

SECOND AMENDMENT TO THE SUBSCRIPTION AGREEMENT

THIS SECOND AMENDING AGREEMENT is made as of April 23, 2019 (the “**Amendment**”)

B E T W E E N :

CHORUS AVIATION INC., a corporation existing under the laws of Canada (the “**Corporation**”),

– and –

FAIRFAX FINANCIAL HOLDINGS LIMITED, a corporation existing under the laws of Canada (“**Fairfax**”);

– and –

NORTHBRIDGE GENERAL INSURANCE CORPORATION, a corporation existing under the laws of Canada (“**Northbridge General**”);

– and –

VERASSURE INSURANCE COMPANY (formerly known as NORTHBRIDGE PERSONAL INSURANCE CORPORATION), a corporation existing under the laws of Canada (“**Verassure Insurance**”);

– and –

ZENITH INSURANCE COMPANY, a corporation existing under the laws of Canada (“**Zenith**”);

– and –

FEDERATED INSURANCE COMPANY OF CANADA (“**Federated**”, and collectively with Fairfax, Northbridge General, Verassure Insurance and Zenith, the “**Purchasers**”).

WHEREAS the Corporation and Fairfax entered into a subscription agreement made as of December 19, 2016 (the “**Original Agreement**”) in connection with the issuance and sale by the Corporation, and the subscription for and purchase by the Purchasers, of \$200,000,000 aggregate principal amount of Debentures and 24,242,424 Warrants;

AND WHEREAS the Corporation and the Purchasers amended Section 4.1.3.1 of the Original Agreement on February 1, 2018 (the Original Agreement as amended by such amendment, the “**Agreement**”);

AND WHEREAS Section 4.1.3.1 of the Agreement provides that the Corporation shall complete the extended service program to extend the service life of a 16 of its Dash 8-300 aircraft by no

later than December 31, 2019, a further one of its Dash 8-300 aircraft by no later than December 31, 2020, and a further two of its Dash 8-300 aircraft by no later than December 31, 2022;

AND WHEREAS the parties desire to amend Section 4.1.3 of the Agreement to permit the Corporation to defer the completion of the extended service program for four of the Dash 8-300 aircraft from 2019 to 2020.

NOW THEREFORE THIS AMENDMENT WITNESSES and it is hereby agreed as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

All capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Agreement.

1.2 Interpretation

- (a) This Amendment shall be subject to the interpretation provisions contained in Article 1 of the Agreement.
- (b) This Amendment is supplemental to the Agreement and the Agreement and this Amendment shall hereafter be read together and shall have effect, so far as practicable, as if all the provisions of the Agreement and this Amendment were contained in one instrument.

ARTICLE 2 AMENDMENTS

2.1 Amendment to Covenants of the Corporation

Section 4.1.3 of the Agreement is hereby amended by deleting the existing text in its entirety and replacing it with the following:

“the Corporation shall complete:

4.1.3.1 by no later than December 31, 2019 the extended service program to extend the service life of 12 of its Dash 8-300s aircraft; and

4.1.3.2 by no later than December 31, 2020 the extended service program to extend the service life of an additional five of its Dash 8-300s aircraft; and

4.1.3.3 by no later than December 31, 2022 the extended service program to extend the service life of an additional two of its Dash 8-300s aircraft; and

the Corporation shall commit at least \$60,000,000 to such extended service program; and”

ARTICLE 3 MISCELLANEOUS

3.1 Confirmation of Subscription Agreement

Except as expressly provided herein, all of the terms and conditions of the Agreement are and shall remain in full force and effect and are hereby ratified and confirmed by the Corporation and each of the Purchasers. Each reference to the Agreement in the Agreement and in any other document delivered in connection with the Agreement shall be deemed to be a reference to the Agreement as amended by this Amendment.

3.2 Confirmation of Ownership

Fairfax confirms that the Purchasers collectively hold all of the Offered Securities as at the date of this Amendment.

3.3 Governing Law

This Amendment shall be governed by, and construed with, the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

3.4 Counterparts and Formal Date

This Amendment may be executed in any number of counterparts and by PDF, each of which so executed shall be deemed to be an original, but all of which shall together constitute one and the same instrument and notwithstanding their date of execution shall be deemed to bear a date as of the date hereof.

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IN WITNESS WHEREOF, each of the Corporation and the Purchasers has duly executed this Amendment as of the date first set forth above.

CHORUS AVIATION INC.

By: signed “Joe Randell”
 Name: Joe Randell
 Title: President and CEO

**FAIRFAX FINANCIAL HOLDINGS
LIMITED**

By: signed “Paul Rivett”
 Name: Paul Rivett
 Title: President

**NORTHBRIDGE GENERAL INSURANCE
CORPORATION, by its Investment
Manager, Hamblin Watsa Investment
Counsel Ltd.**

By: signed “Paul Rivett”
 Name: Paul Rivett
 Title: Managing Director

**VERASSURE INSURANCE COMPANY
(formerly known as NORTHBRIDGE
PERSONAL INSURANCE
CORPORATION), by its Investment
Manager, Hamblin Watsa Investment
Counsel Ltd.**

By: signed “Paul Rivett”
 Name: Paul Rivett
 Title: Managing Director

**ZENITH INSURANCE COMPANY, by its
Investment Manager, Hamblin Watsa
Investment Counsel Ltd.**

By: signed “Paul Rivett”

Name: Paul Rivett

Title: Managing Director

**FEDERATED INSURANCE COMPANY
OF CANADA, by its Investment Manager,
Hamblin Watsa Investment Counsel Ltd.**

By: signed “Paul Rivett”

Name: Paul Rivett

Title: Managing Director