for share, in all distributions of such assets.

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Conversion

Each issued and outstanding Variable Voting Share shall be converted into one Voting Share, automatically and without any further act of the Corporation or of the holder, if (i) such Variable Voting Share becomes held, beneficially owned and controlled, directly or indirectly, otherwise than by way of security only, by a Qualified Canadian, or (ii) the provisions contained in the *Canada Transportation Act* relating to foreign ownership restrictions are repealed and not replaced with other similar provisions.

In the event that an offer is made to purchase Voting Shares and the offer is one which must, pursuant to applicable securities legislation or the rules of a stock exchange on which the Voting Shares are then listed, be made to all or substantially all the holders of the Voting Shares in a province of Canada to which the requirement applies, each Variable Voting Share shall become convertible at the option of the holder into one Voting Share that is subject to the offer at any time while the offer is in effect and until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Variable Voting Shares for the purpose of depositing the resulting Voting Shares in response to the offer.

If the Voting Shares resulting from the conversion and deposited pursuant to the offer are withdrawn by the Shareholder or are not taken up by the offeror or the offer is abandoned or withdrawn, the Voting Shares resulting from the conversion shall be re-converted automatically, and without further act from the Corporation or the holder, into Variable Voting Shares.

There shall be no right to convert the Variable Voting Shares into Voting Shares or to convert Voting Shares into Variable Voting Shares, except in accordance with the conversion procedure set forth in the Corporation's Restated Articles of Incorporation.

Constraints on Ownership of Shares

The Variable Voting Shares may only be held, beneficially owned or controlled, directly or indirectly, by persons who are not Qualified Canadians.

Voting Shares

Voting

The holders of the Voting Shares shall be entitled to receive notice of, and to attend and vote at, all meetings of the Shareholders of the Corporation (except where the holders of a specified class are entitled to vote separately as a class as provided in the CBCA), and each Voting Share shall confer the right to one vote in person or by proxy at all meetings of Shareholders.

Dividends and Distributions

Subject to the rights, privileges, restrictions and conditions attaching to the shares of the Corporation of any other class ranking senior to the Voting Shares, the holders of the Voting Shares shall, at the discretion of the Corporation's directors, be entitled to receive, out of monies, assets or property of the Corporation properly applicable to the payment of dividends or distributions, any dividends or distributions declared and payable by the Corporation on the Voting Shares. The Voting Shares shall rank equally as to dividends and distributions on a share-for-share basis with the Variable Voting Shares participating on an as-converted basis and all dividends and distributions declared in any fiscal year of the Corporation shall be declared in equal or equivalent amounts per share on all Voting Shares and Variable Voting Shares on an as-converted basis at the time outstanding, without preference or distinction.

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Subdivision or Consolidation

No subdivision or consolidation of the Voting Shares or the Variable Voting Shares shall occur unless, simultaneously, the shares of the other class are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.

Rights upon Liquidation, Dissolution or Winding Up

Subject to the rights, privileges, restrictions and conditions attaching to the shares of the Corporation ranking senior to the Voting Shares, upon liquidation, dissolution or winding up of the Corporation or other distribution of the Corporation's assets among its shareholders for the purpose of winding up its affairs, the holders of the Voting Shares and Variable Voting Shares shall be entitled to receive the remaining property of the Corporation and shall be entitled to share equally, share for share, in all distributions of such assets.

Conversion

Unless the foreign ownership restrictions of the *Canada Transportation Act* are repealed and not replaced with other similar restrictions, an issued and outstanding Voting Share shall be converted into one Variable Voting Share, automatically and without any further act of the Corporation or the holder, if such Voting Share becomes held, beneficially owned or controlled, directly or indirectly, otherwise than by way of security only, by a person who is not a Qualified Canadian.

In the event that an offer is made to purchase Variable Voting Shares and the offer is one which must, pursuant to applicable securities legislation or the rules of a stock exchange on which the Variable Voting Shares are then listed, be made to all or substantially all the holders of the Variable Voting Shares, each Voting Share shall become convertible at the option of the holder into one Variable Voting Share that is subject to the offer at any time while the offer is in effect and until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Voting Shares for the purpose of depositing the resulting Variable Voting Shares in response to the offer.

If the Variable Voting Shares resulting from the conversion and deposited pursuant to the offer are withdrawn by the Shareholder or are not taken up by the offeror or the offer is abandoned or withdrawn, the Variable Voting Shares resulting from the conversion shall be re-converted automatically, and without further act from the Corporation or the holder, into Voting Shares.

There shall be no right to convert the Variable Voting Shares into Voting Shares or to convert Voting Shares into Variable Voting Shares, except in accordance with the conversion procedure set forth in the Corporation's Restated Articles of Incorporation.

Constraints on Ownership of Shares

The Voting Shares may only be held, beneficially owned and controlled, directly or indirectly, by Qualified Canadians.

Declaration as to Canadian Status

The Corporation's Restated Articles of Incorporation provide that: (i) the Voting Shares may only be held, beneficially owned and controlled, directly or indirectly, by persons who are Qualified Canadians; and (ii) the Variable Voting Shares may only be held, beneficially owned or controlled, directly or indirectly, by persons who are not Qualified Canadians.

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Exemptive Relief from Take-Over Bid and Early Warning Rules

On October 14, 2016, the Corporation received an exemption to treat its Variable Voting Shares and Voting Shares as a single class for the purposes of applicable take-over bid requirements and early warning reporting requirements contained under Canadian securities laws. The Corporation applied for the exemption to facilitate investment in Variable Voting Shares by persons who are not Qualified Canadians.

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 per cent or more of the outstanding Variable Voting Shares and 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 per cent or more of the outstanding Variable Voting Shares and Voting Shares of the Corporation on a combined basis (or five per cent 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 Voting Shares and Variable Voting Shares on a combined basis, and a numerator including all of the Voting Shares or 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 the Corporation's profile on SEDAR+ at www.sedarplus.ca.

The Decision takes into account that the Corporation's dual class shareholding structure was implemented solely to ensure compliance with the foreign ownership requirements of the *Canada Transportation Act*. An investor does not control or choose which class of Shares it acquires and holds. The class of Shares ultimately available to an investor is only a function of whether the investor is or is not a Qualified Canadian. Due to the relatively small number of outstanding Variable Voting Shares, absent the Decision, it may have been more difficult for investors who are not Qualified Canadians to acquire Shares in the ordinary course without the apprehension of inadvertently triggering the take-over bid rules or early warning requirements. The Decision considered the fact that the Variable Voting Shares and Voting Shares have identical terms except for the foreign ownership voting limitations applicable in the case of the Variable Voting Shares.

Preferred Shares

Authority to Issue

Subject to the limitation on the aggregate number of Preferred Shares that may be issued, the directors of the Corporation may issue Preferred Shares at any time and from time to time in one or more series and are authorized to determine for each series the designation, rights, privileges, restrictions and conditions, including dividend rates, redemption prices, maturity dates and other matters.

Ranking and Priority

Each series of Preferred Shares is entitled to priority over the Variable Voting Shares, the Voting Shares and any other shares of any other class of the Corporation ranking junior to the Preferred Shares with respect to priority in the payment of dividends, the return of capital and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among shareholders for the purpose of winding up its affairs.

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Parity Among Series

Each series of Preferred Shares rank on a parity with every other series of Preferred Shares with respect to priority in the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, and any other distribution of the assets of the Corporation among shareholders for the purpose of winding-up its affairs.

Dividends

The holders of each series of Preferred Shares shall be entitled to receive dividends (which may be cumulative, non-cumulative or partially cumulative and variable or fixed) as and when declared by the Board.

Voting Limitation

Holders of Preferred Shares are not entitled (except as otherwise required by law and except for meetings of the holders of the Preferred Shares or a series thereof) to receive notice of, to attend or to vote at any meeting of the shareholders of the Corporation. The holders of any particular series of Preferred Shares will, if the directors so determine prior to the issuance of any such series, be entitled to such voting rights as may be determined by the directors if the Corporation fails to pay dividends on that series of Preferred Shares for any period as may be so determined by the directors.

Limitation on Conversion Rights

The directors of the Corporation may assign conversion rights to Preferred Shares when issued, provided that the maximum number of Variable Voting Shares and Voting Shares, in aggregate, that may be issuable upon conversion of all Preferred Shares will be limited to 4,607,143 Variable Voting Shares and Voting Shares, in aggregate.

INVESTOR RIGHTS AGREEMENTS

Air Canada Investor Rights Agreement

On February 4, 2019, Air Canada made a \$97.26 million equity investment in the Corporation resulting in the issuance of 15,561,600 Shares (the “**Air Canada Investment**”) and, in connection with the Air Canada Investment, the Corporation and Air Canada entered into an investor rights agreement. The investor rights agreement was most recently amended and restated on July 30, 2024 (the “**AC Investor Rights Agreement**”). Under the terms of the AC Investor Rights Agreement:

- Air Canada has the right to nominate one director to the Board so long as Air Canada holds at least 6.5% (subject to certain adjustments) of the Corporation’s issued and outstanding Shares (“**AC Board Target Number of Shares**”). Air Canada’s current nominee is Amos Kazzaz, Air Canada’s former Executive Vice President and Chief Financial Officer.
- Subject to certain exclusions, terms and conditions set out in the AC Investor Rights Agreement, Air Canada has the right to match the terms of any director nomination right granted by the Corporation pursuant to any written agreement with a third party.
- For so long as Air Canada holds the AC Board Target Number of Shares, Air Canada has pro rata pre-emptive rights in respect of the issuance by the Corporation of additional Shares or any securities convertible or exercisable into, or exchangeable for, Shares.
- Air Canada has customary demand and piggy-back registration rights so long as it holds at least 5% of all issued and outstanding Shares.

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The foregoing summary of the AC Investor Rights Agreement does not purport to be complete and is subject to, and is qualified in its entirety by, the terms of the AC Investor Rights Agreement. Copies of the AC Investor Rights Agreement, the subscription agreement in respect of the Air Canada Investment, and the Corporation's Material Change Reports dated January 24, 2019 and February 13, 2019 in respect of the Air Canada Investment are all available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Brookfield Investor Rights Agreement

On May 3, 2022, in connection with the Falko Acquisition, the Corporation completed the Brookfield Private Placement, and the Corporation and Brookfield entered into an investor rights agreement (the "**Brookfield Investor Rights Agreement**"). As a result of the redemption by the Corporation of all of the outstanding Series 1 Preferred Shares on December 31, 2024, certain provisions of the Brookfield Investor Rights Agreement which applied only if any Series 1 Preferred Shares were outstanding are no longer applicable. The principal terms of the Brookfield Investor Rights Agreement which remain in effect are summarized as follows:

- So long as Brookfield and/or any of its affiliates (the "**Brookfield Group**") holds at least the greater of either (a) a number of Shares equal to no less than 5% of the issued and outstanding Shares in the capital of the Corporation (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 in the Brookfield Private Placement, Brookfield is entitled to nominate one director to the Board (the "**Brookfield Nominee**"). Frank Yu, a Managing Partner in Brookfield's Private Equity Group, is currently the Brookfield Nominee.
- So long as Brookfield is entitled to one Brookfield Nominee, Brookfield has the right to designate an individual as an observer to the Board. The observer is not entitled to any compensation from the Corporation, to vote on any matters brought before the Board, or to attend *in camera* sessions of the independent directors.
- Brookfield has pro rata pre-emptive rights in respect of the issuance by the Corporation of certain types of new securities and top-up rights to subscribe for additional Shares under certain circumstances and subject to certain limited exceptions set out in the Brookfield Investor Rights Agreement.
- Brookfield has customary demand and piggy-back registration rights relating to certain of its Shares which expire at such time as Brookfield no longer beneficially owns at least 5% of the outstanding Shares.
- Subject to certain limited exceptions set out in the Brookfield Investor Rights Agreement, the Brookfield Group is required to comply with certain customary standstill provisions for a 12-month period from the date on which no Brookfield Nominee serves on the Board.

The foregoing summary of the Brookfield Investor Rights Agreement does not purport to be complete and is subject to, and is qualified in its entirety by, the terms of the Brookfield Investor Rights Agreement, a copy of which is available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Normal Course Issuer Bid

On November 6, 2024, the Corporation received approval from the TSX to renew the NCIB for its Shares. Under the renewed NCIB, the Corporation was authorized to purchase for cancellation up to a maximum of 14,826,478 of its Shares (pre- Consolidation), representing 10% of the public float of the Shares as of November 4, 2024 calculated in accordance with the TSX rules. On February 10, 2025, the Shares began trading on the TSX on a post-Share Consolidation basis, at which time the maximum number of Shares Chorus is authorized to purchase for cancellation for the remainder of the NCIB was adjusted to 1,685,150 Shares. The NCIB commenced on November 14, 2024 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, 2025. Security holders may obtain a copy of the NCIB notice, without charge, by contacting the Corporation.

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There can be no assurance as to how many Shares, if any, will be acquired by Chorus pursuant to the NCIB.

In connection with the NCIB, the Corporation entered into an automatic securities purchase plan (the "ASPP") with its designated broker to allow for the purchase of Shares on any trading day during the NCIB during pre-determined trading blackout periods, subject to certain parameters as to price and number of Shares. Outside of these pre-determined blackout periods, Shares may also be repurchased in accordance with management's discretion, subject to applicable law. The Corporation may vary, suspend or terminate the ASPP only if it does not have material non-public information, and the decision to vary, suspend or terminate the ASPP is not taken during a trading blackout period.

The current NCIB follows on the conclusion of Chorus' previous NCIB that expired on November 13, 2024. Under the previous NCIB, the Corporation purchased 2,796,265 Shares through the facilities of the TSX and alternative trading systems at a weighted average price of \$2.13 per Share. As of December 31, 2024, the Corporation had purchased and cancelled 881,685 Shares under the current NCIB at a weighted average price of \$3.00 per Share. All figures in this paragraph are reported on a pre-Share Consolidation basis.

Shareholder Rights Plan

On April 27, 2020, the Corporation adopted a shareholder rights plan (the "**Rights Plan**"). The Rights Plan was ratified by Shareholders at the annual and special meeting of Shareholders held on June 29, 2020 and reconfirmed by Shareholders at the annual meeting of Shareholders held on May 9, 2023. The Rights Plan must be reconfirmed by Shareholders at every third annual meeting of Shareholders.

In adopting the Rights Plan, the Corporation's directors considered the existing legislative framework governing take-over bids in Canada, as amended in 2016. The Corporation's directors determined that there is a role for shareholder rights plans in protecting issuers and preventing the unequal treatment of shareholders. Some areas of concern include:

- protecting against "creeping bids" (the accumulation of more than 20% of shares) through purchases exempt from Canadian take-over bid rules, such as (i) purchases from a small group of shareholders under private agreements at a premium to the market price not available to all shareholders, (ii) acquiring control through the slow accumulation of shares not available to all shareholders, (iii) acquiring control through the slow accumulation of shares over a stock exchange without paying a control premium, or (iv) through other transactions outside of Canada (that may not be subject to the take-over bid rules), and requiring the bid to be made to all shareholders; and
- preventing the use of "hard" lock-up agreements by offerors whereby existing shareholders commit to tender their shares to an offeror's take-over bid in lock-up agreements that are either irrevocable or revocable but subject to restrictive termination conditions. Such agreements could have the effect of deterring other potential bidders from bringing forward competing bids, particularly where the number of locked-up shares would make it difficult or unlikely for a competing bidder's bid to achieve the 50% minimum tender requirement imposed by the take-over bid rules.

The Rights Plan discourages the making of certain bids that are structured to be coercive or discriminatory in effect by creating the potential for significant dilution to any offeror who becomes the beneficial owner of 20% or more of the outstanding Variable Voting Shares and Voting Shares on a combined basis. The Rights Plan accomplishes this by providing for the issuance to all Shareholders of rights to acquire additional Shares at a significant discount to the then-prevailing market price, which could, in certain circumstances, become exercisable by all Shareholders other than the offeror and its joint actors.

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In addition, the Rights Plan is designed to prevent lock-up agreements that are not in the best interest of the Corporation or Shareholders and to encourage offerors to structure lock-up agreements so as to provide the locked-up Shareholders with reasonable flexibility to terminate such agreements in order to deposit their shares to a higher value bid or support another transaction offering greater value.

The foregoing summary of the Rights Plan does not purport to be complete and is subject to, and qualified in its entirety by, the terms of the Rights Plan, which is available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Warrants

On May 3, 2022, the Corporation issued 18,642,772 warrants to purchase one Share each (or such other share(s) or security(ies) into which such Shares are converted, exchanged, reclassified or otherwise changed) at an initial exercise price of \$4.60 per Share for a period of seven years from the date of issue (the "**2022 Warrants**") in connection with the Brookfield Private Placement. As a result of the Share Consolidation, each 2022 Warrant now entitles the holder thereof to acquire one-seventh of a Share at an exercise price of \$32.20 per Share (subject to certain further adjustments set out in the governing indenture). The 2022 Warrants are not exercisable if doing so would cause the holder, its affiliates and persons acting together with any of them to collectively beneficially hold, or have control or direction over, more than 19.99% of the outstanding Shares. The 2022 Warrants are subject to certain anti-dilution provisions, and the exercise price of the 2022 Warrants is subject to downward adjustment for the value of any cash dividends or distributions paid to holders of Shares.

Long-term Debt

The following is a summary of the principal debt securities and facilities in respect of which the Corporation is the borrower or a guarantor as of the date of this AIF, namely, the Unsecured Debentures, the Operating Credit Facility and the Bi-Lateral Credit Facility. For more detailed disclosure related to Chorus' long-term debt, refer to section 8 "Capital Structure" of the Annual MD&A, which section is incorporated into this AIF by reference.

Series B Debentures

In April 2021, the Corporation issued \$72.5 million aggregate principal amount of Series B Debentures. The Series B Debentures were issued in denominations of \$1,000 and, unless previously redeemed or purchased, will mature on June 30, 2026. The Series B Debentures bear interest at 6.00% per annum, payable semi-annually in arrears on June 30 and December 31 of each year. On February 3, 2025, the Corporation purchased for cancellation \$43.8 million aggregate principal amount of Series B Debentures pursuant to a change of control offer issued on December 9, 2025, leaving \$28.7 million aggregate principal amount of Series B Debentures outstanding.

The Series B Debentures are convertible at the holder's option into approximately 22.4972 Shares per \$1,000 principal amount of the debentures, representing a conversion price of \$44.45 per Share (the "**Conversion Price**"), as adjusted for the Share Consolidation and subject to further adjustment in certain circumstances.

Prior to June 30, 2025, the Corporation may redeem the Series B Debentures, in whole or in part from time to time, at their principal amount plus accrued and unpaid interest, if any, up to but excluding the date of redemption, provided that the arithmetic average of the per share volume weighted average trading price of the Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the applicable date is at least 125% of the Conversion Price. On and after June 30, 2025, the Series B Debentures may be redeemed in whole or in part from time to time at the option of the Corporation at a

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price equal to their principal amount plus accrued and unpaid interest. In the event of a change of control of the Corporation, the Corporation is required to make an offer to repurchase all of the Series B Debentures and may redeem the Series B Debentures subject to certain terms and conditions.

Subject to any required regulatory approval and provided no event of default has occurred and is continuing under the indenture governing the Series B Debentures, the Corporation has the option to satisfy its obligation to pay the principal amount of the Series B Debentures due at redemption or maturity (together with any applicable premium) by delivering freely tradeable Voting Shares to the holders of the Series B Debentures who are Qualified Canadians or Variable Voting Shares to holders of the Series B Debentures who are not Qualified Canadians. In such event, payment is satisfied by delivering for each \$1,000 due, that number of freely tradeable Shares obtained by dividing \$1,000 by 95% of the current market price (determined in accordance with the Series B Debentures indenture) on the date fixed for redemption or maturity.

Subject to any required regulatory approval and provided no event of default has occurred and is continuing under the indenture, the Corporation may elect to satisfy all or any part of its obligation to pay interest on the Series B Debentures by issuing Shares to the trustee appointed under the indenture, in which case the trustee will sell the Shares and use the proceeds thereof to satisfy all or part of the Corporation's interest payment obligations.

The Series B Debentures are direct, senior unsecured obligations of the Corporation and rank (i) subordinate to all existing and future senior secured and other secured indebtedness of the Corporation, but only to the extent of the value of the assets securing such secured indebtedness, or other indebtedness of the Corporation that ranks senior to the Series B Debentures by operation of law; (ii) except as prescribed by law, *pari passu* with one another and equally in right of payment from the Corporation with all other existing and future unsubordinated unsecured indebtedness of the Corporation; and, (iii) senior to any other existing and future subordinated unsecured indebtedness of the Corporation.

The trustee under the indenture for the Series B Debentures has entered into an Intercreditor Agreement with the administrative agent for and on behalf of the lenders under the Operating Credit Facility (the "**Senior Creditors**") (see "Capital Structure – Long-term Debt – Operating Credit Facility" for a further description of the Operating Credit Facility and the Intercreditor Agreement).

The Series B Debentures are listed for trading on the TSX under the symbol CHR.DB.B.

The foregoing description of the Series B Debentures does not purport to be complete and is subject to, and is qualified in its entirety by, the terms of the Series B Debentures indenture and the short form prospectus relating thereto which are available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Series C Debentures

In September 2021, the Corporation issued \$85 million aggregate principal amount of Series C Debentures. The Series C Debentures were issued in denominations of \$1,000 and, unless previously redeemed or purchased, will mature on June 30, 2027. The Series C Debentures bear interest at 5.75% per annum, payable semi-annually in arrears on June 30 and December 31 of each year. On February 3, 2025, the Corporation purchased for cancellation \$37.8 million aggregate principal amount of Series C Debentures pursuant to a change of control offer issued on December 9, 2025, leaving \$47.2 million aggregate principal amount of Series C Debentures outstanding.

Prior to March 31, 2025, the Corporation may redeem the Series C Debentures in whole or in part from time to time at a price equal to 104.3125% of the principal amount of the Series C Debentures plus accrued

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and unpaid interest. On and after March 31, 2025 and prior to March 31, 2026, the Series C Debentures may be redeemed in whole or in part from time to time at the option of the Corporation at a price equal to 102.875% of the principal amount plus accrued and unpaid interest. On and after March 31, 2026, the Series C Debentures are redeemable in whole or in part from time to time at the option of the Corporation at a price equal to the principal amount of the Series C Debentures redeemed plus accrued and unpaid interest. In the event of a change of control of the Corporation, the Corporation is required to make an offer to repurchase all of the Series C Debentures and may redeem the Series C Debentures subject to certain terms and conditions.

Subject to any required regulatory approval and provided no event of default has occurred and is continuing under the indenture, the Corporation has the option to satisfy its obligation to pay the principal amount of the Series C Debentures due at redemption or maturity (together with any applicable premium) by delivering Shares. In such event, payment is satisfied by delivering for each \$1,000 due, that number of freely tradeable Shares obtained by dividing \$1,000 by 95% of the current market price (determined in accordance with the indenture) on the date fixed for redemption or maturity. The Series C Debentures are not convertible into Shares at the option of the holders of the Series C Debentures at any time.

Subject to any required regulatory approval and provided no event of default has occurred and is continuing under the indenture, the Corporation may elect to satisfy all or any part of its obligation to pay interest on the Series C Debentures by issuing Shares to the trustee appointed under the indenture, in which case the trustee will sell the Shares and use the proceeds thereof to satisfy all or part of the Corporation's interest payment obligations.

The Series C Debentures are direct, senior unsecured obligations of the Corporation and rank: (i) subordinate to all existing and future senior secured and other secured indebtedness of the Corporation, but only to the extent of the value of the assets securing such secured indebtedness, or other indebtedness of the Corporation that ranks senior to the Series C Debentures by operation of law; (ii) except as prescribed by law, *pari passu* with one another and equally in right of payment from the Corporation with all other existing and future unsubordinated unsecured indebtedness of the Corporation; and, (iii) senior to any other existing and future subordinated unsecured indebtedness of the Corporation.

The trustee under the indenture for the Series C Debentures has entered into an Intercreditor Agreement with the administrative agent for and on behalf of the Senior Creditors (see "Capital Structure – Long-term Debt – Operating Credit Facility" for a further description of the Operating Credit Facility and the Intercreditor Agreements).

The Series C Debentures are listed for trading on the TSX under the symbol CHR.DB.C.

The foregoing description of the Series C Debentures does not purport to be complete and is subject to, and is qualified in its entirety by, the terms of the Series C Debentures indenture and the prospectus supplement to the short form base shelf prospectus relating thereto which are available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Operating Credit Facility

The Corporation and certain designated subsidiaries, including CACC, Jazz and Voyageur (the "**Credit Parties**") are parties to the Operating Credit Facility. The Operating Credit Facility has a maturity date of January 27, 2028 and provides the Credit Parties with a committed facility of \$150.0 million, subject to a borrowing base calculation.

Indebtedness under the Operating Credit Facility is secured by all present and after-acquired personal property of the Credit Parties, excluding certain specified assets such as aircraft, engines and the equity

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securities of certain specified entities including CACC and its subsidiaries. Any outstanding balance under the Operating Credit Facility may become immediately repayable if the Corporation undergoes a change of control without the consent of the Senior Creditors. The Operating Credit Facility contains customary representations, warranties and covenants, including a covenant to maintain a minimum consolidated interest coverage ratio.

The Bank of Nova Scotia, in its capacity as administrative agent for and on behalf of the Senior Creditors, and the trustees (collectively, the "**Trustees**") under the indentures for the Unsecured Debentures are parties to certain intercreditor agreements (the "**Intercreditor Agreements**"). The Intercreditor Agreements provide, among other things, that following the occurrence of a default (as defined in the Intercreditor Agreements) which is continuing or upon an insolvency or liquidation proceeding (as defined in the Intercreditor Agreements) involving the Corporation, all obligations under the Operating Credit Facility shall first be paid in full before payments are made to holders of the Unsecured Debentures under or pursuant to the applicable indenture and as such, to the extent that any amounts remain outstanding under the Operating Credit Facility after realization upon the applicable security, any proceeds received by the Trustees on behalf of the holders of the Unsecured Debentures may be required to be remitted to the administrative agent under the Operating Credit Facility until all amounts due under the Operating Credit Facility are paid in full.

The foregoing description does not purport to be complete and is subject to, and is qualified in its entirety by, the terms of the agreement for the Operating Credit Facility and the Intercreditor Agreements, copies of which are available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Bi-lateral Credit Facility

The Corporation has a bi-lateral credit facility which provides a revolving loan in an amount up to the lesser of (a) 50% of the current market value of certain aircraft pledged as security for the loan, and (b) \$50.0 million (the "**Bi-Lateral Credit Facility**"). This facility may be used for general corporate purposes and matures on January 27, 2028. The Bi-Lateral Credit Facility is secured by aircraft pledged as security together with the related leases and insurance proceeds. The loan agreement contains customary representations, warranties, covenants and events of default, and is cross defaulted to any event of default under the Operating Credit Facility.

COMPETITION

Chorus' subsidiaries provide support services that encompass every stage of a regional aircraft's lifecycle, including aircraft acquisition and leasing, aircraft refurbishment, engineering, modification, repurposing and transition, contract flying, aircraft and component maintenance, disassembly, and parts provisioning.

Jazz's fleet is significantly larger than that of the next largest Canadian regional airline. All other carriers in the Canadian regional airline market are smaller operators of turboprop and regional jet aircraft, most of which operate aircraft in the 19 to 75 seat range. Many of these regional carriers operate primarily independent services, flying in niche markets. Jazz gains a competitive advantage from its scale of operations, and access to and ability to train pilots and other human resources at scale.

Voyageur's charter operations compete with a wide variety of ACMI operators from around the world, including: Swiftair from Spain, 748 Air Services from Kenya, ALS Ltd. from Kenya, Renegade Air from Kenya, Ethiopian Airlines from Ethiopia, and Air Urga from Ukraine. Voyageur's competitive advantage in international ACMI operations is rooted in being a Transport Canada approved air carrier, having a reputation as a safe and highly reliable operator, had having a long-standing track record of safe flying for the United Nations.

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Jazz and Voyageur's MRO operations compete with several MRO facilities. Jazz Technical Services' primary competitors include JD Aero, AAR Corp., Mitsubishi and Premier Aviation, Avmax and it derives its competitive advantage from the scale of its MRO operations that includes maintaining the Jazz Covered Aircraft fleet. Voyageur's primary competitors in MRO operations and specialty defence work include PAL Aerospace, KF Aerospace, JD Aero, Avmax, Field Aviation, and Skyservice Business Aviation, and it derives its competitive advantage from its expertise in design engineering and modification.

Voyageur's parts provisioning business competes with domestic and international companies, including 3 Points Aviation, Airstart, and Regional One. Voyageur possesses expertise in aircraft sourcing, modification, maintenance and disassembly which enable it to compete successfully in the parts provisioning and defence sectors.

LOGOS AND TRADEMARKS

Chorus owns trademarks for Chorus, Chorus Aviation and the associated design marks (logos) and has registered these trademarks in Canada, the United Kingdom, Ireland and the U.S. Chorus also owns additional trademarks in connection with its businesses.

"Jazz" is a trademark owned by Air Canada in Canada and the U.S. and is used by Jazz under license from Air Canada.

Air Canada has granted Jazz a royalty-free, non-exclusive, non-sublicensable, non-assignable right to use the "Jazz" trademark in association with the provision of regional airline services in Canada and the U.S. If the CPA is terminated or expires, that trademark license agreement provides for a termination of the license six months later. Under a special trademark license agreement, Jazz and Air Canada agreed that when the CPA is terminated or expires, Air Canada will transfer all rights to the "Jazz" trademark to Jazz, and Jazz will discontinue its use of any other Air Canada trademarks.

Voyageur owns trademarks for Voyageur Avparts, Voyageur Aviation, Voyageur Airways, Voyageur Aerotech, Voyageur Aviation Corp and the associated design and marks (logos) and has registered these trademarks in Canada and the U.S.

Chorus' trademarks and brand name assets are an important part of its business. Chorus benefits from the goodwill associated with its brand names. Chorus protects its proprietary information, including its trademarks and database, through trademark laws, contractual provisions and confidentiality procedures.

REGULATORY ENVIRONMENT

In Canada, commercial air transportation falls wholly within the jurisdiction of the federal government. The commercial air transportation policy, maintenance standards, operations standards, aircraft airworthiness, pilot and cabin crew licensing and certification, safety, ground services, and navigation facilities are the responsibility of the Minister of Transport.

Canadian-registered aircraft, pilots, cabin crew, maintenance engineers, maintenance operations and all aspects of its commercial and charter air service operations are subject to the inspection, licensing, certification and compliance requirements of Transport Canada under the *Aeronautics Act*, *Canadian Aviation Regulations* and the standards issued under that Act and its regulations.

The Canadian Transportation Agency (the "**Agency**") is responsible under the *Canada Transportation Act* and the *Air Transportation Regulations* for issuing air carrier licenses for both domestic and international services, and for regulating air charter operations, equipment and crew leasing (wet leases, block space and code share arrangements), certain air tariffs and the terms and conditions of carriage. The Agency may

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also investigate, mediate or hear air travel complaints. The commercial and charter air services of Jazz and Voyageur are subject to the licensing, charter operations, international fare, terms of carriage, insurance requirements and air travel complaint jurisdiction of the Agency, as further described below.

Passenger Complaints

Under the CPA, Air Canada is responsible for the processing and payment, if any, of all passenger claims arising from flights operated by Jazz under the CPA. No compensation is payable to individual passengers carried by Jazz or Voyageur on charter flights.

Accessibility

Airlines, as transportation service providers in Canada, are subject to the *Accessible Transportation for Persons with Disabilities Regulations* (the “ATPDRs”). The ATPDRs are a single, legally-binding set of accessible transportation regulations that require transportation service providers to: meet the communication needs of passengers with disabilities; train employees to provide assistance to passengers with disabilities; comply with technical requirements regarding aircraft and terminals (such as airports); and provide accessible services, including by making border and security screening accessible. The *Accessible Transportation Planning and Reporting Regulations* require transportation service providers to develop an accessibility plan and establish feedback processes with the community to identify and remove barriers.

In addition to laws and regulations affecting the aviation industry specifically, Chorus is subject to employment, human rights and pay equity legislation in Canada and in other jurisdictions in which its entities operate.

Transborder Services

Jazz operates transborder services between Canada and the United States based on the Open Skies Agreement between Canada and the United States. The Open Skies Agreement allows air carriers of both countries (i) to pick up passenger and/or cargo traffic in the other country and carry that traffic to a third country as part of a service to or from the carrier's home country, (ii) to operate stand-alone all-cargo services between the other country's territory and third countries, and (iii) greater pricing flexibility for services between the other country and a third country. The agreement also permits Air Canada to offer code share services with certain Star Alliance® members between Canada and the United States. In addition, some of these Star Alliance® members' codes appear on some transborder flights operated by Jazz.

The carriage of local traffic between points within one country by carriers of the other country, commonly known as “cabotage”, is prohibited.

Other International Services

None of the Corporation's subsidiaries currently has a license to operate a scheduled international service to any country other than the U.S., but the Canadian government has entered many bilateral air transport agreements with other countries under which a subsidiary of the Corporation would be eligible to apply for licensing and operate abroad on a reciprocal basis.

Charter Services

Jazz and Voyageur both maintain licenses issued by the Agency to operate non-scheduled international service between Canada and any other country. Subject to certain exceptions, charter operations are generally not covered by bilateral agreements. Canadian government policy permits any Canadian carrier

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to operate charter services between Canada and any point in the world subject to prior approval of the Canadian and other applicable regulatory authorities.

The policy does not contain restrictions relating to advance booking, minimum stay requirements and one-way travel. However, to preserve a distinction between charter and scheduled international services, the policy retains the requirements that the entire seating capacity of an aircraft be chartered and that the charter customer be prohibited from selling seats directly to the public.

Charter operations carried on between points located entirely in another country are typically subject to approvals from local aviation authority.

Official Languages Requirements

Air Canada is subject to the *Official Languages Act* (“OLA”), which among other things, requires it to ensure that any member of the traveling public can communicate with and obtain services in either official language where there is significant demand for those services in that language. Where another person performs those services on Air Canada’s behalf, the OLA obliges Air Canada to ensure that other person provides those services in the applicable official language. Accordingly, Jazz must provide those services to the travelling public under the CPA in a manner that ensures Air Canada’s compliance with the OLA. While the OLA does not currently apply directly to Chorus or any of its subsidiaries, management cannot predict how future changes to this legislation might affect its business.

On June 20, 2023, Bill C-13, *An Act to amend the Official Languages Act, to enact the Use of French in Federally Regulated Private Businesses Act and to make related amendments to other Acts* (“**Bill C-13**”) received Royal Assent. The amendments are intended to apply to federal private sector employers with workplaces in “regions with a strong Francophone presence” by introducing new rights to: (i) carry out work and be supervised in French; (ii) receive all communications and documents from a federally-regulated private business in French; and (iii) use regulatory and widely used work instruments and computer systems in French. When it comes into force, Bill C-13 will apply to Jazz.

Furthermore, on June 1, 2022, Quebec passed into law, *An Act Respecting French, the Official and Common Language of Quebec* (“**Law 14**”). Until Bill C-13 comes into force, Law 14 potentially impacts federally regulated businesses with employees in the province of Quebec by requiring them to promote and prioritize the use of the French language in Quebec. This new law entitles employees in Quebec to: (i) receive all communications and internal documents from their employer in French; (ii) interact with management and supervisory personnel in French; and (iii) receive training in French. Jazz is the only Chorus subsidiary with employees based in Quebec.

Security and Safety

Jazz’s and Voyageur’s first priority is the safety and security of all passengers, crew members and all employees in all aspects of its their operations. Jazz and Voyageur strive to build a positive safety and security culture that promotes improvement and solicits ideas from all stakeholders.

As Canadian air operators with transborder operations, both Jazz and Voyageur work with Transport Canada and other federal and U.S. agencies to continuously improve security measures and to enable innovations adopted by Chorus to maintain the highest degree of security. Their respective internal safety management systems include security related processes, including threat assessment protocols that allow the operation to address any number of potential threats.

The *Canadian Aviation Regulations* require air operators to implement a safety management system in their organizations and appoint executives who are accountable for safety. The goals of safety management systems are to increase the sophistication and proactiveness of safety practices, to instill a consistent and positive safety culture, and to help improve upon the already high safety performance of Canadian airline

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operators. Jazz and Voyageur have each implemented a safety management system. Jazz is also one of eight air operators in Canada registered under the IATA Operational Safety Audit program, which includes additional safety and security oversight requirements that complement and exceed Canadian regulatory requirements and are monitored under a biennial IATA audit program.

The President of Jazz serves as the Accountable Executive for Jazz, and its Vice President, Flight Operations and its Vice President, Maintenance & Engineering have responsibility for the implementation and ongoing efficacy of Jazz' safety management system. Jazz's Vice President, Safety, Quality & Environment has responsibility for the ongoing management of the safety management system. Jazz has accepted an award at Canada's Safest Employers event for eight consecutive years.

The President of Voyageur serves as the Accountable Executive for Voyageur and oversees the ongoing efficacy of Voyageur's Safety and Risk Management System, which is dedicated to promoting a culture of safety within Voyageur. Voyageur's Director of Safety and Risk Management & the Environment has responsibility for the ongoing management of the safety management system. Employees are focused on incident prevention through critical self-assessment and proactive identification of potential deficiencies.

Jazz and Voyageur, as air carriers, are subject to the *Secure Air Travel Act* (Canada), which replaced the previous legislative framework for identifying and responding to persons who may engage in an act that poses a threat to transportation security or who may travel by air for the purpose of committing a specified terrorism offence. It authorizes the Minister of Public Safety and Emergency Preparedness to establish a list of such persons and to direct air carriers to take any necessary actions to prevent the commission of such acts. It also requires that air carriers provide the Minister with certain information about individuals who are on board or expected to be on board their aircraft for the purpose of identifying listed persons and for the purpose of issuing a unique identifier to them to assist with pre-flight verification of their identity.

On December 20, 2018, the *Canadian Aviation Regulations* were amended to introduce rules for flight crew hours of work. The changes include prescribed flight and duty time limits to limit the amount of time a flight crew member can be on the job. Compliance with the prescriptive requirements may result in incremental costs to air carriers, including the need to hire more flight crew, to update flight crew management computer programs, to provide fatigue-related training to their flight crew members, and to secure additional rest facilities.

Under the CPA, Air Canada is responsible for costs due to regulatory changes incurred by Jazz in performing services for Air Canada under the CPA.

Sustainability

Environmental Policy

Chorus' Environmental Policy sets out Chorus' environmental priorities, including an emphasis on:

- disclosing Chorus' greenhouse gas emissions;
- reducing waste by taking a life-cycle approach to waste management;
- engaging with Chorus' supply chain and incorporating environmental considerations when sourcing goods and services;
- setting goals, monitoring progress and reviewing environmental performance regularly; and
- communicating transparently about how Chorus manages its sustainability impacts.

Both Jazz and Voyageur maintain a safety and environment committee which meets regularly with members of the business units' executive team to review safety and environmental performance. Jazz and Voyageur present a safety and environmental report to the Governance, Safety and Sustainability Committee of the Corporation's Board of Directors on a quarterly basis.

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Canada's Action Plan to Reduce Greenhouse Gas Emissions from Aviation

In December 2022, the Government of Canada published the Aviation Climate Action Plan 2022-2030, which sets out a vision for net-zero GHG emissions from Canada's aviation sector by 2050. This plan is a collaboration between Transport Canada and key industry stakeholders and forms the basis for the Government of Canada's response to the 38 International Civil Aviation Organization's ("ICAO") Assembly Resolution A37-19, which encouraged member states to submit national action plans setting out measures each state would take to address international aviation emissions. The plan supports the goals of carbon neutral growth from 2020 onwards and absolute GHG reductions of 50%, relative to 2005 levels, by 2050.

Carbon Offsetting and Reduction

The Government of Canada set binding commitments to achieve net-zero emissions by 2050 in the *Canadian Net-Zero Emissions Accountability Act*. As required by the Act, Canada published its first Emissions Reduction Plan (ERP) in 2022, establishing a roadmap for reaching Canada's 2030 emissions reduction target. In addition, the Aviation Climate Action Plan 2022-2030 acknowledges that out of sector reductions will be required to achieve net-zero GHG emissions by 2050, including using offsets as part of ICAO's Carbon Offsetting and Reduction Scheme for International Aviation ("**CORSIA**").

CORSIA is a market-based measurement scheme for international aviation designed to offset emissions above a baseline level, thus reducing emissions elsewhere in the world in pursuit of carbon-neutral growth for the aviation sector. ICAO set 2019 emission-levels as the baseline for the "pilot phase", being 2021 through to the end of 2023, and will use 85% of 2019 emissions as the baseline for calculating offsetting obligations for the "first phase" of CORSIA, being 2024 until 2035. CORSIA began on a voluntary basis in 2021 and, with some exceptions, will become mandatory in 2027 for all ICAO member states. Canada implemented CORSIA through regulatory amendments to the *Canadian Aviation Regulations* and Canada's federal government signed on to participate voluntarily from 2021. The aviation community is currently in the first phase of the CORSIA program.

Jazz annually submits its flight emission records to Transport Canada under CORSIA. Starting in 2024, and then every 3 years, operators will have to offset their emissions above the CORSIA baseline for the most recent 3-year period. Offsetting requirements are determined by each operator's CO₂ emissions and the global industry's growth factor, as determined by ICAO. Offsetting requirements will be aggregated by 3-year compliance cycles. For each compliance cycle, Jazz may be required to procure and cancel a number of eligible emissions units corresponding to the offsetting requirements.

Chorus anticipates that Jazz will fully recover its CORSIA compliance-related costs under the CPA. As Voyageur's operations do not exceed the prescribed emissions threshold, it does not participate in CORSIA.

On the basis of CORSIA, the European Parliament and the European Council have continued exempting flights between Europe and third countries from the European Union Emissions Trading System (the "**EU ETS**"). Neither Jazz nor Voyageur's operations are expected to be impacted significantly (or at all) by the EU ETS.

International Aviation Climate Ambition Coalition Declaration

In November 2021, Canada participated in the inaugural meeting of the International Aviation Climate Ambition Coalition at the 26th United Nations Climate Change Conference of the Parties ("**COP26**") in Glasgow. Canada, along with 22 other member states, signed the COP26 Declaration, which commits to taking ambitious actions to reduce CO₂ emissions from aviation and supporting the aviation industry's commitment towards net zero CO₂ emissions by 2050.

Recognizing international aviation's contribution to climate change through its CO₂ emissions, signatories to the COP26 Declaration committed to the following: advancing ambitious actions to reduce aviation CO₂

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emissions at a rate consistent with efforts to limit the global average temperature increase to 1.5 Celsius; supporting the adoption by ICAO of an ambitious long-term aspirational goal consistent with the 1.5 Celsius temperature limit; ensuring maximum effectiveness of CORSIA; promoting the development and deployment of sustainable aviation fuels; and promoting the development and deployment of low- and zero-carbon aircraft technologies.

To date, environmental laws and regulations have not had a material adverse effect on Chorus' business. However, changes in such laws and regulations, including the implementation of new international commitments, may significantly increase the cost of environmental compliance. Chorus is not able to predict future costs which may be incurred in order to comply with future environmental regulations.

Climate Risk Management

Chorus maintains an Enterprise Risk Management ("**ERM**") program with the objective of accurately identifying, assessing, and mitigating or managing principal risks to Chorus' business. This process informs decision-making and resource allocation, as well as the development of Chorus' long-term strategy. The ERM assessments are updated quarterly, and findings are incorporated into Chorus' strategic planning process. Findings are also shared with the Audit, Finance and Risk Committee of the Board, which helps inform the Board's understanding of the main risks, opportunities and challenges facing our business. The potential risk of reputational damage to the Corporation resulting from environmental, social and governance ("**ESG**") is identified as a key risk within the ERM framework.

Climate Reporting

Mandatory climate reporting standards remain in development. In October 2021, the Canadian Securities Administrators ("**CSA**") published *National Instrument 51-107– Disclosure of Climate-related Matters* (the "**NI 51-107**"), which, if enacted, would make the disclosure of certain climate-related matters mandatory for Canadian reporting issuers such as the Corporation. In March 2022, the U.S. Securities and Exchange Commission (the "**SEC**") released draft climate disclosure rules titled the *Enhancement and Standardization of Climate-Related Disclosures for Investors* (the "**SEC Rules**"). On June 26, 2023, the International Sustainability Standards Board (the "**ISSB**"), the sustainability standard-setting body of the International Financial Reporting Standards ("**IFRS**") Foundation, issued its first sustainability-related disclosure standards IFRS S1 & S2 – considered the global baseline for sustainability and climate-related disclosures. These standards require companies to disclose the sustainability and climate-related risks they face over the short, medium and long term. In December 2024, the Canadian Sustainability Standards Board ("**CSSB**") released its finalized Canadian Sustainability Disclosure Standards ("**CSDS**") based on the IFRS standards, establishing a framework for voluntary climate-related reporting. The CSA is currently working toward a Canadian climate-related disclosure rule that is expected to consider the CSSB standards.

Chorus continues to monitor the development of these reporting standards with a view to ensuring its preparedness to comply with any new reporting obligations that may be binding on it.

Waste Management

Chorus undertakes several measures in relation to waste management: implement waste reduction programs across its office spaces and aircraft hangers; maintain recycling programs wherever practicable and seek to minimize waste sent to landfill; report on its waste and recycling volumes and diversion rate in its sustainability reporting. Voyageur's parts business allows airlines to extend the service life of existing aircraft by employing used serviceable material, thereby diverting waste from landfill and avoiding GHG emissions incurred in the production of new aircraft and parts.

Jazz and Voyageur maintain environmental policies and procedures for the safe containment, storage, transportation and disposal of hazardous materials in their facilities in compliance with all applicable environmental regulations.

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Supplier Code of Ethics

In 2023, Chorus published a Supplier Code of Ethics, which sets out Chorus' expectations for its suppliers, including:

- avoiding of all forms of bribery, extortion, corruption and fraud;
- ensuring that no forced or child labour is used within the supply chain; and
- complying with applicable employment and labour laws, including with respect to wages, rest periods, leave entitlements and collective bargaining rights.

Chorus is working with its subsidiaries on the adoption of this code throughout the Chorus group of companies, including by implementing key elements of the code in procurement processes and supplier contracts.

Human Rights

In 2023, Chorus published a Human Rights Policy, which reflects Chorus' commitment to conducting business in a manner that is consistent with international standards for the protection of human rights, as expressed through the United Nations Universal Declaration of Human Rights and United Nations Guiding Principles on Business and Human Rights.

This Human Rights Policy provides the foundation of our approach to human rights and outlines the expectations we have of our employees, our supply chain, and our business partners. Within it, we communicate our expectations that our suppliers have processes that respect human rights, and that they remedy their offending practice or policy if they are in violation of those rights.

Privacy

Chorus and each of its subsidiaries are subject to various privacy laws regarding the collection, use, disclosure and protection of personal information in the course of their respective commercial activities. The principal privacy laws governing Chorus' operations are the *Personal Information Protection and Electronic Documents Act* ("**PIPEDA**") in Canada, the *General Data Protection Regulation* (Regulation (EU) 2016/679) ("**GDPR**") applicable in the European Union and the UK GDPR in the United Kingdom.

In 2022, the Government of Canada introduced Bill C-27, the *Digital Charter Implementation Act, 2022*. This bill proposed to enact the *Consumer Privacy Protection Act* (the "**CPPA**") to replace Part 1 of PIPEDA, which is the part of PIPEDA that addresses privacy in the private sector and enact the *Personal Information and Data Protection Tribunal Act* to establish a tribunal, which would hear recommendations of and appeals from decisions of the Privacy Commissioner of Canada. The proposed changes to the legislation included expanded requirements for obtaining consent, expanded exceptions to consent, enhanced individual rights regarding the disposal of personal information and mobility, and an expanded range of potential sanctions, including significant monetary penalties and awards, and a civil right of action for breaches of privacy laws.

Several Canadian provinces have implemented or proposed provincial privacy legislation, including the Province of Quebec that introduced the *Act respecting the protection of personal information in the private sector* following the adoption of Bill 64, *An Act to modernize legislative provisions as regards the protection of personal information*. Chorus continues to monitor these developments.

RISK FACTORS

This section describes the risks that management believes are most material to our business at the date of this AIF. **If any of these risks were to materialize, individually or in combination, they could have a material adverse impact on Chorus' business, results of operations, cash flows, liquidity, financial**

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condition, reputation and/or prospects. Therefore, these risks should be carefully considered when evaluating Chorus' business and its forward-looking information; however, they are not intended to be an exhaustive list of all risks facing Chorus. Other risks of which management is not currently aware or which management currently deems immaterial may arise and become material in the future, or the risks described below may have unanticipated impacts on Chorus.

The material risks to Chorus' business are organized below by type of risk:

- Commercial;
- Strategic; and
- Financial and Legal.

Commercial Risk

Customers default on their payment obligations to Chorus

Chorus is exposed to credit risk through its contractual arrangements with third parties, including the risk of non-payment to Jazz by Air Canada of amounts owing under the CPA. Failures by one or more of these customers to fulfil their financial obligations to Chorus could in turn have a material adverse impact on Chorus' cash flows, earnings and liquidity.

Air Canada fails to pay amounts owing under the CPA

The payments to Jazz under the CPA are dependent on the financial strength of Air Canada. As most of Chorus' revenue is derived from the CPA, if Air Canada is not able to make full payment of amounts owing, or a dispute with respect to Air Canada's payment obligations were to arise, this could have a very immediate and material adverse effect on Chorus' cash flows and resulting liquidity. This could also result in the impairment of owned aircraft that are currently dedicated for operation under the CPA. Management expects that Chorus will remain economically dependent on the CPA for the foreseeable future.

Disputes arise with Air Canada

Parties to contracts, such as the CPA, may disagree from time to time on the appropriate interpretation of their respective rights and obligations. Conflicts or disputes may arise between Air Canada and Jazz under the CPA in several areas, including:

- the nature and quality of the services Air Canada provides to Jazz and the services Jazz provides to Air Canada;
- the terms of Air Canada's and Jazz's respective collective bargaining agreements;
- the Controllable Costs Jazz incurs in providing services to Air Canada (see "Chorus Business Segments – Regional Aviation Services – Contract Flying - Capacity Purchase Agreement with Air Canada - Revenues and Costs under the CPA");
- the scope and applicability of force majeure and non-competition provisions (see "Chorus fails to diversify and grow its business"); and
- Jazz's and Air Canada's respective rights and obligations under the CPA or other agreements between Chorus and Air Canada.

Disagreements and conflicts may divert management's attention and resources from the operation of the business and may result in litigation or other disputes. Jazz may not be able to resolve potential conflicts with Air Canada and, even if any such conflicts are resolved, the resolution may be on terms and conditions materially less favourable to Chorus.

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New epidemics, pandemics or other health emergencies emerge

Widespread outbreaks, or the threat of outbreaks, of viruses or other contagious or infectious diseases, such as COVID-19, or any governmental or global travel advisories or restrictions (whether relating to Canadian or international cities or regions) could result in a significant reduction in passenger demand for air travel which could affect the operating performance and financial condition of airlines, including Air Canada and Chorus' lessees. Any such event could materially reduce Chorus' cash flows and liquidity.

Controllable Cost Revenue under the CPA is insufficient to cover Controllable Costs

Controllable Cost Revenue is based on estimates and includes Controllable Costs such as salaries, wages and benefits, certain depreciation and amortization, certain aircraft maintenance, materials and supplies, third party operating leases, and other general overhead expenses, such as crew variable expense, professional fees, travel and training. Air Canada pays Jazz Controllable Cost Revenue rates based on Controllable Costs. The 2019 CPA Amendments introduced provisions which limit Jazz's exposure to \$2.0 million annually for variances between Controllable Cost Revenue and actual Controllable Costs, and the 2021 CPA Amendments introduced a quarterly reconciliation process to prevent the Controllable Cost Guardrail from exceeding \$20 million for more than one financial quarter. Despite this, differences in the timing and/or magnitude of payments versus receipts by Jazz may significantly increase Jazz's working capital requirements, thereby reducing Chorus' liquidity.

Further, although Chorus currently anticipates that the items excluded from the Controllable Cost Guardrail should not result in significant cost variances for Jazz, it is possible that those costs may turn out to be higher than anticipated, thereby reducing Jazz's profit margin in future periods.

Covered Aircraft leased under the CPA are not redeployed on comparable economic terms

Air Canada currently pays Jazz a lease rate for Covered Aircraft owned by Chorus, which is in addition to the Fixed Margin. When Chorus-owned aircraft exit the Covered Aircraft fleet or the CPA expires, Chorus may be unable to find a use for its owned aircraft that will generate equivalent revenue to that which they currently earn as Covered Aircraft under the CPA, which could significantly reduce Chorus' earnings and cash flows.

Terrorist attacks and other geopolitical instability negatively impact Chorus' customers

The occurrence of a terrorist attack (whether international or domestic and whether or not involving the aviation industry) and increasingly restrictive security measures, such as restrictions on the content of carry-on baggage, passenger identification requirements and passenger screening procedures could have a material adverse effect on passenger demand for air travel. Geopolitical instability in various areas of the world could have the effect of reducing demand for air travel. It could also lead to a substantial increase in insurance, security and other costs. Any such negative effect on demand and/or increase in costs, could have a material adverse effect on Chorus' business, results of operations, cash flows, financial position and prospects.

Imposition of trade tariffs could adversely impact Chorus' future growth prospects and financial condition

The recent change in the U.S. administration and potential changes in U.S. trade policy may result in the imposition of tariffs on imports to the U.S. and may result in other changes to regulations and trade agreements. Furthermore, Canada and other countries may impose import tariffs and potentially other regulatory trade restrictions in response to U.S. actions. Such restrictive trade measures may reduce Canadian and global economic growth, thereby adversely impacting Chorus' future growth prospects and financial condition.

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Cyber-attacks and dependence on technology adversely impact Chorus' operations

Chorus relies in part on technology, including hardware, software and network communication infrastructure, to operate its businesses. Jazz depends on several technology applications to perform its obligations under the CPA, including Air Canada's reservations and passenger check-in systems as well as other applications managed by Jazz for functions such as flight and crew scheduling and aircraft maintenance.

The performance and reliability of Chorus' technology, and the technology of Air Canada, are critical to Chorus' ability to conduct business effectively. Any individual sustained or repeated failure of Chorus' technology or that of Air Canada could impact Chorus' ability to conduct its business and result in increased costs.

Chorus' technology systems and related data, and that of Air Canada, may be vulnerable to a variety of sources of failure, interruption or misuse, including by reason of natural disasters, cyber-attacks, network communication failures, computer viruses, hackers and other security issues. Information systems are subject to an increasing threat of continually evolving cybersecurity risks. Unauthorized parties may attempt to gain access to Chorus' systems or information through fraud or other means of deception. The methods used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly evolving, and may be difficult to anticipate or to detect for long periods of time. While Chorus maintains and continues to invest in technology security initiatives and disaster recovery plans, Chorus does not manage all of the systems it relies on (such as Air Canada's reservations and passenger check-in systems) and the measures Chorus is able to implement may not be sufficient to avoid, or mitigate the impact of, a system failure.

Absence of exclusivity arrangements with Air Canada elevates risk under the CPA

Jazz has the right to be the exclusive Air Canada Express operator of 70-78 seat regional capacity until the end of 2025. After this period, Chorus does not have the benefit of any exclusivity arrangements restricting Air Canada from allocating all or some of Air Canada's regional capacity requirements internally or to another carrier, provided Air Canada continues to meet its minimum obligations to Jazz under the CPA for the remainder of its term.

In May 2023, Air Canada entered a bridging arrangement for additional flying capacity with another airline to increase its capacity on routes in eastern Canada.

Chorus' is unable to obtain goods and services from its suppliers on timely basis and on commercially reasonable terms

Chorus secures goods and services from a number of third-party suppliers. Chorus' ability to obtain parts, materials, inventory, consumables and services from suppliers on a timely basis and on commercially reasonable terms could significantly increase Chorus' costs (and thus reduce its earnings) or delay Chorus' ability to generate revenues.

Labour shortages impact Chorus' ability to meet its requirements

Chorus' business is labour-intensive and requires a large number of pilots, flight attendants, mechanics and other personnel. Consequently, labour costs constitute the largest percentage of Chorus' total operating costs. Chorus must compete to attract and retain these workers for its commercial air passenger operations at both Jazz and Voyageur. There can be no assurance that Jazz or Voyageur will be able to locate, hire, train and retain a sufficient number of qualified pilots, mechanics or other operations employees that it needs.

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Although Chorus maintains various programs to attract the skilled employees it requires, it may not be able to attract and retain qualified employees in sufficient numbers to meet its operational requirements, which could result in defaults under agreements with customers and have a material adverse impact on Chorus' earnings and cash flows. Furthermore, because Jazz and Voyageur must recruit, hire and train all new employees, high turnover may strain their resources and ability to fulfil their labour requirements.

The majority of Jazz's and a significant portion of Voyageur's employees are unionized (see "Resources – People" for information about collective agreements). There can be no assurance that any of the collective agreements will be further renewed without labour conflict or action, or that there will not otherwise be a labour conflict or action that could lead to an interruption or stoppage in Jazz's or Voyageur's operations. Furthermore, there can be no assurance that their collective agreements will be on terms that are consistent with agreements entered into by their competitors.

Aircraft obsolescence results in increased impairment charges and costs

Aircraft generally have long service lives but risk becoming obsolete as newer, more advanced aircraft are introduced to the market. The value of Chorus' owned aircraft could decline for a number of reasons, including the introduction of new government regulations (including regulations that seek to limit carbon emissions, reduce noise levels or restrict the use of short haul flights in places where alternative modes of transport are available), changes in customers' travel preferences or an excess supply of aircraft available in the market. If the value of Chorus' fleet were to decline, the lease rates or sale values Chorus could secure for those aircraft would also be expected to decline, and depreciation expense or impairment charges would likely increase.

Variable expenses, such as fuel, crew size, corrosion control or modification programs and related airworthiness directives, could also make the operation of older aircraft more costly to Chorus and potentially less desirable to lessees, thereby reducing the value of those aircraft.

Insurance is insufficient to cover liabilities arising from Chorus' business

Due to the nature of the businesses carried on by Jazz and Voyageur, Chorus may be subject to liability claims arising out of incidents or accidents involving aircraft operated by Jazz or Voyageur or aircraft operated by other carriers that have been maintained, modified or repaired by Jazz or Voyageur or which have installed aircraft parts supplied by Jazz or Voyageur. Liability claims could include claims for serious personal injury or death. Any such incident or accident could significantly harm Chorus' reputation for safety, and there can be no assurance that Chorus' insurance coverage would be sufficient to cover any liability arising from such claims. If a claim were to exceed the amount of Chorus' insurance coverage, this could significantly strain Chorus' liquidity.

Strategic Risk

CPA is terminated

The majority of Chorus' revenues on a consolidated basis are currently derived from the CPA, and the Covered Aircraft are mostly dedicated to that operation.

Neither Air Canada nor Jazz has the right to terminate the CPA for convenience. However, each party has the right to terminate the CPA in certain circumstances following certain defaults by the other party, if Jazz undergoes a change in control in certain circumstances, or if the other party is prevented by a force majeure event from performing all or substantially all of its obligations under the CPA for more than 60 days. (See "Description of the Business - Contract Flying - Capacity Purchase Agreement with Air Canada - Termination for Default".)

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If the CPA were terminated, Chorus' revenue and earnings would be significantly reduced unless Chorus were able to enter into satisfactory substitute arrangements. There is no assurance that Chorus would be able to enter into satisfactory substitute arrangements or that such arrangements would be as favourable to Chorus as the CPA. A termination of the CPA, or any failure of Chorus to enter into satisfactory substitute arrangements in the event of any such termination, would materially reduce Chorus' earnings, cash flows and liquidity.

If the CPA were terminated as a result of Jazz's default, all leases from Air Canada (or any affiliate of Air Canada) to Jazz in respect of Covered Aircraft and Spare Engines would not be automatically terminated. In such event, Jazz would remain liable for its obligations under such leases with no corresponding ability to earn income under the CPA to cover its lease obligations.

Chorus owns Dash 8-400s and CRJ900s which are operated as Covered Aircraft under the CPA. There can be no assurance that Chorus would be able to deploy these aircraft on terms as favourable as the terms of the CPA if Air Canada terminated the CPA as a result of Jazz's default. Any inability to redeploy these aircraft would materially reduce Chorus' cash flows and result in impairments to their value.

All of Jazz's airport takeoff or landing slots used for Scheduled Flights are under Air Canada's name. Upon the expiry or termination of the CPA, Jazz may lose access to those airport takeoff and landing slots. There can be no assurance that Chorus would have access to other airport slots. Chorus' inability to secure access to sufficient airport slots might make it impossible for Chorus to generate revenues from running its own airline operations.

Early termination of the CPA, a material adverse change to the CPA or any default under the CPA constitutes an event of default under certain of Chorus' financing arrangements with EDC and could, in certain circumstances, also constitute an event of default under the Operating Credit Facility. Upon the occurrence of such an event of default, the relevant lenders would have the right to require Chorus to immediately repay all indebtedness owing to them under their respective credit facilities, which could trigger cross-defaults under other Chorus credit facilities. A requirement to repay all debt outstanding to EDC and/or Chorus' Senior Creditors prior to the maturity of those loans would cause an immediate and material liquidity problem for Chorus as it would be unlikely to have sufficient cash on hand to pay these liabilities on an accelerated basis.

Chorus fails to diversify and grow its business

Chorus is focused on continuing to grow and diversify its business. Whether Chorus ultimately succeeds in doing so is dependent on a wide range of factors, many of which are discussed in greater detail in this AIF, including, without limitation, competitive dynamics in each sector in which Chorus participates or seeks to participate in, Chorus' cost of and access to capital, the ability to attract and retain human resources, and general risks relating to the aviation industry.

Management regularly reviews potential diversification, growth and business acquisition opportunities. As part of any such initiative, management conducts customary due diligence and performs analysis with the goal of identifying and evaluating material risks. Notwithstanding their review, management may be unsuccessful in identifying all such risks or realizing the intended benefits of any given initiative, or in successfully executing a particular diversification or growth transaction.

Air Canada provides several important services to Jazz, including certain information technology, de-icing services and glycol supply, fuel purchasing services, passenger insurance claims services, and aircraft and traffic handling services. As Jazz does not sell scheduled air service directly to the public, Jazz does not perform ticket sales, reservations or call centre services. If the CPA is not renewed beyond December 31, 2035, or is otherwise terminated, and Chorus were to decide to operate its own at-risk airline services, it would either need to provide these services internally or contract with third parties for such services. There

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can be no assurance that Chorus would be able to replace these services on a cost effective or timely basis.

Any one or more of the restrictions imposed by the CPA (summarized below) may also prevent Chorus from pursuing certain growth initiatives.

Restrictions imposed by the CPA restrict Chorus' options for growth

Under the CPA, Chorus is prevented from carrying on or undertaking certain passenger airline services. Except in certain permitted circumstances, Chorus may not provide passenger services using fixed-wing aircraft over a certain number of seats between two destinations located within the Non-Compete Geographic Area (as defined in the CPA).

Under the CPA, Chorus may enter into contracts for charter services performed entirely outside of the Non-Compete Geographic Area. However, Chorus requires Air Canada's consent to enter into contracts for charters with more than a certain number of rotations between the same cities for the same customer and over agreed levels, to or from any Extended Hub Airport, or on any Air Canada routes. A Hub Airport is an airport bearing the International Air Transport Association code YVR, YYC, YEG, YYZ, YOW or YUL and an Extended Hub Airport includes the Hub Airports and any airport located within 175 kilometres of the Hub Airports.

If Chorus enters a contractual flying arrangement within North America for a third party whereby all or substantially all of the capacity of an aircraft or a number of aircraft is purchased by a third party and the capacity is then sold or otherwise made available or provided to the general public whether directly or indirectly on terms more favourable than those in the CPA, then the terms of the CPA will, in most circumstances, be adjusted to match the more favourable terms. In the event of a change of control of Jazz, this obligation for Chorus to extend more favourable contractual flying terms to Air Canada will also apply to any Chorus affiliate resulting from or created after the change of control.

Except in certain permitted circumstances, Chorus cannot provide or initiate scheduled (at risk) passenger flying to or from any Extended Hub Airport without the prior consent of Air Canada.

In the CPA, the parties have agreed on certain restrictions for Chorus acquisitions of airline operators in the Non-Compete Geographic Area. There are no restrictions on Chorus providing Cargo Services (as defined in the CPA) with dedicated cargo aircraft.

Negative perceptions of Chorus' ESG performance limit access to capital and investor interest

Companies are facing increasing and continually evolving scrutiny globally from customers, regulators, financiers, employees and other stakeholders related to their ESG performance and disclosure. There has been an increased expectation for participants in the global aviation industry to balance commercial interests with conscientious ESG performance. Any negative sentiment towards Chorus related to its ESG performance could adversely impact Chorus' access to capital for growth or to refinance existing indebtedness. It could also result in reduced investor interest in Chorus, which could adversely impact the price and liquidity of Chorus' securities and the cost of Chorus' capital.

Loss of key personnel harms Chorus business and prospects

The success of Chorus depends on the abilities, experience, industry knowledge and personal efforts of senior management and other key employees, and Chorus' ability to retain and attract skilled employees. As Chorus seeks to diversify and grow its business, this may put additional strain and demand on management and on Chorus' employees, increasing risks to both productivity and retention. In addition, Chorus may not be able to attract and retain additional qualified management as needed in the future if it

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is unable to profitably diversify and grow its business. The loss of such key personnel could adversely affect Chorus' ability to effectively manage its business and pursue future diversification and growth.

A change of control of the Corporation results in the acceleration of financial obligations or the termination of contracts

A direct or indirect change of control of the Corporation or certain of its subsidiaries can have significant consequences. For example, (i) the CPA may be terminated by Air Canada if Jazz undergoes a change in control in certain circumstances without Air Canada's consent (see "Description of the Business - Contract Flying - Capacity Purchase Agreement with Air Canada - Change of Control"), (ii) any indebtedness outstanding under the Operating Credit Facility and the Bi-Lateral Credit Facility becomes immediately repayable if the Corporation (or certain of its subsidiaries) undergoes a change of control without the consent of the lenders, and (iii) the Corporation may be required to make an offer to purchase all of the outstanding Unsecured Debentures following a change of control (as defined in the relevant indentures). Certain commercial contracts entered into by the Corporation and its subsidiaries in the ordinary course of business may also contain provisions that allow the counterparty to terminate the contract upon a direct or indirect change in control of the relevant Chorus entity. If any of these clauses were triggered, Chorus may be required to immediately pay substantial sums of money and/or lose substantial revenue streams, which could cause an immediate and material liquidity problem for Chorus if it lacked sufficient cash on hand to pay these liabilities or absorb the revenue loss.

Increased competition in the aviation industry adversely impacts Air Canada's profitability

The airline industry is highly competitive. Air Canada competes with other major carriers as well as low-cost carriers on its routes, including routes that Jazz flies under the CPA. Competitors could rapidly enter markets Jazz serves for Air Canada, and quickly discount fares, which could lessen the economic benefit of Jazz's regional operations to Air Canada.

The airline industry generally, and scheduled service in particular, is characterized by low gross profit margins and high fixed costs. The costs of operating any particular flight do not vary significantly with the number of passengers carried and, therefore, a relatively small change in the number of passengers or in fare pricing or traffic mix could have a significant effect on Air Canada's operating and financial results. If Air Canada's financial strength were significantly diminished, this would increase Chorus' counterparty risk under the CPA.

Foreign ownership limits and legislative review of potential acquisition by non-Canadians limits strategic opportunities

The Corporation's Shares consist of Voting Shares, which may only be held by Shareholders who are Qualified Canadians, and Variable Voting Shares, which may only be held by Shareholders who are not Qualified Canadians. The Variable Voting Shares are subject to certain restrictions on their voting rights that are intended to ensure compliance with the foreign ownership limits set out in the *Canada Transportation Act* (see "Capital Structure - Share Capital – Variable Voting Shares").

The *Investment Canada Act* subjects an acquisition of control of the Corporation by a non-Canadian to review by the Government of Canada if the value of the Corporation's assets, as calculated pursuant to the legislation, exceeds a threshold amount. A reviewable acquisition may not proceed unless the relevant Minister is satisfied that the investment is likely to be of net benefit to Canada.

These legislative requirements could prevent or delay a change of control of the Corporation to non-Canadians and may therefore eliminate or limit strategic opportunities for Shareholders to sell their Shares.

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Financial and Legal Risk

Covenants in agreements affect or limit the manner in which Chorus operates its business

Chorus' debt agreements contain financial and non-financial covenants, which if breached and not waived by the relevant lenders, could result in the acceleration of indebtedness owing under those agreements.

The ability of Chorus to fund its obligations is subject to, among other things, its liquidity position, applicable laws, and contractual restrictions contained in agreements governing its indebtedness. The degree to which Chorus is leveraged has important consequences for its security holders, including that: (i) Chorus' ability to obtain additional financing for working capital, capital expenditures, debt refinancing or acquisitions in the future may be limited; (ii) a significant portion of cash flow from operations may be dedicated to the payment of principal and interest on existing indebtedness, thereby reducing or eliminating funds available for investment in future growth, the payment of dividends or Share buybacks; (iii) any borrowings at variable rates of interest expose Chorus to the risk of increased interest costs; and (iv) Chorus may be more vulnerable to economic downturns and be limited in its ability to withstand competitive pressures.

Climate change risks impact Chorus' business strategy

Chorus is exposed to various climate change-related risks (both physical and transitional in nature) which could potentially amplify many of the risks set out in this AIF, including those risks relating to counterparties (i.e., Air Canada), maintenance, and obsolescence of aircraft and/or aircraft parts, increased regulation, litigation risk, access to capital and reputational risk.

Climate change may increase the frequency and intensity of severe weather events which could impact many aspects of airline operations, including aircraft maintenance and operating costs. Severe weather events at airports or destinations served by Chorus' counterparties may impact the viability or increase the cost of flying to such destinations. These factors could ultimately have an adverse impact on the profitability of Chorus' customers.

Chorus could be significantly impacted by climate-related transitional risks, including increased regulations, technological changes and shifts in consumer preferences (see below, "Legislative or regulatory developments hinder Chorus' profitability and future growth"). New regulations aimed at reducing carbon emissions from aviation, expanded aviation fuel taxes and levies, and changing attitudes toward air travel, among other factors, may result in reduced demand for passenger aircraft, reductions in aircraft values (including impairments), and reduced profitability for airlines. Any climate risks that adversely impact airlines could also be expected to adversely impact Chorus.

Failure to address climate change risk could result in greater exposure to economic and other risks and impact Chorus' ability to adhere to evolving climate targets.

Financial market conditions adversely impact Chorus' liquidity

The trading price of Chorus' securities may negatively impact Chorus' ability to access capital markets at a reasonable cost. A depressed market price for the Corporation's securities or significant decline in the market price or trading volume of the Corporation's securities could negatively impact Chorus' ability to raise capital, issue debt, retain employees, make strategic acquisitions or enter business arrangements. The market price of the Corporation's securities could be further negatively impacted by a wide range of factors, including the reinstatement of government-imposed travel restrictions, prolonged depressed demand for passenger air travel as a result of the COVID-19 pandemic and/or an economic recession, a failure by the Corporation to meet analysts' earnings expectations or maintain adequate liquidity, general trends negatively impacting investor perception of the aviation industry, including a heightened focus on the aviation industry's contribution to climate change, or a general decline in the public equity markets.

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Global financial conditions have been characterized by periodic high levels of volatility and on occasion major financial institutions have faced significant liquidity and other challenges. If financial institutions were to face difficulties in the future, this could negatively impact the ability of Chorus to obtain new financing to fund growth or to refinance existing indebtedness (including balloon payments). In addition, the level of Chorus' indebtedness from time to time could impair Chorus' ability to obtain additional financing on a timely basis to maintain liquidity or take advantage of business opportunities that may arise. Any failure of Chorus in the future to obtain required financing on acceptable terms in these circumstances could result in Chorus being unable to finance capital commitments, refinance existing indebtedness, or place Chorus at a competitive disadvantage.

Legislative or regulatory developments hinder Chorus' profitability and future growth

The aviation industry is subject to extensive Canadian and foreign legal, regulatory, and administrative controls and oversight relating to, among other things, safety and security, data privacy, licensing, competition, the environment (including carbon emissions), passenger and consumer rights, aviation fuel taxes and levies, flight crew and other labour regulations, and, in some measure, pricing. Additional future laws and regulations could include, without limitation, laws and regulations establishing new limits on the age of aircraft that may be operated, limits on permissible carbon emissions from aircraft, the screening of individuals who may pose a risk to aviation safety, new data privacy standards, and airworthiness directives. Decisions rendered from time to time by Canadian and foreign courts, administrative tribunals and/or governmental agencies, such as Transport Canada, the Canadian Transportation Agency, the Competition Bureau and/or Competition Tribunal and their foreign equivalents, may also impose additional requirements or restrictions on airline operations. If new laws, regulations or decisions are made, adopted or rendered, Chorus could face additional compliance costs and restrictions on its business that could reduce its financial viability and growth prospects. (For further information, see "Regulatory Environment".)

Carbon emissions from commercial aviation and their impact on climate change have become a particular focus of regulators (including securities regulators), businesses and consumers. There is mounting public pressure on the aviation industry to reduce carbon emissions. If the aviation industry, including individual participants therein, is unable to achieve adequate reductions in carbon emissions, this may lead to increased regulation and litigation which could result in increased operational costs for the aviation industry, higher costs for air travel and potentially decreased public demand along with a reduction in profits and access to capital. Chorus may then be subject to an increase in laws and regulations relating to environmental reforms which vary by jurisdiction and are subject to change, including the continued progression of CORSIA (see "Regulatory Environment"), Canada's Clean Fuel Regulations and equivalent regulations in the provinces of Alberta, Manitoba, Ontario, Saskatchewan, British Columbia and Quebec and other international climate-related legislation. Chorus' inability to comply with the evolution of environmental laws and regulations could result in penalties, litigation, and potential harm to Chorus' reputation. Given Chorus' business model, these increased laws and regulations may not directly impact Chorus' costs but could impact Chorus indirectly through its contractual counterparties.

Regulatory requirements intended to reduce energy usage and emissions from aircraft continue to evolve and may impact the global market for certain aircraft and/or aircraft parts. Increased regulation could result in increased limitations on the operation or use of aircraft and/or aircraft parts and, in turn, reduce the market for aircraft and/or aircraft parts of the type held in Chorus' portfolio, which could negatively impact the residual value of those aircraft and the associated revenues and profits, derived from those assets.

Evolving stakeholder expectations with respect to ESG matters may pose risks to Chorus' reputation, financial outlook, cost of capital, counterparties, and business continuity which may impact Chorus' ability to achieve long-term business objectives. Increased public concern about climate change-related risk and the impetus for a global transition to a low carbon economy could result in a broad range of impacts, including potential strategic, reputational, and structural risks for Chorus and its counterparties. Increasing regulatory expectations as well as continuing reforms pertaining to mandatory ESG-related disclosure create a new and evolving set of compliance risks. Rising reporting expectations also add pressure to

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secure reliable and precise ESG data and to deploy robust data collection process with effective controls that will allow for external verification. A lack of precise and complete data could hinder Chorus' credibility and reputation.

Issuances of additional Shares are dilutive to Shareholders

The Corporation is authorized to issue an unlimited number of Voting Shares and Variable Voting Shares and up to 80,750,000 Preferred Shares. Furthermore, any Preferred Shares that are issued in future may be convertible into Shares up to a maximum of 4,607,143 Shares in aggregate. Except for Air Canada and Brookfield, which have certain pro rata pre-emptive rights (see "Investor Rights Agreements - Brookfield Investor Rights Agreement"), Shareholders do not have pre-emptive rights in connection with further issues of Voting Shares, Variable Voting Shares or Preferred Shares.

In May 2022, the Corporation issued the 2022 Warrants exercisable to acquire, in aggregate, up to a total of 18,642,772 Shares at a price of \$4.60 per Share. As a result of the Share Consolidation, the 2022 Warrants are currently exercisable to acquire, in aggregate, up to a total of 2,663,253 Shares at a price of \$32.20 per Share.

In April 2021, the Corporation issued the Series B Debentures convertible at the option the holders for up to a total of 11,417,322 Shares, representing a conversion price of \$6.35 per Share. As a result of the Share Consolidation, the Series B Debentures are currently convertible at the option of the holders for up to a total of 646,277 Shares, representing a conversion price of \$44.45 per Share.

The exercise prices or conversion rates of the foregoing are subject to further adjustments in certain circumstances specified in the relevant indentures.

The 2022 Warrants, the Series B Debentures and future financings or other transactions involving the issuance of Shares of the Corporation may be dilutive, result in a decreased market price for the Shares or be otherwise materially adverse to the interests of Shareholders.

Preferred Shares are issued having rights superior to Shares

The Corporation's Restated Articles of Incorporation authorize the Board to issue up to 80,750,000 Preferred Shares without shareholder approval and to determine the rights, privileges, restrictions and conditions granted to or imposed on any unissued series of Preferred Shares, all of which may be superior to the rights attached to Shares (see "Capital Structure, Share Capital, Preferred Shares"). All Preferred Shares are entitled to priority over the Shares with respect to priority in the payment of dividends, the return of capital and the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation. Furthermore, if any series of Preferred Shares issued is convertible into Shares, such Preferred Shares may be dilutive to Shareholders.

Reduction in aggregate foreign ownership limit decreases market price for Shares and limits the Corporation's access to capital

The Corporation's Restated Articles of Incorporation currently limit the aggregate voting rights that may be exercised by all Shareholders who are not Qualified Canadians to 49% of the aggregate votes attached to all voting shares of the Corporation (see "Capital Structure – Share Capital – Variable Voting Shares"). However, the Board may, as permitted by the Corporation's Restated Articles of Incorporation, adopt a lower foreign ownership limit if necessary to comply with any law or regulation of Canada applicable to Chorus. If this were to occur, the aggregate voting rights attached to the Variable Voting Shares (which are held by Shareholders who are not Qualified Canadians) could be subject to a lower limit than they are as of the date of this AIF (i.e., 49%). This could in turn result in a decreased market price for the Shares and limit the Corporation's access to capital.

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Chorus is required to indemnify counterparties under contractual arrangements

Chorus enters into real estate leases, or operating agreements, which grant a license to Chorus to use certain premises and/or operate at certain airports in the majority of the cities that it serves. It is common in such commercial lease transactions for Chorus, as the lessee, to agree to indemnify the lessor and other related third parties for tort liabilities arising out of or relating to Chorus' use or occupancy of the leased or licensed premises. In certain cases, this indemnity extends to related liabilities arising from the negligence of the indemnified parties, but generally excludes any liabilities caused by their gross negligence or willful misconduct. Chorus also typically indemnifies such parties for any environmental liability arising out of or relating to its use or occupancy of the leased or licensed premises.

In financing arrangements or leasing agreements, Chorus typically indemnifies the financing parties, trustees and agents acting on behalf of such financing parties and other related parties and/or lessors against liabilities that arise from the manufacture, design, ownership, financing, use, operation and maintenance of the aircraft and for tort liability, whether or not these liabilities arise out of or relate to the negligence of these indemnified parties. In financing agreements more generally, Chorus typically indemnifies the financing parties, trustees and agents acting on behalf of such financing parties and other related parties against any liabilities arising from the financing (including any costs incurred by the financing parties to enforce their rights thereunder) and in respect of certain tax consequences.

When Chorus, as a customer or service provider, enters into technical service agreements, Chorus from time-to-time agrees to indemnify the counterparty against costs or liabilities that may arise from Chorus' breach of the agreement, negligence, gross negligence and/or willful misconduct.

When Chorus designs aircraft components or modifications for third parties, Chorus sometimes agrees to indemnify the customer against certain costs or losses they may incur as a result of the design infringing upon the intellectual property rights of third parties.

A claim under any one of the above-described indemnities could subject Chorus to significant costs and expenses, which could adversely and materially impact its earnings and cash flows.

Chorus becomes subject to material legal proceedings

While conducting its business, Chorus is subject to various claims and litigation (including class action claims), including with respect to its contractual arrangements and current or new laws and regulations. Any current or future claims, litigation or regulatory investigations could result in material liabilities for Chorus that could have a material adverse impact on its reputation, financial condition and liquidity, particularly if such liabilities are not covered by insurance.

Chorus becomes subject to increased taxes

In the ordinary course of business, Chorus is subject to ongoing audits by tax authorities. While Chorus has determined that its tax filing positions are appropriate and supportable, certain matters are reviewed from time to time and challenged by the tax authorities. Should the ultimate tax liability materially exceed its tax provision, Chorus' effective tax rate and its earnings could be negatively affected in the period in which the matters are resolved.

Insurance costs increase or the scope of coverage is reduced

Due to the risks inherent in the aviation industry, Chorus carries significant amounts of insurance coverage for its various risks. Therefore, a significant increase in premium costs or a significant reduction in the scope of coverage could materially affect Chorus' costs and the amount Chorus may be required to pay from its own cash resources in the event of a claim that exceeds the coverage limit.

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Increases in fuel costs negatively impact the profitability of our counterparties

Fuel prices have and may continue to fluctuate significantly depending on many factors, including international market conditions, geopolitical events, carbon taxes, and the foreign exchange rates. Fuel costs represent a significant expense to airlines and fluctuate widely. Airlines may not be able to successfully manage their exposure to fuel prices and significant changes could materially affect their operating results. Airlines may not be able to pass on increases in fuel prices to their customers by increasing fares. High fuel prices may also have an impact on consumer spending and adversely impact demand for air travel.

Pursuant to the CPA, fuel costs are treated as Pass-Through Costs and, therefore, Chorus is largely protected from these price fluctuations insofar as the Jazz business is concerned. However, fluctuating fuel prices could negatively impact airlines directly as well as demand for passenger air travel, which could adversely affect the financial strength of Chorus' customers, including Air Canada.

Chorus fails to make required cash contributions to its pension plans

Chorus maintains a registered defined benefit pension plan for Jazz pilots. Canadian federal pension legislation requires that the funded status of registered pension plans be determined periodically, on both a going concern basis (which assumes indefinite plan continuation) and a solvency basis (which assumes immediate plan termination).

Chorus' pension funding obligations (including projected funding obligations) may vary significantly based on a wide variety of factors, including pension plan solvency valuations, regulatory changes, plan demographics, changes to plan provisions, assumptions and methods used and changes in economic conditions (mainly the return on fund assets and changes in interest rates) and other factors, as well as the application of normal past service contribution rules which would generally require one fifth of any solvency deficit in a domestic registered plan, determined on the basis of an average over the previous three years, to be funded each year. Actual contributions that are determined on the basis of future valuation reports filed annually may vary significantly from projections. In addition, current service contributions in respect of a domestic registered plan are required unless they are funded (if permitted subject to applicable plan rules and legislation) through a sufficient surplus in such plan. Furthermore, deteriorating economic conditions or a prolonged period of low or decreasing interest rates may result in significant increases in Chorus' funding obligations.

Hedge counterparties default under their obligations

If hedge counterparties fail to meet their obligations to Chorus, Chorus could lose the benefit of interest rate, foreign exchange, equity price or other hedge arrangements, thereby potentially substantially reducing the economic benefits to Chorus of the affected transactions or resulting in substantial losses and increased cash costs to Chorus.

Limited liability partnerships are jeopardized

The Corporation holds all or substantially all of the limited partnership interest in several limited partnerships formed under the laws of the Province of Ontario. As a limited partner of these partnerships, the Corporation's liability for indebtedness, claims and other liabilities of the partnerships is limited to the Corporation's investment in the partnerships. However, if the Corporation were to directly assume active management of any one or more of these partnerships, the Corporation's limited liability could be jeopardized thereby exposing the Corporation to the liabilities of the affected limited partnerships.

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MARKET FOR SECURITIES

Trading Price and Volume

During the year ended December 31, 2024, the Shares traded on the TSX under the symbol "CHR", the Series A Debentures traded on the TSX under the symbol "CHR.DB.A", the Series B Debenture traded on the TSX under the symbol "CHR.DB.B" and the Series C Debentures traded on the TSX under the symbol "CHR.DB.C". The Series A Debentures were delisted on December 31, 2024.

The following tables set forth the price range and trading volume of the Shares, the Series A Debentures, the Series B Debentures and the Series C Debentures as reported by the TSX for the months of January to December 2024, inclusive. All figures in the table for the Shares are shown on a pre-Share Consolidation basis.

Shares – Trading Symbol: CHR

2024	High \$	Low \$	Average Daily Trading Volume	Total Monthly Volume
January	2.71	2.38	234,390	5,156,576
February	2.52	2.06	527,883	10,557,652
March	2.12	1.99	395,083	7,901,666
April	2.18	2.00	454,437	9,997,624
May	2.35	2.13	298,104	6,558,277
June	2.57	2.09	375,077	7,501,540
July	3.25	2.39	518,054	11,397,193
August	2.72	2.41	360,483	7,570,149
September	2.86	2.61	251,376	5,027,515
October	3.08	2.84	218,934	4,816,542
November	3.43	2.97	469,791	9,865,616
December	3.44	2.90	489,094	9,781,872

Series A Debentures – Trading Symbol: CHR.DB.A

2024	High \$	Low \$	Average Daily Trading Volume	Total Monthly Volume
January	97.50	95.10	178	3,920
February	97.61	96.11	208	4,150
March	97.00	96.11	264	5,280
April	97.98	96.11	212	4,670
May	98.99	96.60	212	4,660
June	98.30	97.10	298	5,960
July	100.00	97.25	585	12,860
August	100.00	99.46	265	5,570
September	99.99	99.57	221	4,410
October	100.00	99.21	305	6,700
November	100.20	99.91	3,706	77,830
December	100.10	99.95	295	5,890

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Series B Debentures – Trading Symbol: CHR.DB.B

2024	High \$	Low \$	Average Daily Trading Volume	Total Monthly Volume
January	96.06	91.10	406	8,940
February	99.89	90.12	296	5,920
March	97.90	93.02	57	1,140
April	97.95	95.35	78	1,710
May	97.98	95.35	35	770
June	97.00	93.75	124	2,480
July	99.95	96.50	281	6,190
August	99.75	99.00	1,987	41,730
September	100.00	99.65	166	3,320
October	102.00	99.65	198	4,350
November	101.50	99.75	254	5,340
December	101.50	100.00	124	2,480

Series C Debentures – Trading Symbol: CHR.DB.C

2024	High \$	Low \$	Average Daily Trading Volume	Total Monthly Volume
January	88.00	84.60	296	6,510
February	87.00	81.35	142	2,830
March	86.50	82.30	282	5,630
April	84.00	81.00	320	7,050
May	85.40	82.00	504	11,090
June	89.00	84.20	2,901	58,010
July	100.06	85.30	2,680	58,970
August	100.00	99.51	564	11,840
September	100.30	99.01	583	11,650
October	100.77	95.00	520	11,440
November	101.00	100.26	49	1,030
December	101.00	100.75	455	9,100

Prior Sales

During the financial year ended December 31, 2024, the Corporation did not issue any securities of a class that are not listed or quoted on a marketplace.

TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar for the Shares is TSX Trust Company at its offices in Montreal, Quebec and Toronto, Ontario.

The trustee, transfer agent and registrar for the Unsecured Debentures is Computershare Trust Company of Canada at its principal transfer office in Toronto, Ontario.

The warrant agent for the 2022 Warrants is TSX Trust Company at its principal transfer offices in Toronto, Ontario.

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DIVIDENDS

Dividend Record

Series 1 Preferred Shares

Prior to their redemption on December 31, 2024, the Series 1 Preferred Shares carried a dividend entitlement of 8.75% per annum in cash or 9.5% per annum in kind, payable quarterly. In respect of the years ended December 31, 2024, December 31, 2023 and December 31, 2022, Chorus paid US\$19.7 million, US\$26.2 million and US\$17.4 million, respectively, in cash dividends to holders of the Series 1 Preferred Shares. On December 31, 2024, Chorus redeemed all its outstanding Series 1 Preferred Shares for an aggregate redemption price of US\$363.3 million which was paid in cash and discharged all accrued and unpaid dividends on the Series 1 Preferred Shares to the redemption date.

Shares

Chorus did not pay dividends on the Shares in respect of the years ended December 31, 2024, December 31, 2023 and December 31, 2022. The Board may, at its discretion, determine to pay dividends on the Shares, after considering the Corporation's results of operations and financial condition and other factors as the directors of the Corporation consider appropriate from time to time, including compliance with the covenants contained in Chorus' debt agreements. The amount, timing and frequency of any such dividends is at the discretion of the Board. There can be no assurance that any dividends will be paid on the Shares.

Dividend Restrictions

The Operating Credit Facility, the Bi-Lateral Credit Facility and the indentures governing the Unsecured Debentures prohibit the payment of dividends by the Corporation during the continuation of a default thereunder, and loan agreements under which subsidiaries of the Corporation are borrowers typically prohibit the payment of dividends and other distributions by the borrower entities during the continuation of a default thereunder.

DIRECTORS AND OFFICERS

Directors of the Corporation

The name, place of residence and principal occupation of each of the directors are, as of the date hereof, as set forth below. Such individuals have served as directors of the Corporation since the dates set forth opposite their respective names. Each of the directors of the Corporation has been elected or appointed to serve until the end of the next annual meeting of Shareholders. The directors stand for election annually. Biographies for each of the directors are available on Chorus' website at www.chorusaviation.com.

Name and Place of Residence	Principal Occupation	Director of Chorus
Karen Cramm ⁽¹⁾ Nova Scotia, Canada	Corporate Director	December 6, 2010
Amos Kazzaz ⁽²⁾ Colorado, U.S.A.	Corporate Director	June 29, 2020
Marie-Lucie Morin ⁽³⁾ Ontario, Canada	Corporate Director and Consultant	February 17, 2016

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Colin Copp British Columbia, Canada	President & Chief Executive Officer	March 3, 2023
Paul Rivett ⁽⁴⁾ Ontario, Canada	President, Tevir Capital Corporation	June 21, 2021
Frank Yu ⁽⁵⁾ New York, U.S.A.	Managing Partner, Brookfield Private Equity and Co-Head of Brookfield Special Investments	May 3, 2022

- (1) Chair of the Audit, Finance and Risk Committee and member of the Governance, Nominating and Compensation Committee. The Corporation announced that Ms. Cramm intends to retire in May 2025.
- (2) Member of the Audit, Finance and Risk Committee and member of the Governance, Nominating and Compensation Committee.
- (3) Chair of the Governance, Nominating and Compensation Committee.
- (4) Chair of the Board of Directors since May 3, 2022.
- (5) Member of the Audit, Finance and Risk Committee and member of the Governance, Nominating and Compensation Committee.

Each of the foregoing directors has held the same principal occupation for the previous five years, except (i) Mr. Kazzaz who was the Senior Vice President, Finance of Air Canada from August 2015 to February 2021 and Executive Vice President and Chief Financial Officer of Air Canada from February 2021 until his retirement in June 2023; (ii) Mr. Copp who was the Chief Operating Officer & President, Chorus Aviation Services from March 2019 until March 2023; (iii) Mr. Rivett who was the President of Fairfax Financial Holdings Limited from July 2013 to January 2020 and Chair of Nordstar Capital and Torstar Corporation from August 2020 until December 2022; and (iv) Mr. Yu who was a Principal of Blackstone Tactical Opportunities from January 2017 until November 2019, was Senior Vice President of Brookfield Private Equity from November 2019 until March 2022 and was Managing Director, Brookfield Private Equity from March 2022 until March 2023.

Executive Officers of the Corporation

The following table sets out the executive officers of the Corporation as of February 1, 2025. For each such executive officer, the table below sets out the executive officer's name, municipality of residence, position with the Corporation and the date of her or his first appointment as an executive officer of Chorus or one of its predecessors. Except for Mr. Rivett and Mr. deGooyer, each of the executive officers named below has been an executive officer of the Corporation for more than five years.

Name and Place of Residence	Executive Position	Date of Appointment
Colin Copp ⁽¹⁾ British Columbia, Canada	President & Chief Executive Officer	March 3, 2023
Randolph deGooyer ⁽²⁾ Nova Scotia, Canada	Chief Operating Officer	January 1, 2025
Dennis Lopes Ontario, Canada	Senior Vice President, Chief Legal Officer & Corporate Secretary	March 11, 2019
Gary Osborne Nova Scotia, Canada	Chief Financial Officer	May 8, 2019
Paul Rivett ⁽³⁾ Ontario, Canada	Chair of the Board	May 3, 2022

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- (1) Mr. Copp served as the Chief Operating Officer and President, Chorus Aviation Services of the Corporation between March 2019 and March 2023.
- (2) Mr. deGooyer served as the President of Jazz between March 2019 and December 2024.
- (3) Mr. Rivett was appointed as Chair of the Board on May 3, 2022. He was appointed as a director of the Corporation in June 2021. For further information, see “Directors of the Corporation” above.

As of February 5, 2025, the Directors and Officers mentioned in the above tables, as a group, owned, or had control or direction over, directly or indirectly 178,228 Shares representing approximately 0.66% of the outstanding Shares.

Audit, Finance and Risk Committee

The primary purpose of the Audit, Finance and Risk Committee is to assist the Board of Directors of the Corporation in its oversight of (i) the integrity of the Corporation’s financial statements and public disclosure documents, (ii) the qualifications, performance and independence of the Corporation’s external auditor, (iii) the performance of the Corporation’s internal audit and risk management function, (iv) the adequacy of the Corporation’s internal controls and enterprise risk management framework, and (v) compliance with laws.

Charter of the Audit, Finance and Risk Committee

The charter of the Audit, Finance and Risk Committee is set out in Schedule “A” to this AIF.

Composition of the Audit, Finance and Risk Committee

The Audit, Finance and Risk Committee consists of three members, as follows: Karen Cramm (Chair), Amos Kazzaz and Frank Yu. Each member of the Audit, Finance and Risk Committee is independent of each of the Corporation and its affiliates, and financially literate as required under National Instrument 52-110 - Audit Committees.

Relevant Education and Experience of the Audit Committee Members

In addition to each member’s general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member is as follows:

- (1) **Karen Cramm** FCPA, FCA, 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 (“**Deloitte**”) in the Financial Services Group specializing in Reorganization as well as Forensic & Dispute services. 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 14 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. Mrs. Cramm was a director of Medavie Inc. and served as the Chair of its Audit and Risk Management Committee. She was also on the board of directors of Blue Cross Life Insurance Company of Canada and served as a member of its Audit and Conduct Review Committee.
- (2) **Amos Kazzaz** retired on July 1, 2023 as the Executive Vice President and Chief Financial Officer of Air Canada. In that role, he oversaw Air Canada’s overall financial strategic direction, comprising all aspects of financial reporting and planning, investor relations, treasury and controller operations, taxation, pension administration, internal audit, fleet, procurement and corporate real estate. He was

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previously Senior Vice President, Finance and Vice President, Financial Planning and Analysis at Air Canada, roles he held since May 2010. Before joining Air Canada, Mr. Kazzaz had a 24-year career at United Airlines, where he held several executive positions, including Vice President, Cost Management and Vice President, Financial Planning and Analysis, and led several of United's divisions. Mr. Kazzaz holds an MBA in Finance from the University of Denver and a B.A. in internal affairs from the University of Colorado at Boulder.

- (3) **Frank Yu** is a Managing Partner in Brookfield's Private Equity Group, responsible for co-leading the Brookfield Special Investments strategy. Mr. Yu is also responsible for origination, evaluation, transaction execution and monitoring of investment opportunities. Prior to joining Brookfield in 2019, Mr. Yu worked in the tactical opportunities group at Blackstone, the mezzanine finance group at Oaktree Capital Management 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.

Independence of External Auditors

The Audit, Finance and Risk Committee reviews and approves the nature of all non-audit services, as permitted by securities legislation and regulations, to be provided to any Chorus entity by the Corporation's external auditor prior to the commencement of such work.

The Audit, Finance and Risk Committee also requires and reviews a report from the external auditor, if deemed appropriate by the Audit, Finance and Risk Committee, of all relationships between the external auditor and its related entities and the Corporation and its affiliates and their related entities, including all work performed and fees paid for such work of a non-audit nature, that in the external auditor's professional judgment may reasonably be perceived to bear on its objectivity and independence and confirming that in the external auditor's professional judgment it is independent of the Corporation and its affiliates and discusses this report with the external auditor in order to evaluate the objectivity and independence of the external auditor. The Audit, Finance and Risk Committee also reviews steps taken by the external auditor to address any findings in any of the foregoing reviews.

Auditor's Fees

Fees payable for the years ended December 31, 2024 and December 31, 2023 to PricewaterhouseCoopers LLP, the Corporation's external auditor, and its affiliates were \$1,466,544 for 2024 and \$1,759,188 for 2023, as detailed below:

<i>(in Canadian Dollars)</i>	Years ended December 31,	
	2024	2023
Audit fees	\$1,060,041	\$1,305,090
Audit-related fees	\$143,400	\$279,700
Tax fees – compliance/preparation	\$124,475	\$153,400
All other fees	\$153,588	\$20,998
	<hr/>	<hr/>
	\$1,481,323	\$1,759,188

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.

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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 purchase price allocation for the Falko Acquisition in 2023.

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

All other fees. Tax fees were paid for consulting services related to specific tax issues or projects and fees paid to PricewaterhouseCoopers for their proprietary accounting research software.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

The information provided in this section is current as of the date of this AIF.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Corporation, no director or executive officer of the Corporation is, or has been in the last 10 years: (i) a director, chief executive officer or chief financial officer of any company that (A) while that person was acting in that capacity, was the subject of a cease trade order or similar order, or an order that denied the relevant company access to any exemptions under the securities legislation, for a period of more than 30 consecutive days, or (B) was the subject of an order of the type referred to in (A) above that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer of that company and which resulted from an event that occurred while that person was acting in a capacity as director, chief executive officer or chief financial officer of that company; or (ii) a director or executive officer of any company, that while that person was acting as director or executive officer of that company, 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 proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

To the knowledge of the Corporation, no director or executive officer of the Corporation (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

To the knowledge of the Corporation, in the last 10 years, no director or executive officer of the Corporation has become 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 the assets of the director or executive officer.

LEGAL PROCEEDINGS

Chorus is party to various legal proceedings and claims that arise during the ordinary course of business. It is the opinion of management as of the date of this AIF that the final determination of any one of these claims will not have a material adverse effect on Chorus' business, results of operations, cash flows, financial position and prospects. Accordingly, the provisions that have been recorded for such matters are not material.

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CONFLICTS OF INTERESTS

To the best of management's knowledge, there are no known existing or potential material conflicts of interest among the Corporation and its directors, officers or other members of management as a result of their outside business interests, except that certain directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to Chorus and their duties as a director or officer of such other companies. In such circumstances, directors may choose or be required to abstain from participating in the Board's deliberation or consideration of any resolution on the matter. See "Directors and Officers" for information concerning each director's principal occupation and directorships with other reporting issuers as at the date of this AIF.

See also "Capital Structure - Investor Rights Agreements - Air Canada Investor Rights Agreement" with respect to the nomination of Mr. Amos Kazzaz to the Board, and the description of the CPA between Chorus and Air Canada under "Description of the Business– Contract Flying".

See also "Capital Structure - Investor Rights Agreements - Brookfield Investor Rights Agreement" with respect to the nomination of Mr. Frank Yu to the Board, and the description of the Brookfield Private Placement under "The Chorus Business – Three-Year History".

INTEREST OF EXPERTS

PricewaterhouseCoopers LLP are the auditors of the Corporation and have advised that they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Nova Scotia. The information provided in this section is current as of the date of this AIF.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described below, to the knowledge of the Corporation, no informed person of the Corporation, any proposed director of the Corporation, 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 the Corporation's 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.

As disclosed in this AIF, on July 30, 2024, the Corporation and its wholly-owned subsidiary, Chorus Aviation Capital Corp., entered into an agreement to sell the assets comprising Chorus' RAL segment to entities affiliated with investment funds managed by HPS Investment Funds LLC. BSI Dragonfly Holdings LP and Air Canada, both shareholders of the Corporation, entered into voting support agreements in respect of the Transaction. Concurrent with the execution of Air Canada's voting support agreement, Chorus and Air Canada amended and restated the investor rights agreement between them (a copy of which is available under Chorus' profile on SEDAR+ at www.sedarplus.ca).

The Transaction was approved by Shareholders on September 25, 2024 and closed on December 6, 2024. Upon closing the Transaction, certain restricted share units and Share purchase options held by executives of the Corporation and certain of its subsidiaries vested in accordance with the terms of the Corporation's long-term incentive plan.

On December 31, 2024, the Corporation redeemed all of the outstanding Series 1 Preferred Shares, all of which were held by Brookfield.

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MATERIAL CONTRACTS

The contracts that are material to the Corporation and that were entered into within the year ended December 31, 2024, or before such year but which are still in effect, and which are required to be filed with Canadian securities regulatory authorities in accordance with section 12.2 of National Instrument 51-102 – Continuous Disclosure Obligations, are as follows:

- (1) Fourth Amended and Restated Credit Agreement dated as of February 14, 2025 among Chorus Aviation Inc., as borrower, the lenders from time to time parties thereto, and the Bank of Nova Scotia, as sole lead arranger, bookrunner, administrative agent and issuing bank;
- (2) Sale and Purchase Agreement dated July 30, 2024 between Chorus Aviation Inc. and Chorus Aviation Capital Corp., as sellers, and Cruise Bidco ULC and Falko Holdings Limited, as buyers;
- (3) Amended and Restated Investor Rights Agreement dated July 30, 2024 between Air Canada and Chorus Aviation Inc. See “Capital Structure – Investor Rights Agreements – Air Canada Investor Rights Agreement” for further information;
- (4) Investor Rights Agreement dated May 3, 2022 between BSI Dragonfly Holdings LP and Chorus Aviation Inc. See “Capital Structure – Investor Rights Agreements – Brookfield Investor Rights Agreement” for further information;
- (5) Warrant Indenture dated May 3, 2022 between Chorus Aviation Inc. and TSX Trust Company as warrant agent. This indenture sets out the terms governing the 2022 Warrants. See “Capital Structure – Warrants” for further information;
- (6) First Supplemental Indenture dated September 27, 2021 and the Indenture dated December 6, 2019, in each case between Chorus Aviation Inc., as issuer, and Computershare Trust Company of Canada, as trustee. These indentures set out the terms governing the Series C Debentures. The Series C Debentures are described in this AIF under the heading “Capital Structure – Long-term Debt – Series C Debentures”;
- (7) Indenture made as of April 6, 2021 between Chorus Aviation Inc., as issuer, and Computershare Trust Company of Canada, as trustee. This indenture sets out the terms governing the Series B Debentures. The Series B Debentures are described in this AIF under the heading “Capital Structure – Long-term Debt – Series B Debentures”;
- (8) Term Sheet effective January 1, 2021 between Jazz Aviation LP and Air Canada. This term sheet sets out the principal terms and conditions on which the parties agreed to amend and restate the CPA;
- (9) Term Sheet effective January 1, 2019 among Chorus Aviation Inc., Jazz Aviation LP and Air Canada. This term sheet sets out the principal terms and conditions on which the parties agreed to amend and restate the CPA; and
- (10) Amended and Restated Capacity Purchase Agreement made as of January 1, 2015 between Jazz Aviation LP and Air Canada, together with amendments thereto. This agreement is described in this AIF under the heading “Chorus Business Segments – Regional Aviation Services – Contract Flying - Capacity Purchase Agreement with Air Canada”.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found under its profile on SEDAR+ at www.sedarplus.ca and on its website at www.chorusaviation.com.

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Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans is contained in the Corporation's management proxy circular for its annual meeting of Shareholders held on June 26, 2024 and will be contained in the Corporation's management proxy circular for its annual meeting of Shareholders expected to be held on or about May 7, 2025. Additional financial information is provided in the Corporation's Consolidated Financial Statements for the year ended December 31, 2024 and in the Annual MD&A.

The Corporation will, upon the delivery of a written request to the Corporate Secretary of the Corporation at 3 Spectacle Lake Drive, Suite 380, Dartmouth, Nova Scotia, B3B 1W8, provide to any person or entity, the documents specified below:

- 1) when Chorus is in the course of a distribution of its securities under a short form prospectus, or has filed a preliminary short form prospectus in respect of a proposed distribution of its securities:
 - a) one copy of the Corporation's latest AIF, together with one copy of any document or the pertinent pages of any document, incorporated therein by reference;
 - b) one copy of the consolidated audited financial statements of the Corporation for the most recently completed financial year for which financial statements have been filed, together with the auditors' report thereon, and one copy of any unaudited interim condensed consolidated financial statements of the Corporation for any period after its most recently completed financial year;
 - c) one copy of the Corporation's information circular in respect of its most recent annual meeting of Shareholders that involved the election of directors of the Corporation or one copy of any annual filing prepared instead of that information circular, as appropriate; and
 - d) one copy of any other documents that are incorporated by reference into the preliminary short form prospectus or the short form prospectus and are not required to be provided under subparagraphs (a) to (c); or
- 2) at any other time, the Corporation shall provide to any person or company one copy of any of the documents referred to in subparagraphs (1)(a), (b) and (c) above, provided that the Corporation may require the payment of a reasonable charge if the request is made by a person or company who is not a holder of the Corporation securities.

In addition, the Corporation will, upon the delivery of a written request to the Corporate Secretary of the Corporation at 3 Spectacle Lake Drive, Suite 380, Dartmouth, Nova Scotia, B3B 1W8, provide to any security holder of the Corporation, without charge, a copy of the Corporation's notice of intent to make the NCIB which was filed with the TSX.

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GLOSSARY OF TERMS

"**2019 CPA Amendments**" has the meaning set out at page 9 of this AIF;

"**2021 CPA Amendments**" has the meaning set out at page 9 of this AIF;

"**2022 Warrants**" has the meaning given at page 24 of this AIF;

"**6.00% Debentures**" has the meaning given at page 7 of this AIF;

"**AC Board Target Number of Shares**" has the meaning given at page 21 of this AIF;

"**AC Investor Rights Agreement**" has the meaning given at page 21 of this AIF;

"**ACMI**" means aircraft, crew, maintenance and insurance;

"**Agency**" means the Canadian Transportation Agency;

"**AMFA**" means Aircraft Mechanics Fraternal Association;

"**AIF**" means this Annual Information Form;

"**Air Canada Investment**" has the meaning given at page 21 of this AIF;

"**ALPA**" means the Air Line Pilots Association, International;

"**AMO**" has the meaning given at page 13 of this AIF;

"**Annual MD&A**" means the MD&A for the fourth quarter and year-ended 2024 dated February 19, 2025, which is available on the Corporation's website at www.chorusaviation.com and under the Corporation's profile on SEDAR+ at www.sedarplus.ca;

"**ASPP**" has the meaning given at page 23 of this AIF;

"**ATPDRS**" has the meaning given at page 29 of this AIF;

"**ATR**" means Avios de Transport Régional GIE;

"**ATR aircraft**" means aircraft manufactured by ATR;

"**Bi-Lateral Credit Facility**" has the meaning given at page 27 of this AIF;

"**Bill C-13**" has the meaning given at page 30 of this AIF;

"**Board**" means the board of directors of the Corporation;

"**Bombardier**" means Bombardier Inc.;

"**Brookfield**" has the meaning given at page 8 of this AIF;

"**Brookfield Group**" has the meaning given at page 22 of this AIF;

"**Brookfield Investor Rights Agreement**" has the meaning given at page 22 of this AIF;

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"**Brookfield Nominee**" has the meaning given at page 22 of this AIF;

"**Brookfield Private Placement**" has the meaning given at page 8 of this AIF;

"**CACC**" means Chorus Aviation Capital Corp. (formerly, Chorus Aviation Holdings Inc.), a corporation incorporated under the Canada Business Corporations Act on November 28, 2013. CACC is a subsidiary of the Corporation;

"**CALDA**" means the Canadian Air Line Dispatchers Association;

"**CBCA**" means the Canada Business Corporations Act, as amended;

"**CDP**" means the Climate Disclosure Project;

"**CFAU**" means the Canadian Flight Attendants Union;

"**CFO**" means Chief Financial Officer;

"**Chorus Aviation Capital**" means CACC and its subsidiaries;

"**CO2**" means carbon dioxide;

"**COP26**" has the meaning given at page 32 of this AIF.

"**Controllable Costs**" means for any period, all costs and expenses incurred and paid by Jazz other than Pass- Through Costs;

"**Controllable Cost Guardrail**" has the meaning given at page 10 of this AIF.

"**Controllable Cost Revenue**" means revenue earned by Jazz under the CPA for rates established in respect of Controllable Costs;

"**Conversion Price**" has the meaning given at page 24 of this AIF;

"**CORSIA**" has the meaning given at page 32 of this AIF;

"**Covered Aircraft**" means the aircraft whose capacity Air Canada purchases from Jazz under the CPA;

"**COVID-19**" means the disease caused by the coronavirus known as SARS-CoV-2, including variants thereof;

"**COVID-19 pandemic**" means the COVID-19 pandemic declared by the World Health Organization on March 11, 2020;

"**CPA**" means the amended and restated capacity purchase agreement effective January 1, 2015, between Air Canada and Jazz, as amended and extended by the 2019 CPA Amendments, as further amended by the 2021 CPA Amendments, and as may be further amended from time to time;

"**CPPA**" has the meaning given at page 34 of this AIF;

"**CRJ aircraft**" means CRJ series aircraft manufactured by Bombardier or Mitsubishi;

"**Credit Parties**" has the meaning given at page 26 of this AIF;

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"**CSA**" has the meaning given at page 33 of this AIF;

"**CSDS**" has the meaning given at page 33 of this AIF;

"**CSSB**" has the meaning given at page 33 of this AIF;

"**Cygnnet**" means Cygnnet Aviation Academy LP, a limited partnership established under the laws of the Province of Ontario on September 1, 2022. All of the limited partnership units of Cygnnet are owned by the Corporation. Cygnnet is referred to in this AIF and in the Corporation's public disclosure record as a subsidiary of the Corporation.

"**Dash aircraft**" refers to Dash series aircraft manufactured by Bombardier or De Havilland;

"**De Havilland**" means De Havilland Aircraft of Canada Limited and its affiliates;

"**DAO**" has the meaning given at page 13 of this AIF;

"**Embraer**" means Embraer S.A.;

"**Embraer aircraft**" means aircraft manufactured by Embraer;

"**EBITDA**" means earnings before net interest expense, income taxes, depreciation and amortization. EBITDA is a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section of the Annual MD&A;

"**EDC**" means Export Development Canada;

"**ERM**" has the meaning given at page 33 of this AIF;

"**ESG**" has the meaning given at page 33 of this AIF;

"**EU ETS**" has the meaning given at page 32 of this AIF;

"**Fairfax**" has the meaning given at page 7 of this AIF;

"**Falko**" means Falko Regional Aircraft Limited, a private limited company incorporated under the *Companies Act 2006* (U.K.) on May 23, 2011, together with its subsidiaries and Falko Ireland and, where the context requires, includes the equity interests in certain aircraft and investment funds managed by such entities. Falko Regional Aircraft Limited was a wholly-owned subsidiary of the Corporation prior to December 6, 2024;

"**Falko Acquisition**" has the meaning given at page 8 of this AIF;

"**Falko Group**" has the meaning given at page 7 of this AIF;

"**Falko Ireland**" means Falko (Ireland) Limited (formerly named Chorus Aviation Capital (Ireland) Limited), a private company limited by shares incorporated under the Companies Act, 2014 of Ireland on March 16, 2017. Falko Ireland was a wholly-owned subsidiary of the Corporation prior to December 6, 2024;

"**Fixed Margin**" means the fixed fee under the CPA that is paid to Jazz by Air Canada for the operation of the Covered Aircraft under the CPA;

"**GDPR**" has the meaning given at page 34 of this AIF;

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"**GHG**" means greenhouse gas;

"**IAM**" means the International Association of Machinists and Aerospace Workers;

"**ICAO**" has the meaning given at page 32 of this AIF;

"**IFRS**" has the meaning given at page 33 of this AIF;

"**Intercreditor Agreements**" has the meaning given at page 27 of this AIF;

"**ISSB**" has the meaning given at page 33 of this AIF;

"**Jazz**" means Jazz Aviation LP, a limited partnership established under the laws of the Province of Ontario on November 18, 2010. All of the limited partnership units of Jazz are owned by the Corporation. Jazz is referred to in this AIF and in the Corporation's public disclosure record as a subsidiary of the Corporation;

"**JTS**" has the meaning given at page 13 of this AIF;

"**Law 14**" has the meaning given at page 30 of this AIF;

"**Managed Aircraft**" means aircraft fully or partially-owned by third parties that are managed by Falko;

"**MD&A**" means management's discussion and analysis of results of operations and financial condition of the Corporation;

"**Mitsubishi**" means MHI Canada Aerospace Inc.

"**MRO**" means maintenance, repair and overhaul;

"**NCIB**" has the meaning given at page 6 of this AIF;

"**NI 51-107**" has the meaning given at page 33 of this AIF;

"**Non-Canadian Holder(s) Authorized to Provide Air Service**" has the meaning set out at page 16 of this AIF;

"**OLA**" has the meaning given at page 30 of this AIF;

"**Operating Credit Facility**" has the meaning given at page 7 of this AIF;

"**Pass-Through Costs**" mean costs incurred directly by Jazz that are passed through to Air Canada and fully reimbursed under the CPA;

"**Pass-Through Revenue**" means revenue received by Jazz under the CPA in payment of Pass-Through Costs;

"**PIPEDA**" has the meaning given at page 34 of this AIF;

"**Preferred Shares**" means preferred shares in the capital of the Corporation which are issuable by the directors in one or more series in accordance with the Corporation's Restated Articles of Incorporation;

"**Qualified Canadian**" has the meaning given to the term "Canadian" in the Corporation's Restated Articles of Incorporation;

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"**RAL**" means Regional Aircraft Leasing, one of the Corporation's reporting segments;

"**RAS**" means Regional Aviation Services, one of the Corporation's reporting segments;

"**Rights Plan**" has the meaning given at page 23 of this AIF;

"**Scheduled Flights**" has the meaning given in the CPA;

"**SEC**" has the meaning given at page 33 of this AIF;

"**SEC Rules**" has the meaning given at page 33 of this AIF;

"**SEDAR+**" means the System for Electronic Document Analysis and Retrieval;

"**Senior Creditors**" has the meaning given at page 25 of this AIF;

"**Series A Debentures**" means the 5.75% senior unsecured debentures of the Corporation due December 31, 2024 which, prior to their repayment at maturity, were listed for trading on the TSX under the symbol CHR.DB.A;

"**Series B Debentures**" means the 6.00% convertible senior unsecured debentures of the Corporation due June 30, 2026 which are listed for trading on the TSX under the symbol CHR.DB.B;

"**Series C Debentures**" means the 5.75% senior unsecured debentures of the Corporation due June 30, 2027 which are listed for trading on the TSX under the symbol CHR.DB.C;

"**Share Consolidation**" has the meaning given at page 6 of this AIF;

"**Shareholder**" means a holder of one or more Shares;

"**Shares**" means the Voting Shares and Variable Voting Shares;

"**Single Non-Canadian Holder**" has the meaning as set out in page 15 of this AIF;

"**Spare Engine**" means any spare engine used to support a Covered Aircraft;

"**TCFD**" means Task Force on Climate-Related Financial Disclosures;

"**Trustees**" has the meaning given at page 27 of this AIF;

"**TSX**" means the Toronto Stock Exchange;

"**Unsecured Debentures**" means the Series B Debentures and the Series C Debentures;

"**U.S.**" means the United States of America;

"**Variable Voting Shares**" mean Class A Variable Voting Shares in the capital of the Corporation;

"**Voting Shares**" mean Class B Voting Shares in the capital of the Corporation; and

"**Voyageur**" means Voyageur Aviation Corp., the successor by amalgamation to Voyageur Aviation Corp., Voyageur Airways Limited, Voyageur Aerotech Inc., Voyageur Avparts Inc., Chorus Holdings II Inc., and North Bay Leasing Inc. under the *Business Corporations Act* (Ontario) on January 1, 2019. Voyageur is a wholly-owned subsidiary of the Corporation.

SCHEDULE "A"

AUDIT, FINANCE AND RISK COMMITTEE CHARTER CHORUS AVIATION INC. (the "Corporation")

GENERAL PURPOSE

The audit, finance and risk committee (the "Committee") has been established by the board of directors of the Corporation (the "Board", and each member thereof, a "Director") in order to assist the Board in its oversight of:

- (a) the integrity of the Corporation's financial statements and public disclosure documents;
- (b) the qualifications, performance and independence of the Corporation's external auditor (the "External Auditor");
- (c) the performance of the Corporation's internal audit and risk management function ("Internal Audit");
- (d) the adequacy of the Corporation's internal controls and enterprise risk management framework;
and
- (e) compliance with applicable laws.

COMMITTEE COMPOSITION

1. **Qualifications.** The Committee shall consist of three (3) or more Directors as determined by the Board (collectively, the "Members"), all of whom shall be Independent and Financially Literate, and at least half of whom shall be Canadian. Notwithstanding the foregoing, a Member who is not Financially Literate may be appointed to the Committee provided that the Member becomes Financially Literate within a reasonable period of time following his or her appointment and provided further that the Board has determined that appointing the Member in these circumstances will not materially adversely affect the ability of the Committee to act independently and satisfy its other obligations.
 - (a) A Member is considered to be "Independent" if (i) the Member has no direct or indirect relationship with the Corporation which, in the view of the Board, could reasonably be expected to interfere with the exercise of the Member's independent judgment, and (ii) the Member is not an individual who is considered to have a material relationship with the Corporation under section 1.4 or 1.5 of National Instrument 52-110 – Audit Committees. Material relationships may include commercial, charitable, industrial, banking, consulting, legal, accounting or familial relationships.
 - (b) A Member is considered to be "Financially Literate" if the Member has the ability to read and understand a set of financial statements that present a breadth and complexity of the issues that can reasonably be expected to be raised by the financial statements of the Corporation. It is not necessary, however, that a Member have comprehensive knowledge of Generally Accepted Accounting Principles or Generally Accepted Auditing Standards to be considered Financially Literate.
 - (c) A Member is considered to be "Canadian" if he or she is a Canadian citizen or permanent resident within the meaning of subsection 2(1) of the Immigration and Refugee Protection Act.
2. **Appointment; Removal.** The Members shall be appointed by the Board and serve until the next annual meeting of the Corporation's shareholders, unless they are removed by the Board, they resign or otherwise cease to serve on the Committee or the Board. Unless a Chair is appointed by the Board,

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the Members may designate a Chair by a majority vote of all the Members. The Board may fill vacancies on the Committee by appointing another Director to the Committee. The Board shall fill any vacancy if the membership of the Committee is less than three (3) Directors.

DUTIES AND RESPONSIBILITIES

The Committee is directed and empowered by the Board to perform the following duties and responsibilities:

1. Financial Reporting.

- (a) **Consolidated Financial Statements.** Recommend to the Board the approval of the interim and annual consolidated financial statements of the Corporation (the “Consolidated Financial Statements”). In this regard, the Committee shall first review, among other things:
 - (i) the report of the External Auditor on the Consolidated Financial Statements;
 - (ii) the accounting policies selected by the Corporation’s management (“Management”) in preparing the Consolidated Financial Statements;
 - (iii) the reasonableness of all significant estimates, accruals and reserves employed by Management in preparing the Consolidated Financial Statements;
 - (iv) any unadjusted differences noted by the External Auditor in its review or audit of the Consolidated Financial Statements;
 - (v) any disagreements between the External Auditor and Management with respect to the Consolidated Financial Statements; and
 - (vi) the certificates to be executed and filed by the Chief Executive Officer and the Chief Financial Officer in accordance with the requirements of *National Instrument 52-109 – Certification of Disclosure in Issuer’s Annual and Interim Filings*.
- (b) **MD&A.** Recommend to the Board the approval of Management’s Discussion and Analysis (the “MD&A”) relating to the annual or interim Consolidated Financial Statements upon gaining reasonable assurance that the MD&A has been prepared in accordance with applicable legal requirements.
- (c) **Earnings News Release.** Recommend to the Board the approval of the earnings news release (the “Earnings Release”) relating to the annual or interim Consolidated Financial Statements.
- (d) **Accounting Choices.** Review, as required, with Management and the External Auditor any significant developments or choices that may impact the Corporation’s financial reporting.

2. External Audit.

- (a) **External Auditor Appointment.** Recommend to the Board a firm of chartered professional accountants to be nominated by the Board for appointment by the Corporation’s shareholders as the External Auditor.
- (b) **Audit Fees.** Recommend to the Board for approval the fees to be charged by the External Auditor for the audit of the annual Consolidated Financial Statements and the Pension Financial Statements (as defined below), and the review of the interim Consolidated Financial Statements (the “Audit Fees”).

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- (c) External Auditor Oversight. In order to ensure appropriate oversight of the External Auditor's work:
 - (i) approve the External Auditor's engagement letter;
 - (ii) review the External Auditor's written disclosure of all relationships between it and the Corporation and its related entities that may reasonably be thought to bear on the External Auditor's independence, as well as the External Auditor's written confirmation to the Committee that, in the External Auditor's professional judgment, it is independent of the Corporation;
 - (iii) approve the scope, focus areas and materiality thresholds for the audit of the annual Consolidated Financial Statements and the Pension Financial Statements;
 - (iv) oversee the work of the External Auditor in preparing and issuing an auditor's report or performing other audit, review or attest services for the Corporation;
 - (v) confirm with the External Auditor that Management has not placed any restrictions on the External Auditor with respect to the scope of its activities, its access to any required information or the reporting of its findings to the Committee;
 - (vi) attempt to resolve any disagreements that may arise between the External Auditor and Management;
 - (vii) discuss any observations by the External Auditor with respect to any matters that could reasonably be thought to bear on the reliability of the Consolidated Financial Statements, including, among other things:
 - A. the reasonableness and consistency from one year to the next of the accounting principles, polices, practices, estimates, judgments or disclosure practices employed by the Corporation;
 - B. any significant deficiencies or weaknesses in the Corporation's control environment;
 - C. any significant deviations from the annual audit plan approved by the Board; and
 - D. any significant adjustments that have been made by Management to the Consolidated Financial Statements as a result of the External Auditor's audit or review activities; and
 - (viii) review the performance of the External Auditor.
- (d) Non-Audit Services. Pre-approve, as required, all fees for non-audit services to be provided by the External Auditor to the Corporation or its subsidiaries. Approve, and review annually, the Corporation's policies on the approval of non-audit services and expenses.
- (e) Hiring Policies. Approve, and review annually, the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former External Auditor.

3. Internal Audit and Risk Management.

- (a) Review and Appointment. Review, annually, the performance of Internal Audit and approve, as required, the appointment and removal of the head of Internal Audit.
- (b) Mandate and Plan. Approve the Internal Audit mandate and plan for each fiscal year of the Corporation;

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- (c) Engagement Reviews. Review, quarterly, a summary of all Internal Audit engagements and Management's responses to all significant findings, including reports of any confirmed or alleged fraud. In connection therewith, confirm with the head of Internal Audit that Management has not placed any restrictions on Internal Audit with respect to the scope of its activities, access to any required information or the reporting of its findings to the Committee.
- (d) Principal Risks. Review, annually, Management's (i) assessment of the principal financial and other risks to the Corporation, and (ii) procedures for continually identifying, monitoring and managing those risks.

4. Controls and Compliance.

- (a) Internal Controls over Financial Reporting. Review (i) quarterly, any material weaknesses identified by Management in relation to the design or operation of the Corporation's internal controls over financial reporting ("ICFR") and Management's actions to remediate such weaknesses, and (ii) annually, Management's process for assessing any required updates or changes to the Corporation's ICFR.
- (b) Disclosure Controls and Procedures. Review (i) quarterly, any material weaknesses identified by Management in relation to the design or operation of the Corporation's disclosure controls or procedures ("DC&P") and Management's actions to remediate such weaknesses, and (ii) annually, Management's process for assessing any required updates or changes to the Corporation's DC&P. In connection therewith, approve the Corporation's Public Disclosure Policy.
- (c) Accounting, Control or Auditing Concerns. Approve, and review annually, procedures for the receipt, retention and treatment of complaints received by the Corporation and its subsidiaries regarding accounting, internal accounting controls, or auditing matters.
- (d) Confidential Submission of Wrongdoing. Approve, and review annually, procedures for the confidential, anonymous submission by employees of the Corporation or its subsidiaries of concerns regarding questionable accounting or auditing matters.
- (e) Confidential Reports. Review, quarterly, a summary of all complaints and reports submitted pursuant to the procedures referenced in paragraphs (c) and (d) above.
- (f) Tax Compliance. Review, quarterly, a certificate from Management confirming compliance by the Corporation and its subsidiaries with all material tax withholding and remittance obligations.
- (g) Covenant Compliance. Review, quarterly, a report from Management confirming compliance by the Corporation and its subsidiaries with all debt covenants and providing a forecast of future compliance.
- (h) Legal Compliance. Review, as required, reports from the Chief Legal Officer concerning material violations of applicable law by the Corporation or any of its subsidiaries.
- (i) Litigation. Review, as required, all legal claims or proceedings involving the Corporation or its subsidiaries that Management reasonably expects could have a significant effect on the financial position, results of operations or cash flows of the Corporation.

5. Pension Plans.

- (a) Monitoring. Review, quarterly, reports from Management concerning the overall operation of the retirement plans of the Corporation and its subsidiaries (collectively, the "Plans"), including their

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asset allocations and investment returns, their funded status and their compliance with the applicable Statements of Investment Policies and Procedures (“SIPPs”).

- (b) Funding, Auditor, Trustee/Custodian. Recommend to the Board, annually, the approval of the funding policy, the appointment of the external auditor and the trustees/custodians of the assets of the Plans;
- (c) SIPP, Actuary, Consultants. Approve, annually, the SIPPs, the actuary and any consultant(s) for the Plans;
- (d) Valuation. Accept the annual actuarial assumptions and valuation reports for the Plans;
- (e) Financial Statements. Recommend to the Board the approval of the annual audited financial statements for the Plans; and
- (f) Pension Committee Charter. Approve, annually, a charter for the Management Pension Committee;

6. Business Plan and Performance.

- (a) Year-to-Date. Review, quarterly, the Corporation’s consolidated year-to-date financial performance, including any significant variances to the current year business plan and prior year financial performance.
- (b) Balance-of-Year Forecast. Review, quarterly, Management’s most recent financial forecast for the balance of the year, including projected earnings and cash-flows.

7. Other Duties.

Without limiting any of the duties set out above, the Committee shall:

- (a) provide oversight of the Corporation’s information technology infrastructure, use and protection policies and practices, including, in respect of cybersecurity, data governance, privacy and compliance;
- (b) recommend to the Board, annually, the approval of the Corporation’s delegation of authority policy;
- (c) review, annually, the Corporation’s procedures for approving the reimbursement of expenses claimed by the Corporation’s officers;
- (d) review the Committee’s report that is included in the Corporation’s annual proxy circular and the information about the Committee that is required to be included in the Corporation’s annual information form;
- (e) review this charter annually and provide any comments thereon to the Governance, Nominating and Compensation Committee of the Board for consideration; and
- (f) perform such other duties as from time to time are assigned to the Committee by the Board.

Effective January 1, 2025