



# Notice of 2021 Annual Meeting of Shareholders and Management Proxy Circular

June 21, 2021

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## Letter to Shareholders from the Board Chair and the President and Chief Executive Officer

Dear Chorus Shareholder:

We are pleased to provide you with the materials for the annual meeting of shareholders of Chorus Aviation Inc. ('Chorus') that will take place on June 21, 2021 at 11:00 a.m. (Atlantic time). Safety is at the core of all we do. Again this year, out of an abundance of caution, to proactively deal with the unprecedented public health impact of COVID-19, and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, we will hold our annual meeting in a virtual only format. This will be conducted via live audio webcast. Shareholders will have equal opportunity to participate at the annual meeting online regardless of their geographic location. The webcast will be available at [www.virtualshareholdermeeting.com/CHR2021](http://www.virtualshareholdermeeting.com/CHR2021).

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

### 2020 in review

We entered this pandemic in 2020 from the strongest position in our history, having a solid balance sheet, customer base and growth prospects. The COVID-19 crisis and the resulting travel restrictions and health concerns contributed to a dramatic decline in passenger demand causing significant hardship to our employees and airline customers. It was distressing for Chorus to place approximately half of our employees on inactive status given the successes we had achieved together.

We responded to the crisis swiftly and decisively to protect the organization. First and foremost, our priority was ensuring the safety of our employees and customers. Building liquidity was of paramount importance to secure our business and position us to be in the strongest possible position for when the pandemic abates. We took a number of necessary actions, including the suspension of the dividend, securing a US \$100 million liquidity facility, implementing significant salary reductions, and negotiating principal and interest deferrals on aircraft loans.

We concluded 2020 with approximately \$200.0 million in liquidity and posted positive financial performance despite the significant challenges caused by the pandemic. The resiliency of our business model and the outstanding efforts of our team delivered adjusted EBITDA<sup>1</sup> of \$347.0 million, which was relatively consistent with 2019 due primarily to the fixed-fee nature of our capacity purchase agreement ('CPA') with Air Canada and modest growth in regional aircraft leasing revenue. We were one of the few aviation operators to report positive returns for the fiscal year, delivering \$0.26 in net earnings per basic share, or \$0.40 on an adjusted basis. We recognize the risks to our airline customers and our industry remain as the duration and ultimate impact of the pandemic are unknown, and as such, we are managing our financial position accordingly.

### 2021 outlook

We've had an encouraging start to 2021 as we continued to take steps to secure our business and prepare for when passenger travel recovers.

In March, we were very pleased to revise our CPA with Air Canada, which resulted in Jazz becoming its sole operator of Air Canada Express flights with the transfer of 25 Embraer 175 aircraft to its fleet. Further, the introduction of a cap on the controllable cost guardrail receivable reduces our financial exposure and minimizes draws on our working capital. These revisions to our contract with Air Canada further strengthened our relationship and provides them with significant networking efficiencies and planning flexibility – elements that are vital as recovery plans are implemented.

While we paused our growth and diversification strategy in 2020 to focus on liquidity, it remains a corporate priority. Our capital raise in April was over-subscribed and generated gross proceeds of \$145.0 million, thus enabling us to improve our balance sheet and prudently seek growth opportunities. We are proud of the way we are managing through this pandemic and have centered our attention on the future.

While there remains uncertainty, our industry is starting to experience some encouraging signs of renewed travel demand, most particularly in regional and short haul markets. This was evidenced by our recent agreements to lease three Dash 8-400s with two new leasing customers, Sky Alps of Bolzano, Italy (two aircraft) and Cobham Aviation Services of Australia. These aircraft were repossessed by Chorus in 2020 and underwent reconfiguration and return-to-service work at Voyageur and Jazz Technical Services. This is what differentiates Chorus from the competition – not only are we an airline operator, we offer a broad range of solutions to remarket aircraft in the midst of one of the most challenging periods in aviation history. We are well positioned to take advantage of opportunities to achieve our vision of delivering regional aviation to the world.

#### **Board succession and governance**

As previously advised, Mr. Richard McCoy is not standing for re-election at this meeting. Mr. McCoy has served as a director of Chorus for the past 15 years, 14 of which as Chair of the Board. He stepped down as Chair at the conclusion of our 2019 Annual General and Special Meeting of Shareholders and agreed to serve on our Board for one additional year to assist Chorus navigate through the pandemic. The Board and management benefited greatly from his insight and guidance over the years. We thank him for his unwavering commitment and immense contribution and wish him the best in his retirement.

We also note that Mr. Gary Collins has recently left the Board after 13 years of dedicated service and that Ms. Margaret Clandillon has chosen not to stand for re-election. They were both terrific directors and we thank them for their service.

We are pleased to introduce Ms. Gail Hamilton, Mr. Alan Jenkins and Mr. Paul Rivett as the new nominees standing for election at this year's meeting. Ms. Hamilton was a partner with both KPMG and Ernst & Young providing audit and business advisory services to a variety of organizations, including several within the aviation industry. Mr. Jenkins has over 20 years' senior executive and board experience in the aircraft leasing, specialty finance, aviation, transportation, and financial services sectors. In addition to co-founding NordStar Capital, Mr. Rivett previously served as the President of Fairfax Financial Holdings Limited where in 2016, he was responsible for the firm's \$200 million investment in Chorus that served as the seed capital for our regional aircraft leasing business. The biographies of these highly competent individuals are provided in this circular.

On behalf of our board of directors and the Chorus team, we thank you for your support and welcome the opportunity to speak with you at our annual meeting.

(signed) *"Richard D. Falconer"*

(signed) *"Joseph D. Randell"*

Richard D. Falconer  
Chair of the Board

Joseph D. Randell  
President and Chief Executive Officer

<sup>(1)</sup> Adjusted earnings before tax is non-GAAP financial term that does not have standardized meaning under GAAP and may not be comparable to similar terms presented by other issuers. We refer you to the full Management's Discussion and Analysis for the year ended December 31, 2020 at [www.chorusaviation.com](http://www.chorusaviation.com) for a complete explanation of this term and why it provides useful information to investors and their reconciliation to GAAP terms.



## Notice of 2021 Annual Meeting of Shareholders

**When: Monday, June 21, 2021  
11:00 a.m. (Atlantic time)**

**Where: Virtual only meeting via live audio webcast  
online at [www.virtualshareholdermeeting.com/CHR2021](http://www.virtualshareholdermeeting.com/CHR2021)**

The meeting of the shareholders of Chorus Aviation Inc. ("**Chorus**") will be conducted via live audio webcast and a recording of the meeting will be made available after the meeting on our website at [www.chorusaviation.com](http://www.chorusaviation.com).

### **Business of the 2021 Annual Meeting of Shareholders**

The following business will be considered at the meeting:

- 1.** placement before shareholders of the consolidated financial statements of Chorus for the year ended December 31, 2020, including the auditors' report thereon;
- 2.** election of the directors of Chorus who will serve until the end of the next annual meeting of shareholders;
- 3.** appointment of auditors of Chorus;
- 4.** approval, in an advisory, non-binding capacity, of a resolution regarding Chorus' approach to executive compensation; and
- 5.** consideration of such other business, if any, that may properly come before the meeting or any adjournment or postponement thereof.

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

### **Your vote is important.**

**You are entitled to receive notice of, and vote at, our annual meeting of shareholders or any adjournment or postponement thereof if you are a shareholder on May 5, 2021.** Please remember to vote your shares. We encourage you to vote your shares prior to the meeting.

**In light of the ongoing COVID-19 pandemic, and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, we will hold our meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will not be able to physically attend the meeting. As with prior years, shareholders can vote ahead of the meeting by proxy using various available channels (as set out within the management proxy circular and the form of proxy or voting instruction form) and we encourage you to continue to vote in this manner.** You will be able to participate in the meeting regardless of where you are located.

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

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

Shareholders are encouraged to follow the instructions on their form of proxy or voting instruction form and vote on the matters before the meeting no later than 11:00 am (Atlantic time) on June 17, 2021 (the proxy deadline).

By Order of the Board of Directors

(signed) "*Dennis Lopes*"

Dennis Lopes  
Senior Vice President, Chief Legal Officer and Corporate Secretary  
May 5, 2021

## Management Proxy Circular

This management proxy circular (“this circular” or “the circular”) is dated May 5, 2021 and the information contained herein is provided in connection with the annual meeting of the shareholders of Chorus Aviation Inc. (“Chorus” or the “Corporation”) to be held on June 21, 2021 at 11:00 a.m. (Atlantic time) (such meeting, and any adjournment or postponement thereof, the “meeting”). The meeting will be held in a virtual only format and will be conducted via live audio webcast. Shareholders will not be able to physically attend the meeting. A summary of the information shareholders will need to attend the virtual meeting is set out within this circular.

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

To help you make an informed decision, please read this circular. This circular describes the meeting, the nominee directors, the proposed auditors, our corporate governance practices and the compensation of our directors and certain officers. Financial information regarding Chorus is provided in the consolidated financial statements of Chorus and management’s discussion and analysis (“MD&A”) for the year ended December 31, 2020, both of which are available on our website at [www.chorusaviation.com](http://www.chorusaviation.com) and on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at [www.sedar.com](http://www.sedar.com).

In this circular, “we”, “us” and “our” refer to Chorus and “management” refers to Chorus’ management. “You”, “your” and “shareholders” refer to the shareholders of Chorus, and “shares” refers to the Class A Variable Voting Shares and Class B Voting Shares of Chorus. All monetary amounts are stated in Canadian Dollars unless otherwise indicated, and all information in this circular is current as of May 5, 2021 unless otherwise indicated. If you have any questions about any of the information in this circular, please call Chorus Investor Relations at (902) 873-5094 for service in English or French.

### WHO IS SOLICITING YOUR PROXY

**Your proxy is solicited by or on behalf of the management of Chorus for use at the meeting.** We expect that the solicitation of proxies will be by mail. Proxies may also be solicited personally, by telephone, fax, Internet or other means of communication by officers, employees or agents. The cost of any such solicitation will be borne by Chorus. Chorus has retained Shorecrest Group Ltd. (“Shorecrest”) to solicit proxies from shareholders and has agreed to pay Shorecrest a \$25,000 management fee plus ancillary service fees and disbursements. If you have any questions regarding the procedures for voting or completing your form of proxy or voting instruction form, please contact Shorecrest toll free in North America at 1-888-637-5789 or collect call from outside North America at 1-647-931-7454, or by email at [contact@shorecrestgroup.com](mailto:contact@shorecrestgroup.com).

### DELIVERY OF MATERIALS

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

The Corporation pays for the delivery of the notice to all registered and non-registered shareholders who are required to receive materials, which includes reimbursing brokers and other persons holding shares in their names, or in the names of nominees, for their costs incurred in sending the notice to beneficial owners and obtaining their proxies or voting instructions.

Should you wish to receive paper copies of the circular for the meeting, or if you have any questions about notice-and-access, please contact AST Trust Company (Canada) (for service in English or French) at 1-888-433-6443 or 416-682-3801 outside of Canada or the U.S. or by e-mail at [fulfilment@astfinancial.com](mailto:fulfilment@astfinancial.com). Shareholders will not receive a paper copy of the circular unless they contact AST Trust Company (Canada). AST Trust Company (Canada) will mail the materials within three business days of any request, provided the request is made prior to the meeting. Chorus estimates that a request will need to be received prior to June 3, 2021 for you to receive your paper copies in advance of the deadline for

submission of your voting instructions. All shareholders may also request that paper copies of the circular be mailed to them at no cost for up to one year from the date the circular was filed on SEDAR.

**APPROVAL OF THE CIRCULAR**

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

(signed) "*Dennis Lopes*"

Dennis Lopes  
Senior Vice President, Chief Legal Officer and Corporate Secretary  
May 5, 2021

# About Our Annual Meeting of Shareholders

## WHY CHORUS IS HOLDING A VIRTUAL ONLY MEETING

In light of the ongoing COVID-19 pandemic and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, Chorus will hold its meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will have equal opportunity to participate at the meeting online regardless of their geographic location.

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

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

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

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

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

Chorus believes that the ability to participate in the meeting in a meaningful way, including asking questions, remains important despite the decision to hold this year’s meeting virtually. At the meeting, all registered shareholders and duly appointed proxyholders will have an opportunity to ask questions in writing by sending a message to the chair of the meeting online through the virtual meeting platform. It is anticipated that shareholders will have substantially the same opportunity to ask questions on matters of business before the meeting as in past years when the annual meeting of shareholders was held in person.

If you intend to participate in the meeting, it is important that you are always connected to the Internet during the meeting to vote when the balloting commences. You should ensure you have a strong, preferably high-speed, Internet connection throughout the meeting. **The meeting will begin promptly at 11:00 a.m. (Atlantic time) on June 21<sup>st</sup>, 2021**, unless otherwise adjourned or postponed.

## HOW TO PARTICIPATE IN THE MEETING

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

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

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

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

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

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

1. Log in online at: [www.virtualshareholdermeeting.com/CHR2021](http://www.virtualshareholdermeeting.com/CHR2021) at least 15 minutes before the meeting starts. You should allow ample time to log into the meeting and to complete the related procedures.
2. Enter your 16-digit control number into the shareholder login section (your control number is located on your form of proxy) and click on “Enter Here”.
3. Follow the instructions to access the meeting and vote when prompted.

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

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

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

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

1. Appoint yourself as proxyholder as described below under the heading “Completing the Form of Proxy and Voting Instruction Form” by providing an “appointee name” and designating an 8-character “appointee identification number”. Please note that these steps must be completed **prior to the proxy deadline of 11:00 a.m. (Atlantic time) on June 17, 2021** or you will not be able to vote your shares at the meeting during the live webcast.
2. Follow the instructions set out below under the heading “How to Participate in the Meeting – Proxyholder” to log in and vote at the meeting during the live audio webcast.

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

In the event that the proxy deadline is waived by Chorus prior to the meeting, all non-registered shareholders will be able to access and vote at the meeting in the same manner as registered shareholders described above using the 16-digit control number located on the voting instruction form. In that case, if you have previously provided voting instructions or appointed another person to vote on your behalf and you choose to access and vote on any matter at the meeting during the live webcast then you will revoke all prior voting instructions or appointments. If you do not wish to revoke your prior instructions or appointments, you can still access the meeting and ask questions. You should not assume that the proxy deadline will be waived in whole or in part, and you should vote prior to the meeting or appoint yourself or another person to vote on your behalf at the meeting prior to the proxy deadline of 11:00 a.m. (Atlantic time) on June 17, 2021 to ensure your vote is counted at the meeting.

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

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

1. Log in online at: [www.virtualshareholdermeeting.com/CHR2021](http://www.virtualshareholdermeeting.com/CHR2021). We recommend that you log in at least 15 minutes before the meeting starts. You should allow ample time to log into the virtual meeting and to complete the related procedures.
2. Enter the appointee name and appointee identification number exactly as it was provided to Broadridge by the shareholder who appointed you as proxyholder and click on “Enter Here”. If this information is not provided by such

shareholder, or if you do not enter it exactly as that shareholder provided it to Broadridge, you will not be able to access the meeting or vote their shares on their behalf during the meeting.

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

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

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

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

If you wish to access the meeting as a guest, you can log into the meeting as set out below. Note that guests will be able to listen to the meeting but will not be able to ask questions or vote. If you wish to contact Chorus’ board of directors, please see “Communication with Directors and Shareholder Engagement” at page 71. Please read and follow the instructions below carefully:

1. Log in online at: [www.virtualshareholdermeeting.com/CHR2021](http://www.virtualshareholdermeeting.com/CHR2021) at least 15 minutes before the meeting starts. You should allow ample time to log into the virtual meeting and to complete the related procedures.
2. Complete the guest log in section and click on “Enter Here”.

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

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

# Voting Your Shares

## YOUR VOTE IS IMPORTANT

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

## WHO CAN VOTE

Shareholders of record on May 5, 2021 are entitled to receive notice of and vote at the meeting.

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

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

## HOW TO VOTE IN ADVANCE OF THE MEETING

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

You will be providing your proxy voting instructions directly to Broadridge. They must receive your voting instructions **prior to Chorus’ proxy deadline of 11:00 a.m. (Atlantic time) on June 17, 2021**. Notwithstanding the foregoing, the chair of the meeting has the sole discretion to accept proxies received after such deadline but is under no obligation to do so. Please see the section of this circular titled “Completing the Form of Proxy and Voting Instruction Form” for more information.

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

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

Please go to the website at [www.proxyvote.com](http://www.proxyvote.com) or scan the QR Code on the form of proxy or voting instruction form to access the voting website **prior to Chorus’ proxy deadline of 11:00 a.m. (Atlantic time) on June 17, 2021**, or, if the meeting is adjourned or postponed, not later than 48 hours prior to the adjourned or postponed meeting (excluding Saturdays, Sundays and statutory holidays). You will need the 16-digit control number found on your form of proxy or voting instruction form.

### ***By Mail***

Complete the form of proxy or voting instruction form and return it by mail in the enclosed business reply envelope **for receipt before 11:00 a.m. (Atlantic time) on June 17, 2021**, or, if the meeting is adjourned or postponed, not later than 48 hours prior to the adjourned or postponed meeting (excluding Saturdays, Sundays and statutory holidays).

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

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

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

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

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

Non-registered shareholders who wish to appoint themselves or any shareholders who wish to appoint a third-party proxyholder (other than the named proxyholders) to represent them at the meeting **MUST** submit their form of proxy or voting instruction form appointing themselves or that third-party proxyholder following the instructions on the form of proxy or voting instruction form (as applicable), including:

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

If you wish to appoint yourself or a third-party proxyholder, you are encouraged to do so online at [www.proxyvote.com](http://www.proxyvote.com) as this will reduce the risk of any mail disruptions and allow you to share the appointee information you have created with any third-party proxyholder you have appointed to represent you at the meeting more easily. You must appoint yourself or your third-party proxyholder **prior to Chorus’ proxy deadline of 11:00 a.m. (Atlantic time) on June 17, 2021.**

If you do not designate the appointee information when completing your form of proxy or voting instruction form or if you do not provide the exact appointee identification number and appointee name to any other person (other than the named proxyholder) who has been appointed to access and vote at the meeting on your behalf, that other person will not be able to access the meeting and vote on your behalf.

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

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

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

to be a Non-Canadian Holder Authorized to Provide Air Service (as defined below) for purposes of voting at the meeting.

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

### **CHANGING YOUR VOTE**

If you change your mind about how you want to vote your shares, you can revoke your voting instructions by voting on the Internet or by any other means permitted by law. **Your new voting instructions must be received by Broadridge before 11:00 a.m. (Atlantic time) on June 17, 2021.**

Registered shareholders can also revoke their instructions by delivering a signed written notice changing their instructions to the attention of the Corporate Secretary at the Corporation's registered office, 100 King Street West, 1 First Canadian Place, Suite 6200, P.O. Box 50, Toronto, Ontario, M5X 1B8 at any time up to 5:00 p.m. (Atlantic time) on the last business day preceding the meeting, or any adjournment or postponement thereof.

Beneficial owners should consult their intermediary if they wish to revoke their voting instructions. These instructions must be received by Broadridge before 11:00 a.m. (Atlantic time) on June 17, 2021.

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

Notwithstanding the foregoing, the chair of the meeting has the sole discretion to accept proxies received after the deadline for the receipt of proxies but is under no obligation to do so.

### **VOTING REQUIREMENTS**

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

Broadridge will count and tabulate the votes at the meeting.

### **VOTING SHARES AND QUORUM**

As of May 5, 2021, the record date for the meeting, there were 177,650,888 shares issued and outstanding. Shareholders of record on May 5, 2021 are entitled to receive notice of and vote at the meeting.

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

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

### **RESTRICTIONS ON VOTING SECURITIES**

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

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

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

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

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

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

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

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

accompanying form of proxy or in the voting instruction form provided to you if you are a non-registered shareholder and on [www.proxyvote.com](http://www.proxyvote.com).

### **PRINCIPAL SHAREHOLDERS**

As of the date of this circular, to the knowledge of the directors of Chorus and based on publicly available early warning reports and insider reports, no person or entity beneficially owned, or exercised control or direction over, directly or indirectly, shares carrying 10% or more of the votes attached to all outstanding shares entitled to vote in connection with any matters being proposed for consideration at the meeting.

October 14, 2016, pursuant to an application by Chorus, the securities regulatory authorities in each of the provinces of Canada granted exemptive relief (the "**Decision**") from (i) applicable formal take-over bid requirements, as contained under Canadian securities laws, such that those requirements would only apply to an offer to acquire 20% or more of the outstanding Class B Voting Shares and Class A Variable Voting Shares of the Corporation on a combined basis, and (ii) applicable early warning reporting requirements, as contained under Canadian securities laws, such that those requirements would only apply to an acquirer who acquires or holds beneficial ownership of, or control or direction over, 10% or more of the outstanding Class B Voting Shares and Class A Variable Voting Shares of the Corporation on a combined basis (or 5% in the case of acquisitions during a take-over bid), and (iii) applicable alternative monthly reporting requirements, as contained under Canadian Securities laws, such that eligible institutional investors may meet the eligibility criteria for alternative monthly reporting by calculating its security holdings using a denominator comprised of all outstanding Class B Voting Shares and Class A Variable Voting Shares on a combined basis, and a numerator including all of the Class B Voting Shares or Class A Variable Voting Shares, as the case may be, beneficially owned or controlled by the eligible institutional investor. A copy of the Decision is available on SEDAR at [www.sedar.com](http://www.sedar.com).

# Business of the Meeting

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

1. placement before shareholders of the consolidated financial statements of Chorus for the year ended December 31, 2020, including the auditors' report thereon;
2. election of the directors of Chorus who will serve until the end of the next annual meeting of shareholders;
3. appointment of auditors of Chorus;
4. approval, in an advisory, non-binding capacity, of a resolution regarding Chorus' approach to executive compensation; and
5. consideration of such other business, if any, that may properly come before the meeting or any adjournment or postponement thereof.

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

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

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

The consolidated financial statements of Chorus for the year ended December 31, 2020, including the auditors' report thereon, are available on our website at [www.chorusaviation.com](http://www.chorusaviation.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

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

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

Seven of the 10 individuals to be nominated as directors are currently members of the Board. Gail Hamilton, Alan Jenkins and Paul Rivett are new nominees. The individuals nominated for election as directors at the meeting are Karen Cramm, Richard D. Falconer, Gail Hamilton, R Stephen Hannahs, Sydney John Isaacs, Alan Jenkins, Amos Kazzaz, Marie-Lucie Morin, Joseph D. Randell and Paul Rivett. Please see "The Nominated Directors" section in this circular for additional information relating to each such nominee.

Mr. Kazzaz will be nominated in accordance with the terms of the investor rights agreement between Chorus and Air Canada (the "**Investor Rights Agreement**"). Under that agreement, Air Canada is entitled to nominate one director to the Board so long as Air Canada and its affiliates hold at least 8% of the issued and outstanding shares of Chorus (subject to certain adjustments set out in the agreement). A copy of the Investor Rights Agreement is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Both Margaret Clandillon (a director of Chorus since May 4, 2018) and Richard McCoy (a director of Chorus and its predecessors or subsidiaries since January 24, 2006) will not stand for re-election at the meeting. Gary Collins resigned from the Board effective April 14, 2021.

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

The Board has adopted a majority voting policy which stipulates that if a director nominee is not elected by at least a majority (50% + 1 vote) of the votes cast with respect to his or her election, the nominee will immediately submit his or her resignation, to be effective on acceptance by the Board. The Board will refer the resignation to the Governance, Safety and Sustainability Committee for consideration. Any director who has tendered his or her resignation pursuant to this policy will be prohibited from participating in or attending any part of a meeting of the Board or the Governance, Safety and Sustainability Committee at which his or her resignation is considered. The Board will make its decision within 90 days of the relevant shareholders' meeting and promptly issue a news release with its decision. The Board will accept the resignation unless the Governance, Safety and Sustainability Committee determines that there are exceptional circumstances that should delay acceptance of

the resignation or justify rejecting it. If the Board does not accept the resignation, the news release will fully state the reasons for that decision.

The majority voting policy does not apply in respect of a contested meeting (i.e., a meeting at which the number of directors nominated for election is greater than the number of seats available on the Board). All of the individuals nominated for election as directors at the meeting have acknowledged and agreed to comply with the majority voting policy.

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

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

The Board, on the advice of the Audit, Finance and Risk Committee, recommends that PricewaterhouseCoopers LLP, Chartered Accountants, be re-appointed as auditors of Chorus. PricewaterhouseCoopers LLP has served as auditors of Chorus' predecessors since February 19, 2001 and of Chorus since its incorporation on September 27, 2010. The most recent rotation of the lead engagement partner occurred in 2016. The auditors appointed at the meeting will serve until the end of the next annual meeting of shareholders or until their successors are appointed.

Fees payable for the years ended December 31, 2020 and December 31, 2019 to PricewaterhouseCoopers LLP were \$991,598 and \$1,024,605, respectively, as detailed below:

|                                   | Year Ended December 31, |           |
|-----------------------------------|-------------------------|-----------|
|                                   | 2020                    | 2019      |
|                                   | \$                      | \$        |
| Audit fees                        | 911,598                 | 655,455   |
| Audit-related fees                | 24,000                  | 122,900   |
| Tax fees – compliance/preparation | 35,100                  | 204,970   |
| Tax fees – other                  | 20,900                  | 41,280    |
| Other                             | -                       | -         |
|                                   | 991,598                 | 1,024,605 |

The nature of each category of fees is described below:

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

Audit-related fees. Audit-related fees were paid for professional services related to pension plan audits in 2020. The 2019 year's audit-related fees related to services in respect of the 2018 public offering of Shares, the offering of the 5.75% Unsecured Debentures and general accounting consultation.

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

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

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

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

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

### *Form of Resolution*

“BE IT RESOLVED THAT, on an advisory basis and not to diminish the role and responsibilities of the board of directors of Chorus Aviation Inc. (“Chorus”), the shareholders accept the approach to executive compensation disclosed in Chorus’ Management Proxy Circular dated May 5, 2021.”

As this is an advisory vote, the result will not be binding upon the Board or Chorus. However, the members of the Board and the Human Resources and Compensation Committee will review and analyze the result of the vote and, as appropriate, take into account the result of the vote when considering, in future, Chorus’ executive compensation philosophy, policies, programs or arrangements. Shareholders are always welcome to provide feedback on Chorus’ executive compensation by contacting Investor Relations at (902) 873-5094.

In 2020, 49,616,468 (or 96.90%) votes were cast for the advisory, non-binding resolution in respect of Chorus’ approach to executive compensation, and 1,585,779 (or 3.10%) votes were cast against it.

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

#### **5) *Consideration of other business***

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

## The Nominated Directors

Ten directors are to be elected at the meeting, each of whom is to hold office until the end of the next annual meeting of shareholders. All nominees have established their eligibility and willingness to serve as directors. If, prior to the meeting, any of the listed nominees becomes unable or unavailable to serve, proxies will be voted for any other nominee or nominees at the discretion of the proxyholder. The following pages set out, among other things, the names of the proposed nominees, together with their municipality of residence, the date they became directors (if applicable), their principal occupation and other principal directorships and committee memberships. Also indicated is the number of securities of Chorus beneficially owned, or over which control was exercised, directly or indirectly, as of May 5, 2021 and the value of those securities as of May 5, 2021 based on a market value of \$4.32 per share.

**Karen Cramm, FCPA,  
FCA**  
Halifax, Nova Scotia, Canada

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

**Chair of the Audit, Finance and Risk Committee  
Member of the Governance, Safety and Sustainability Committee**



Age: 70

**Independent**

Karen Cramm is a corporate director. A Chartered Professional Accountant since 1977, Mrs. Cramm holds master's degrees in business administration (MBA) and in public administration (MPA). Mrs. Cramm was a senior partner of Deloitte & Touche ("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 fourteen years and chaired the Deloitte Foundation, a registered charity focusing on corporate responsibility and giving back to communities across Canada. Mrs. Cramm has served as President of the Institute of Chartered Accountants of Nova Scotia and was elected as a Fellow of the Institute in recognition of distinguished service to the profession. She has also had extensive experience leading and serving on community-based, non-profit boards including Chair of the Boards of the Izaak Walton Killam Hospital and the Art Gallery of Nova Scotia and serving on the Boards and executive of both Dalhousie University and Mount Saint Vincent University.

### Chorus Securities Held or Controlled:

|                               |         |  |           |
|-------------------------------|---------|--|-----------|
| <b>Class B Voting Shares:</b> | Nil     | <b>Total Class B Voting Shares and Deferred Share Units:</b> | 146,318   |
| <b>Deferred Share Units:</b>  | 146,318 | <b>Total Value of Securities:</b>                            | \$632,094 |

Ms. Cramm's holdings exceed the director share ownership requirement of three times the annual base retainer for service as a director.

### Experience:

Executive Leadership, Other Board Experience, Accounting, Finance, Aviation/Transportation Industry Knowledge, Human Resources/Compensation, Strategic Planning, International Business, Mergers & Acquisitions/Growth Strategy, Risk Management, Information Technology & Security, and Safety/Environment

### Other Current Board Memberships

#### Public Boards:

None

#### Non-Profit Boards and Private Boards:

None

#### Other Board Memberships During the Last Five Years:

Medavie Inc.

Blue Cross Life Insurance Company of Canada

### 2020 Annual and Special Meeting of Shareholders Voting Results

| # Votes For | % Votes For | # Votes Withheld | % Votes Withheld |
|-------------|-------------|------------------|------------------|
| 50,527,095  | 98.68%      | 675,117          | 1.32%            |

**Richard D. Falconer**Mississauga, Ontario,  
Canada

Age: 76

**Independent****Director of Chorus since March 1, 2012****Chair of the Board of Directors since June 29, 2020**

Richard D. Falconer is a corporate director. Most recently, he was a Senior Advisor with Lazard Canada Inc., a financial advisory and asset management firm. Mr. Falconer retired from CIBC in 2011 after 40 years with the bank. At the time of retirement, Mr. Falconer was Vice Chairman and Managing Director, CIBC World Markets Inc. Mr. Falconer was Senior Partner, Verus Partners & Co. from April 2015 until September 2016. Mr. Falconer has extensive corporate finance and M&A experience in numerous industries including agriculture; energy; financial; forest products; media and telecom; mining; retail; technology; and transportation. Mr. Falconer holds a Master of Business Administration from York University, a Bachelor of Arts (Honours) from the University of Toronto, and is a Chartered Financial Analyst. Mr. Falconer is a member of board of directors of LOFT Community Services and Dorothy Ley Hospice, a Member of the Board of Governors of the Shaw Festival Theatre Endowment Foundation and a former director of both Jaguar Mining Inc. and of Resolute Forest Products Inc.

**Chorus Securities Held or Controlled:**

|                               |         |  |             |
|-------------------------------|---------|--|-------------|
| <b>Class B Voting Shares:</b> | 35,000  | <b>Total Class B Voting Shares and Deferred Share Units:</b> | 240,476     |
| <b>Deferred Share Units:</b>  | 205,476 | <b>Total Value of Securities:</b>                            | \$1,038,856 |

Mr. Falconer's holdings exceed the director share ownership requirement of three times the annual base retainer for service as a director.

**Experience:**

Executive Leadership, Other Board Experience, Accounting, Finance, Aviation/Transportation Industry Knowledge, Human Resources/Compensation, Strategic Planning, Government/Regulatory Affairs, International Business, Mergers & Acquisitions/Growth Strategy, Risk Management, Information Technology & Security, and Safety/Environment

**Other Current Board Memberships****Public Boards:**

None

**Non-Profit Boards and Private Boards:**

LOFT Community Services

Dorothy Ley Hospice

Shaw Festival Theatre Endowment Foundation

**Other Board Memberships During the Last Five Years:**

Jaguar Mining Inc.

Resolute Forest Products Inc.

**2020 Annual and Special Meeting of Shareholders Voting Results**

| <b># Votes For</b> | <b>% Votes For</b> | <b># Votes Withheld</b> | <b>% Votes Withheld</b> |
|--------------------|--------------------|-------------------------|-------------------------|
| 47,065,265         | 91.92%             | 4,136,947               | 8.08%                   |

**Gail Hamilton, FCPA, FCA; ICD.D** **New Nominee**

St. John's, Newfoundland and Labrador, Canada



Age: 65

**Independent**

Gail Hamilton is a Chartered Professional Accountant, obtaining her CPA, CA designation in 1979, and her FCPA, FCA in 1998. She is currently a director on several boards and continues to provide business advice to a small number of clients. Mrs. Hamilton was an Assurance Partner for over 20 years with KPMG and EY, retiring from KPMG and public practice in June 2015. In public practice, Mrs. Hamilton was involved in all aspects of delivering assurance and related business advisory services for a variety of organizations, including the airline industry. These organizations included public, multinational, entrepreneurial and not-for-profit entities. Mrs. Hamilton led efforts to enrich both the firm's personnel and the local communities in which the firms operated. She has been a keynote speaker at a number of seminars to discuss issues for women in business and management issues facing owners and managers. In 2012, Mrs. Hamilton completed the requirements to obtain the designation as Director of the Institute of Corporate Directors. Mrs. Hamilton's professional and community involvement throughout the years has benefitted numerous organizations including the College of Physicians and Surgeons of Newfoundland and Labrador, and the Anglican Cathedral of St. John the Baptist.

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**Chorus Securities Held or Controlled:**

|                               |       |  |          |
|-------------------------------|-------|--|----------|
| <b>Class B Voting Shares:</b> | 5,000 | <b>Total Class B Voting Shares and Deferred Share Units:</b> | 5,000    |
| <b>Deferred Share Units:</b>  | Nil   | <b>Total Value of Securities:</b>                            | \$21,600 |

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

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**Experience:**

Executive Leadership, Other Board Experience, Accounting, Finance, Aviation/Transportation Industry Knowledge, Human Resources/Compensation, Strategic Planning, International Business, Mergers & Acquisitions/Growth Strategy, Risk Management, Information Technology & Security, and Safety/Environment

**Other Current Board Memberships**

**Public Boards:**

None

**Non-Profit Boards and Private Boards:**

Anglican Cathedral of St. John the Baptist  
College of Physicians and Surgeons of Newfoundland and Labrador  
Emera Newfoundland and Labrador Holdings Limited

**Other Board Memberships During the Last Five Years:**

Provident10

**R Stephen Hannahs**Corona Del Mar, California,  
U.S.A.**Director of Chorus since August 10, 2015****Member of the Human Resources and Compensation Committee**  
**Member of the Audit, Finance and Risk Committee**

Age: 74

**Independent**

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

**Chorus Securities Held or Controlled:**

|  |         |   |           |
|--|---------|---|-----------|
| <b>Class A Variable Voting Shares:</b> | Nil     | <b>Total Class A Variable Voting Shares and Deferred Share Units:</b> | 105,297   |
| <b>Deferred Share Units:</b>           | 105,297 | <b>Total Value of Securities:</b>                                     | \$454,883 |

Mr. Hannahs' holdings meet the minimum director share ownership requirement of three times the annual base retainer for service as a director based on the market value of Chorus' shares as of the date his DSUs were awarded.

**Experience:**

Executive Leadership, Other Board Experience, Accounting, Finance, Aviation/Transportation Industry Knowledge, Aircraft Leasing Experience, Human Resources/Compensation, Strategic Planning, International Business, Mergers & Acquisitions/Growth Strategy, Risk Management, and Information Technology & Security

**Other Current Board Memberships****Public Boards:**

None

**Non-Profit Boards and Private Boards:**

Wings Capital Partners Management, LLC

**Other Board Memberships During the Last Five Years:**

None

**2020 Annual and Special Meeting of Shareholders Voting Results**

| <b># Votes For</b> | <b>% Votes For</b> | <b># Votes Withheld</b> | <b>% Votes Withheld</b> |
|--------------------|--------------------|-------------------------|-------------------------|
| 50,574,555         | 98.77%             | 627,657                 | 1.23%                   |

**Sydney John Isaacs**  
Westmount, Québec, Canada



Age: 64

**Independent**

**Director of Chorus and its predecessors or subsidiaries since January 1, 2008**

**Chair of the Human Resources and Compensation Committee  
Member of the Governance, Safety and Sustainability Committee**

Sydney John Isaacs is a corporate director. He was the Senior Vice President, Corporate Development and Chief Legal Officer for ACE Aviation Holdings Inc. from November 2004 until June 2012. From September 2000 to October 2004, Mr. Isaacs held a number of senior management positions at Air Canada in restructuring, mergers and acquisitions and business development. Prior to that, Mr. Isaacs was a partner at Stikeman Elliott LLP. Mr. Isaacs holds an LL.M degree from the London School of Economics and BA, BCL and LLB degrees from McGill University.

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**Chorus Securities Held or Controlled:**

|                               |         |  |           |
|-------------------------------|---------|--|-----------|
| <b>Class B Voting Shares:</b> | 5,000   | <b>Total Class B Voting Shares and Deferred Share Units:</b> | 139,793   |
| <b>Deferred Share Units:</b>  | 134,793 | <b>Total Value of Securities:</b>                            | \$603,906 |

Mr. Isaacs' holdings exceed the director share ownership requirement of three times the annual base retainer for service as a director.

**Experience:**

Executive Leadership, Other Board Experience, Finance, Aviation/Transportation Industry Knowledge, Human Resources/Compensation, Legal, Strategic Planning, International Business, Mergers & Acquisitions/Growth Strategy, Risk Management, and Safety/Environment

**Other Current Board Memberships**

**Public Boards:**

None

**Non-Profit Boards and Private Boards:**

None

**Other Board Memberships During the Last Five Years:**

TAP- Transportes Aéreos Portugueses, SGPS, S.A.

| <b>2020 Annual and Special Meeting of Shareholders Voting Results</b> |                    |                         |                         |
|---|--------------------|-------------------------|-------------------------|
| <b># Votes For</b>  | <b>% Votes For</b> | <b># Votes Withheld</b> | <b>% Votes Withheld</b> |
| 50,530,693  | 98.69%             | 671,519                 | 1.31%                   |

## Alan Jenkins

Limerick, Ireland



Age: 49

**Independent**

### New Nominee

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

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### Chorus Securities Held or Controlled:

|  |     |   |     |
|--|-----|---|-----|
| <b>Class A Variable Voting Shares:</b> | Nil | <b>Total Class A Variable Voting Shares and Deferred Share Units:</b> | Nil |
| <b>Deferred Share Units:</b>           | Nil | <b>Total Value of Securities:</b>                                     | Nil |

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

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### Experience:

Executive Leadership, Other Board Experience, Accounting, Finance, Aviation/Transportation Industry Knowledge, Aircraft Leasing Experience, Human Resources/Compensation, Strategic Planning, International Business, Mergers & Acquisitions/Growth Strategy, Risk Management, and Information Technology & Security

### Other Current Board Memberships

#### Public Boards:

None

#### Non-Profit Boards and Private Boards:

None

#### Other Board Memberships During the Last Five Years:

Nordic Aviation Capital DAC

Waypoint Leasing (Ireland) Limited

## Amos Kazzaz

St. Laurent, Québec, Canada



Age: 65

**Not Independent**

### Director of Chorus since June 29, 2020

Amos Kazzaz is currently the Executive Vice President and Chief Financial Officer at Air Canada, a role he has held since February 2021. He has oversight for Air Canada's overall financial strategic direction, comprising all aspects of financial reporting and planning, investor relations, treasury and controller's operations, taxation, pension administration, internal audit, fleet, procurement and corporate real estate.

Amos was previously Senior Vice President, Finance, a role held since August 2015 with responsibility for strategic procurement, strategic initiatives, fleet, corporate real estate, financial planning and analysis, cost reduction initiatives and financial support for all Air Canada branches. He joined the airline in May 2020 as Vice President, Financial Planning and Analysis.

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

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

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### Chorus Securities Held or Controlled:

|                               |        |  |           |
|-------------------------------|--------|--|-----------|
| <b>Class B Voting Shares:</b> | Nil    | <b>Total Class B Voting Shares and Deferred Share Units:</b> | 26,291    |
| <b>Deferred Share Units:</b>  | 26,291 | <b>Total Value of Securities:</b>                            | \$113,577 |

Mr. Kazzaz has until June 2025 to meet the director share ownership requirement.

### Experience:

Executive Leadership, Other Board Experience, Accounting, Finance, Aviation/Transportation Industry Knowledge, Human Resources/Compensation, Strategic Planning, International Business, Mergers & Acquisitions/Growth Strategy, Risk Management, Information Technology & Strategy, and Safety/Environment.

### Other Current Board Memberships

#### Public Boards:

None

#### Non-Profit Boards and Private Boards:

None

#### Other Board Memberships During the Last Five Years:

None

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### 2020 Annual and Special Meeting of Shareholders Voting Results

| # Votes For | % Votes For | # Votes Withheld | % Votes Withheld |
|-------------|-------------|------------------|------------------|
| 49,802,360  | 97.27%      | 1,399,852        | 2.73%            |

## Marie-Lucie Morin

Ottawa, Ontario, Canada



Age: 63

**Independent**

**Director of Chorus since February 17, 2016**

**Chair of the Governance, Safety and Sustainability Committee  
Member of the Human Resources & Compensation Committee**

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

### Chorus Securities Held or Controlled:

|                               |        |  |           |
|-------------------------------|--------|--|-----------|
| <b>Class B Voting Shares:</b> | 2,073  | <b>Total Class B Voting Shares and Deferred Share Units:</b> | 61,212    |
| <b>Deferred Share Units:</b>  | 59,139 | <b>Total Value of Securities:</b>                            | \$264,436 |

Ms. Morin's holdings meet the minimum director share ownership requirement of three times the annual base retainer for service as a director based on the market value of Chorus' shares as of the date her DSUs were awarded.

### Experience:

Executive Leadership, Other Board Experience, Finance, Aviation/Transportation Industry Knowledge, Human Resources/Compensation, Legal, Strategic Planning, Government/Regulatory Affairs, International Business, Information Technology & Security, and Safety/Environment

### Other Current Board Memberships

#### Public Boards:

Stantec Inc.

#### Non-Profit Boards and Private Boards:

Asia-Pacific Foundation

Caisse dépôt et placement du Québec

Deloitte Canada

Ditchley Foundation Canada

Palette Skills

#### Other Board Memberships During the Last Five Years:

AGT Food & Ingredients Inc.

Desjardins Development International

Génome Québec

Ottawa Symphony Orchestra

TimberWest

### 2020 Annual and Special Meeting of Shareholders Voting Results

| # Votes For | % Votes For | # Votes Withheld | % Votes Withheld |
|-------------|-------------|------------------|------------------|
| 50,588,185  | 98.80%      | 614,027          | 1.20%            |

## Joseph D. Randell

Wellington, Nova Scotia,  
Canada



Age: 67

**Not Independent**

## Director of Chorus and its predecessors or subsidiaries since January 24, 2006

Joseph (Joe) Randell is the President and Chief Executive Officer of Chorus Aviation Inc., a corporation which owns Jazz Aviation, Voyageur Aviation and Chorus Aviation Capital. He is an entrepreneur who has devoted the last 35 years shaping the landscape of the regional aviation industry in Canada and beyond. Convinced of the opportunity to fill a niche for regional travel following deregulation, Mr. Randell was a founder of Air Nova in 1985 and served as its President. In 1999, he led the consolidation of Air Nova and Air Alliance, the eastern based Air Canada regional carriers. Under his direction, the further consolidation of Air Ontario, Air BC and Canadian Regional Airlines led to the creation of Jazz Aviation. Jazz is Air Canada's exclusive provider of Air Canada Express 70+seat regional capacity. Mr. Randell's vision of a diversified Chorus became a reality in 2015 with the acquisition of Voyageur Aviation and the establishment of Chorus Aviation Capital in late 2016. Chorus provides a suite of regional aviation services to customers around the world. Mr. Randell is a Director of the Multiple Sclerosis Scientific Research Foundation, and the former Chairman of the Board of Directors of the National Airlines Council of Canada. He holds a Bachelor of Industrial Engineering Degree with distinction from Dalhousie University in Nova Scotia and a Master's Degree in Business Administration from Memorial University in Newfoundland. In 2015, Dalhousie University presented Mr. Randell with an Honorary Doctor of Laws Degree.

### Chorus Securities Held or Controlled:

|                                |           |  |                            |
|--------------------------------|-----------|--|----------------------------|
| <b>Class B Voting Shares:</b>  | 1,292,982 | <b>Total Class B Voting Shares and Restricted Share Units:</b> | 1,499,163                  |
| <b>Restricted Share Units:</b> | 506,568   | <b>Total Value of Securities:</b>                              | \$6,476,384 <sup>(1)</sup> |

Mr. Randell's holdings exceed his executive share ownership requirement of \$2,460,000.

(1) The figures for Restricted Share Units reflect only LTIP awards that will vest with the passage of time (which make up less than 1/2 of annual awards) and do not include any Restricted Share Units that vest contingent on the achievement of prescribed performance requirements (which represent up to 2/3s of annual LTIP awards).

### Experience:

Executive Leadership, Other Board Experience, Accounting, Finance, Aviation/Transportation Industry Knowledge, Aircraft Leasing Experience, Human Resources/Compensation, Strategic Planning, Government/Regulatory Affairs, International Business, Mergers & Acquisitions/Growth Strategy, Risk Management, Information Technology & Security, and Safety/Environment

### Other Current Board Memberships

#### Public Boards:

None

#### Non-Profit Boards and Private Boards:

Multiple Sclerosis Scientific Research Foundation

#### Other Board Memberships During the Last Five Years:

Regional Airline Association

### 2020 Annual and Special Meeting of Shareholders Voting Results

| # Votes For | % Votes For | # Votes Withheld | % Votes Withheld |
|-------------|-------------|------------------|------------------|
| 47,187,258  | 92.16%      | 4,014,954        | 7.84%            |

## Paul Rivett

Toronto, Ontario, Canada



Age: 53

**Independent**

## New Nominee

Paul Rivett is the co-founder and Chairman of NordStar Capital, a Canadian company he co-founded with Jordan Bitove in 2020. NordStar is a long-term focused, relationship-based, innovative funding and advisory services firm. Prior to co-founding NordStar, Mr. Rivett served as the President of Fairfax Financial Holdings Limited, a global insurance holdings and value investing company, where he worked for nearly two decades. Mr. Rivett currently serves on the boards of GreenFirst Forest Products and Blue Ant Media and is the Chairman of Torstar, a NordStar portfolio company, and Recipe Unlimited, Canada's leading restaurant company. He has previously been a member of a number of notable boards, including as Vice-Chair of Fairfax Africa, PEAK Athletics (Bauer & Easton Sports), TeamSnap, Golf Town & Sporting Life, Dexterra, Arctic Gateway Group, AGT Foods, MEGA Brands, Resolute Forest Products and The Brick.

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

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### Chorus Securities Held or Controlled:

|                               |                        |  |             |
|-------------------------------|------------------------|--|-------------|
| <b>Class B Voting Shares:</b> | 543,000 <sup>(1)</sup> | <b>Total Class B Voting Shares and Deferred Share Units:</b> | 543,000     |
| <b>Deferred Share Units:</b>  | Nil                    | <b>Total Value of Securities:</b>                            | \$2,345,760 |

Mr. Rivett's holdings exceed the minimum director share ownership requirement of three times the annual base retainer.

(1) The shares are held by NordStar Capital. Mr. Rivett is the co-founder and Chairman of NordStar Capital.

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### Experience:

Executive Leadership, Other Board Experience, Accounting, Finance, Human Resources/Compensation, Legal, Strategic Planning, International Business, Mergers & Acquisitions/Growth Strategy, Risk Management, and Safety/Environment

### Other Current Board Memberships

#### Public Boards:

GreenFirst Forest Products Inc.  
Recipe Unlimited Corporation

#### Non-Profit Boards and Private Boards:

Blue Ant Media  
NordStar Capital Inc.  
Torstar Corporation

#### Other Board Memberships During the Last Five Years:

Fairfax Africa  
PEAK Athletics  
Golf Town & Sporting Life

## Remuneration of Directors

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

The Board has determined that non-executive directors should be compensated in a form and amount which is appropriate and customary for comparable corporations, having regard for such matters as time commitment, responsibility and trends in director compensation. The executive director, Mr. Randell, is not paid additional compensation for service on the Board.

Compensation is paid quarterly and consists of a cash component and an equity component received as deferred share units (“DSUs”). DSUs are designed to promote the alignment of interests between individual non-executive directors and the shareholders of Chorus. DSUs have a value equivalent to the value of the shares at any time. DSUs may only be redeemed for cash and will be paid out only subsequent to the time the director ceases to be a director, or in the case of a U.S. taxpayer, subsequent to the date such person incurs a “separation from service” under applicable U.S. law. Participating directors receive, in respect of their DSUs, an amount equivalent to the amount of any dividends that would have been paid on an equivalent number of shares in the form of additional DSUs. A participating director may elect to have the cash component of his or her annual base retainer and/or any additional committee retainers payable in the form of DSUs or a combination of DSUs and cash.

In light of the impact of the COVID-19 pandemic on Chorus, the directors’ annual retainers were reduced 25% from April 1, 2020 through June 30, 2020 and by 20% from July 1, 2020 through December 31, 2020.

Effective July 1, 2020, the Board resolved that directors domiciled outside of Canada be paid their retainers and receive their annual DSU grants in U.S. Dollars on a 1:1 basis against the Canadian Dollar.

The chart below outlines the director compensation program in effect since the start of 2018, with the exceptions noted above in relation to 2020 salary reductions and currency of payment.

| <b>Role</b>         | <b>Annual Base Retainer*</b> | <b>Annual Equity Grant (DSUs)</b> | <b>Annual Total</b> |
|---------------------|------------------------------|-----------------------------------|---------------------|
| Chair of the Board  | \$150,000                    | \$100,000                         | \$250,000           |
| All Other Directors | \$75,000                     | \$50,000                          | \$125,000           |
| Meeting Attendance  |                              | <i>No Meeting Fees</i>            |                     |

| <b>Committee Fees</b>   | <b>Committee Chair Annual Retainer*</b> | <b>Committee Member Annual Retainer*</b> |
|-------------------------|---|--|
| Audit, Finance and Risk | \$15,000                                | \$5,000                                  |
| Other Committees        | \$10,000                                | \$3,000                                  |

\* Amounts in these columns are paid in cash, part cash and part DSUs or all in DSUs at the election of the individual board member. Starting July 1, 2020, cash retainers and DSU grants for directors domiciled outside of Canada are stated in U.S. dollars.

Directors are reimbursed for travel and out-of-pocket expenses incurred in attending meetings of the Board or its committees, as applicable.

Non-executive directors also receive an annual grant of travel reward miles upon election (or re-election) to the Board. As these travel reward miles are a taxable benefit, they receive a payment to address the related income tax. Non-executive directors may elect to receive a \$6,000 payment in lieu of the annual grant of travel reward miles.

## Director Compensation in 2020

| Name                            | Director Annual Base Retainer <sup>(1)(9)</sup> (\$) | Committee Annual Retainer(s) <sup>(2)(9)</sup> (\$) | Committee Chair-person's Annual Retainer(s) <sup>(3)(9)</sup> (\$) | Equity Grant (DSUs) Share-Based Awards <sup>(4)(9)</sup> (\$) | Other <sup>(5)</sup> (\$) | Total for 2020 <sup>(6)(9)</sup> (\$) |
|---------------------------------|--|---|--|---|---------------------------|---------------------------------------|
| Margaret Clandillon             | 73,322   | 5,865   | -  | 58,758  | 7,361                     | 145,306                               |
| Gary M. Collins                 | 62,813   | 4,188   | 4,000  | 50,000  | 7,361                     | 128,362                               |
| Karen Cramm                     | 62,813   | 2,513   | 12,563   | 50,000  | 7,361                     | 135,250                               |
| Richard D Falconer              | 92,813   | 2,188   | 4,375  | 75,000  | 7,361                     | 181,737                               |
| R Stephen Hannahs               | 73,322   | 7,821   | -  | 58,758  | 7,361                     | 147,262                               |
| Sydney John Isaacs              | 62,813   | 5,025   | -  | 50,000  | 7,361                     | 125,199                               |
| Amos Kazzaz <sup>(7)</sup>      | 30,000   | -   | -  | 25,000  | 7,361                     | 63,361                                |
| Richard H. McCoy                | 95,625   | 2,000   | -  | 75,000  | 7,361                     | 179,986                               |
| Marie-Lucie Morin               | 62,813   | 2,513   | 8,375  | 50,000  | 7,361                     | 131,062                               |
| Michael Rousseau <sup>(8)</sup> | 32,813   | -   | -  | 25,000  | -                         | 57,813                                |

(1) The annual base retainer for non-executive board members was \$75,000 and for the Chair of the Board was \$150,000. Mr. Randell is not paid additional compensation for service on the Board. All non-executive board members accepted a 25% reduction to their retainers during the second quarter of 2020, and a 20% reduction for the third and fourth quarters of 2020. The retainers for each such director reflect these reductions.

(2) Additional retainer for service on a Board committee or committees. The reductions for the second, third and fourth quarters of 2020 (discussed in note 1) are reflected in these figures.

(3) Additional retainer for service as a Chair of a Board committee. The reductions for the second, third and fourth quarters of 2020 (discussed in note 1) are reflected in these figures.

(4) Non-executive directors receive a portion of their remuneration in DSUs. All directors received \$50,000 annual value in DSUs with the exception of Mr. McCoy and Mr. Falconer who received additional \$50,000 in DSU for their service as Chair during 2020, in each case pro-rated for their time served in that role. Mr. Rousseau did not stand for re-election, and Mr. Kazzaz joined the Board on June 29, 2020

Directors have the option to elect, prior to the start of the fiscal quarter in which they wish the election to take effect, to have all or a portion of their annual base retainer and/or committee retainer(s) paid in DSUs. Messrs. Hannahs, McCoy and Kazzaz received 50% of their retainers in DSUs. Ms. Cramm received 100% of her annual committee retainers in DSUs. Mr. Collins, Mr. Isaacs, Ms. Clandillon and Mr. Rousseau elected not to receive any DSUs in lieu of their retainers. Ms. Morin elected to take 5% of her annual base retainer and 100% of her annual committee retainer in DSUs. Mr. Falconer changed his election from receiving 50% of his total retainers paid in DSUs to 100% effective the third quarter of 2020. The value of these DSUs in lieu of cash is reflected in the values shown in the columns headed "Director Annual Base Retainer" and "Committee Annual Retainer".

(5) Directors other than Mr. Randell receive an annual grant of travel reward miles upon election (or re-election) to the Board. As these travel reward miles are a taxable benefit, the directors receive a payment to address the related income tax. Directors were offered the option of receiving an equivalent value in cash. Ms. Clandillon, Ms. Cramm, Mr. Hannahs, Mr. Isaacs, Mr. Kazzaz and Mr. McCoy elected to receive the cash amount. The value of the travel reward miles, or cash equivalent, is included as other income.

(6) The value of the aggregate number of DSUs credited to each director during 2020 (including DSU grants and DSUs taken in lieu of cash fees), the values of which are included in this table, are for Ms. Clandillon \$58,758, Mr. Collins \$50,000, Ms. Cramm \$65,075, Mr. Falconer \$154,688, Mr. Hannahs \$99,329, Mr. Isaacs \$50,000, Mr. Kazzaz \$40,000, Mr. McCoy \$123,813, Ms. Morin \$64,028 and Mr. Rousseau \$25,000.

(7) Mr. Kazzaz was elected to the Board of Directors on June 29, 2020.

(8) Mr. Rousseau did not stand for re-election at the Corporation's annual and special meeting of shareholders held on June 29, 2020.

(9) Ms. Clandillon and Mr. Hannahs are domiciled outside of Canada. All amounts in the table are in Canadian dollars, however, reflect the change to payment in U.S. dollars effective July 1, 2020. The Bank of Canada exchange rate is used as per the date of each quarterly payment and grant of DSUs.

| Name                            | Share-Based Awards                                      |   |
|---------------------------------|---|---|
|                                 | Value of DSUs issued during 2020<br>(\$) <sup>(1)</sup> | Market value of DSUs held<br>at December 31, 2020<br>(\$) <sup>(2)(3)</sup> |
| Margaret Clandillon             | 61,183  | 117,289   |
| Gary M. Collins                 | 80,803  | 772,851   |
| Karen Cramm                     | 84,190  | 509,899   |
| Richard D. Falconer             | 174,653   | 644,539   |
| R Stephen Hannahs               | 109,345   | 335,930   |
| Sydney John Isaacs              | 68,211  | 475,590   |
| Amos Kazzaz <sup>(4)</sup>      | 40,000  | 56,774  |
| Richard H. McCoy                | 174,927   | 1,296,734   |
| Marie-Lucie Morin               | 69,541  | 187,916   |
| Michael Rousseau <sup>(5)</sup> | 26,405  | 43,368  |

(1) The grant value of DSUs awarded in 2020 and the value of additional DSUs credited to the directors as dividend equivalents.

(2) Based on market value of shares of Chorus at December 31, 2020 of \$3.70 per share. Amounts represent the aggregate balance of DSUs awarded, including the additional DSUs that have been credited to the directors as dividend equivalents.

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

(4) Mr. Kazzaz was elected to the Board on June 29, 2020.

(5) Mr. Rousseau was a member of the Board until June 29, 2020.

## Share Ownership Requirement for Directors

The Board has adopted share ownership guidelines which require non-executive directors to own shares and/or DSUs with a minimum aggregate value equal to three times their annual base retainer. Based on the current annual retainers, the target value for non-executive directors is \$225,000 and for the Chair of the Board is \$450,000.

The value of the shares and DSUs for this purpose is the greater of (i) the current market value of the shares (as of a recent date specified in this circular) and (ii) the market value of the shares as of the date the DSUs were granted. Such ownership must be achieved within five years from the date the director joins the Board. As of May 5, 2021, all director nominees had met the guidelines except Mr. Kazzaz who has until June 2025 to meet the requirement, and Ms. Hamilton and Mr. Jenkins who have until June 2026 to meet the requirement. For share ownership requirements applicable to the executive director (Mr. Randell), please refer to the “Executive Compensation” section of this circular.

## Certain Proceedings

To the knowledge of Chorus, none of the proposed nominees for election as directors (a) are, as at the date hereof, or have been, within 10 years before the date of this circular, a director, chief executive officer or chief financial officer of any company that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an “**Order**”) that was issued while the proposed nominee was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the proposed nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, (b) are, as the date of this circular, or have been within 10 years before the date of this circular, a director or executive officer of any company that, while person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (c) have, within the 10 years before the date of this circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed nominee, except that (A) Richard D. Falconer was a member of the board of directors of Jaguar Mining Inc. when it filed for a voluntary proceeding under the *Companies’ Creditors Arrangement Act* in 2013, (B) Joseph D. Randell ceased to be a director of Pluna Líneas Aéreas Uruguayas S.A. within one year prior to it being petitioned into bankruptcy by the government of Uruguay, (C) Alan Jenkins resigned from his position as Chief Financial Officer of Nordic Aviation Capital DAC within one year prior to it entering into a scheme of arrangement with certain of its lenders which arrangement was approved by the Irish High Court in 2020, and (D) Alan Jenkins was Chief Financial Officer of Waypoint Leasing (Ireland) Limited at the time it filed for bankruptcy protection under chapter 11 of title 11 of the United States Bankruptcy Code in 2018.

## Statement of Governance Practices

Chorus is committed to maintaining effective corporate governance policies and practices, and to this end continues to implement enhancements with a view to strengthening its approach to corporate governance and increasing investor confidence. Set out below is a summary of Chorus' principal corporate governance practices:

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

After reviewing its governance practices, the Board has concluded that Chorus complies with the requirements of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and the *Canada Business Corporations Act*.

## Board of Directors

### Board Size

Ten director nominees are being proposed for election at the meeting. Margaret Clandillon and Richard McCoy will not stand for re-election at the meeting. Gary Collins resigned from the Board effective April 14, 2021.

### Current Board and Committee Composition

| Director <sup>(1)</sup>            | Year Appointed to the Board | Audit, Finance & Risk Committee | Human Resources & Compensation Committee | Governance and Nominating Committee <sup>(7)</sup> |
|------------------------------------|-----------------------------|---------------------------------|--|--|
| Margaret Clandillon <sup>(2)</sup> | 2018                        | –                               | ✓  | ✓  |
| Karen Cramm                        | 2010                        | Chair                           | –  | ✓  |
| Richard D. Falconer <sup>(3)</sup> | 2012                        | –                               | –  | –  |
| R Stephen Hannahs                  | 2015                        | ✓                               | ✓  | –  |
| Sydney John Isaacs <sup>(4)</sup>  | 2008                        | –                               | Chair                                    | ✓  |
| Amos Kazzaz <sup>(5)</sup>         | 2020                        | –                               | –  | –  |
| Marie-Lucie Morin                  | 2016                        | –                               | ✓  | Chair  |
| Richard H. McCoy <sup>(6)</sup>    | 2006                        | ✓                               | –  | –  |
| Joseph D. Randell                  | 2006                        | –                               | –  | –  |

(1) Following the meeting, the Board will consider the composition of the Board committees and appoint new committee members as required.

(2) Ms. Clandillon will not stand for re-election at the meeting.

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

(4) Mr. Isaacs was appointed Chair of the Human Resources and Compensation Committee following Mr. Collins' resignation from Board on April 14, 2021.

(5) Mr. Kazzaz joined the Board on June 29, 2020 in accordance with the terms of the Investor Rights Agreement between Chorus and Air Canada dated February 4, 2019 (a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com)).

(6) Mr. McCoy will not stand for re-election at the meeting.

(7) The Governance and Nominating Committee was reconstituted as the Governance, Safety and Sustainability Committee effective February 18, 2021.

### Director Independence

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

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

All committee members must be independent.

| Director Name <sup>(1)</sup> | Independence Status |                 | Reason for Non-Independence  |
|------------------------------|---------------------|-----------------|--|
|                              | Independent         | Not Independent |  |
| Karen Cramm                  | ✓                   |                 |  |
| Richard D. Falconer          | ✓                   |                 |  |
| Gail Hamilton                | ✓                   |                 |  |
| R Stephen Hannahs            | ✓                   |                 |  |
| Sydney John Isaacs           | ✓                   |                 |  |
| Alan Jenkins                 | ✓                   |                 |  |
| Amos Kazzaz                  |                     | ✓               | Executive officer of Air Canada, which is party to a material contract with Chorus and its subsidiaries <sup>(2)</sup> |
| Marie-Lucie Morin            | ✓                   |                 |  |
| Joseph D. Randell            |                     | ✓               | President and CEO of Chorus  |
| Paul Rivett                  | ✓                   |                 |  |

(1) The individuals named in the above table are the individuals proposed for election at the meeting. Ms. Clandillon and Mr. McCoy are not named in this table as they are not standing for re-election at the meeting. Mr. Collins resigned from the Board effective April 14, 2021.

(2) Chorus and its subsidiary, Jazz Aviation, are party to a capacity purchase agreement with Air Canada (the "CPA"), which is a material contract to Chorus. For further information about the CPA, please refer to the Corporation's Annual Information Form dated February 18, 2021.

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

At each quarterly Board of Directors meeting, and most other meetings of the Board, time is reserved for the independent directors to meet in camera without members of management or the non-independent directors present. Questions and comments formulated during in camera sessions are then passed on to management and the non-independent directors, as appropriate. During the year ended December 31, 2020, twelve (12) such in camera sessions were held among the independent directors.

During 2020, the Audit, Finance and Risk Committee, the Governance and Nominating Committee and the Human Resources and Compensation Committee each held four (4) in camera sessions in the absence of the non-independent directors and members of management. Committees sometimes elected to hold their in camera sessions jointly with other committees.

### ***Attendance Record***

The attendance record of each director at meetings of the Board and its committees held in 2020 is shown below.

| Director                           | Board    | Audit, Finance and Risk Committee | Human Resources and Compensation Committee | Governance, and Nominating Committee | Totals |
|------------------------------------|----------|-----------------------------------|--|--------------------------------------|--------|
| Margaret Clandillon                | 15 of 15 | -                                 | 4 of 4                                     | 4 of 4                               | (100%) |
| Gary M. Collins <sup>(1)</sup>     | 15 of 15 | 4 of 4                            | 4 of 4                                     | -                                    | (100%) |
| Karen Cramm                        | 15 of 15 | 4 of 4                            | -  | 4 of 4                               | (100%) |
| Richard D. Falconer <sup>(2)</sup> | 15 of 15 | 2 of 2                            | 2 of 2                                     | -                                    | (100%) |
| R Stephen Hannahs                  | 15 of 15 | 4 of 4                            | 4 of 4                                     | -                                    | (100%) |
| Sydney John Isaacs                 | 15 of 15 | -                                 | 4 of 4                                     | 4 of 4                               | (100%) |
| Amos Kazzaz <sup>(3)</sup>         | 5 of 5   | -                                 | -  | -                                    | (100%) |
| Marie-Lucie Morin                  | 15 of 15 | -                                 | 4 of 4                                     | 4 of 4                               | (100%) |
| Richard H. McCoy <sup>(4)</sup>    | 15 of 15 | 2 of 2                            | -  | -                                    | (100%) |
| Joseph D. Randell                  | 15 of 15 | -                                 | -  | -                                    | (100%) |
| Michael Rousseau <sup>(5)</sup>    | 8 of 8   | -                                 | -  | -                                    | (100%) |

(1) Mr. Collins was appointed Chair of the Human Resources and Compensation Committee on June 29, 2020 and attended two meetings in that capacity during the year.

(2) Mr. Falconer was appointed as Chair of the Board effective June 29, 2020. Prior to that, he was a member of the Audit, Finance and Risk Committee ("Audit Committee") and the Chair of the Human Resources and Compensation Committee. He attended two Audit Committee meetings and two Human Resources and Compensation Committee meetings before he was appointed as Chair of the Board.

(3) Mr. Kazzaz was elected to the Board at Chorus' annual and special meeting of shareholders on June 29, 2020 and attended all Board meetings after his election except two meetings from which he recused himself in accordance with the Corporations' governance protocols.

- (4) Mr. McCoy was Chair of the Board until June 29, 2020. Mr. McCoy was appointed as a member of the Audit Committee effective June 29, 2020 and he attended two Audit Committee meetings as a committee member.
- (5) Mr. Rousseau was a member of the Board until June 29, 2020.

### ***Board Mandate***

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

### **Position Descriptions**

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

The Board has adopted a position description for the Chair of the Board. The Chair is responsible for, among other things: (i) ensuring that the responsibilities of the Board are well understood; (ii) encouraging the Board to work as a cohesive team, leveraging the expertise, skills and perspectives of all Board members; (iii) ensuring that the Board has available to it on a timely basis all relevant information, professional advice and other resources required for the Board's effective functioning; (iv) ensuring sufficient time and attention are given to fulfilling the Board's duties and responsibilities, including by ensuring the Board's committees are appropriately constituted and instructed; (v) overseeing the development of meeting agendas and ensuring the frequency, length and content of such meetings are appropriate; (vi) monitoring relationships and interests with a view to ensuring the Board maintains the level of independence required for its effective functioning; (vii) ensuring that a process is in place by which the contribution of individual directors and the effectiveness of the Board as a whole are assessed; and (viii) chairing every meeting of the Board and encouraging candid discussion at such meetings.

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

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

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

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

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

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

individuals identified by the committee for election or appointment as directors. The Chair of the Human Resources and Compensation Committee is required to ensure that (i) the committee is kept apprised of developments in the area of executive compensation, and that the committee plays a lead role in developing the Corporation's compensation philosophy, and (ii) as and when required, he or she plays a lead role in approaching individuals identified by the committee for appointment as CEO of the Corporation.

## Orientation

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

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

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

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

New directors also meet with the Chair of the Board and each of its standing committees and may attend committee meetings for educational purposes before becoming a member. When possible, new directors tour corporate facilities during the orientation period.

## Continuing Education

The Governance, Safety and Sustainability Committee is, among other things, responsible for providing continuing education opportunities for the Corporation's directors. Management assists by regularly providing directors with access to analyst reports, industry publications, industry benchmarking information, and articles on developments in the area of corporate governance. At each regular Board meeting, the directors are also provided with updates on the competitive landscape and the performance of each of the Corporation's principal subsidiaries. Select articles and presentations are also routinely provided to directors to keep current their knowledge and understanding of Chorus' industry and its attendant challenges and opportunities. Furthermore, site visits and facility tours are periodically arranged to provide directors with an opportunity to enhance their understanding of the operational aspects of Chorus' business. In 2019, the Governance, Safety and Sustainability Committee organized tours for the directors at Chorus' hanger facilities in both Vancouver, British Columbia and Toronto, Ontario. Given the ongoing COVID-19 pandemic and the associated public health measures and travel restrictions, Chorus was not able to arrange any site visits during 2020.

In 2019, the Board participated in an education session on the topic of cybersecurity and received quarterly updates on environmental, social and governance developments affecting the aviation industry and business generally. In December

2020, a majority of the Board participated in a roundtable discussion with a leading Canadian economist on the state of the world economy.

In late 2019, the Corporation became a member of the Institute of Corporate Directors (“ICD”). This membership provides the directors with access to education programs and regular updates on corporate governance developments. Some of the directors participated in education programs provided by ICD and other organizations on various topics, including diversity disclosure requirements, corporate governance, ESG reporting, and the impact of COVID-19 on corporations.

## Skills Matrix

Directors identify their skills and experience in the first quarter of each year. This information, which is set forth below for all directors nominated by management for election, is used to assess the overall strength and diversity of the Board.

|   | Cramm | Falconer | Hamilton | Hannahs | Isaacs | Jenkins | Kazzaz | Morin | Randell | Rivett |
|---|-------|----------|----------|---------|--------|---------|--------|-------|---------|--------|
| Executive Leadership <sup>(1)</sup>                         | ✓     | ✓        | ✓        | ✓       | ✓      | ✓       | ✓      | ✓     | ✓       | ✓      |
| Other Board Experience <sup>(2)</sup>                       | ✓     | ✓        | ✓        | ✓       | ✓      | ✓       | ✓      | ✓     | ✓       | ✓      |
| Accounting <sup>(3)</sup>                                   | ✓     | ✓        | ✓        | ✓       |        | ✓       | ✓      |       | ✓       | ✓      |
| Finance <sup>(4)</sup>                                      | ✓     | ✓        | ✓        | ✓       | ✓      | ✓       | ✓      | ✓     | ✓       | ✓      |
| Aviation / Transportation Industry Knowledge <sup>(5)</sup> | ✓     | ✓        | ✓        | ✓       | ✓      | ✓       | ✓      | ✓     | ✓       |        |
| Aircraft Leasing Experience <sup>(6)</sup>                  |       |          |          | ✓       |        | ✓       |        |       | ✓       |        |
| Human Resources / Compensation <sup>(7)</sup>               | ✓     | ✓        | ✓        | ✓       | ✓      | ✓       | ✓      | ✓     | ✓       | ✓      |
| Legal <sup>(8)</sup>  |       |          |          |         | ✓      |         |        | ✓     |         | ✓      |
| Strategic Planning <sup>(9)</sup>                           | ✓     | ✓        | ✓        | ✓       | ✓      | ✓       | ✓      | ✓     | ✓       | ✓      |
| Government / Regulatory Affairs <sup>(10)</sup>             |       | ✓        |          |         |        |         |        | ✓     | ✓       |        |
| International Business <sup>(11)</sup>                      | ✓     | ✓        | ✓        | ✓       | ✓      | ✓       | ✓      | ✓     | ✓       | ✓      |
| Mergers & Acquisitions / Growth Strategy <sup>(12)</sup>    | ✓     | ✓        | ✓        | ✓       | ✓      | ✓       | ✓      |       | ✓       | ✓      |
| Risk Management <sup>(13)</sup>                             | ✓     | ✓        | ✓        | ✓       | ✓      | ✓       | ✓      |       | ✓       | ✓      |
| Information Technology & Security <sup>(14)</sup>           | ✓     | ✓        | ✓        | ✓       |        | ✓       | ✓      | ✓     | ✓       |        |
| Safety / Environment <sup>(15)</sup>                        | ✓     | ✓        | ✓        |         | ✓      |         | ✓      | ✓     | ✓       | ✓      |

(1) Experience as senior executive/officer of a publicly listed company or major organization.

(2) Served as a board member of a public, private or non-profit entity.

(3) Knowledge of and experience with financial accounting and reporting, and familiarity with internal financial/accounting controls, Canadian or U.S. Generally Accepted Accounting Principles.

(4) Experience with corporate finance and financing transactions.

(5) Knowledge of the aviation/transportation industry.

(6) Executive experience in the aircraft leasing industry.

(7) Experience with benefit, pension and compensation programs (in particular, executive compensation programs).

(8) Experience as a lawyer either in private practice or in-house with a publicly listed company or major organization.

(9) Experience in the development and implementation of a strategic direction for a major organization.

(10) Experience with government, relevant government agencies and/or public policy in Canada.

(11) Experience with international operations, economics, geo-politics.

(12) Experience with mergers and acquisitions and/or business growth strategy.

(13) Knowledge of, and experience with internal risk controls, risk assessments and reporting

(14) Experience or knowledge relating to the information technology and security needs of a major organization.

(15) Knowledge of the safety and environmental issues facing the transportation industry.

## Diversity

The Board adopted a written diversity policy in February 2016 and updated it most recently in February 2021. Chorus seeks to maintain a Board and executive team comprised of talented and dedicated individuals whose skills and backgrounds reflect the diverse nature of the business environment in which Chorus operates. The Corporation’s diversity policy contains a target for the representation of women on the Board of Directors equal to 30% of Board membership by 2022. The Corporation’s diversity policy does not include any other targets; however, the policy does include diversity as one of the factors to be considered when identifying and selecting nominees for election or re-election to the Board and when appointing persons to executive positions within Chorus.

Chorus desires to be a leader in workplace diversity. In 2020, Chorus' Chief Executive Officer signed the Black North CEO Pledge, acknowledging the national need to address and alleviate racial, ethnic, and other tensions and to promote the elimination of anti-Black systemic racism wherever it exists. In 2018, Chorus established an Inclusion Council and a governance framework, including executive advocates, to support the efforts of employee groups and advance the Corporation's inclusion vision. In early 2020, Chorus introduced a comprehensive Diversity and Inclusion Strategy reinforcing the Corporation's commitment to diversity and inclusion. This strategy outlines four main areas of focus: building an inclusive and diverse workforce, accountability and compliance, continuous learning and industry leadership. Each area of focus includes short- and long-term goals, which will be reviewed and updated annually.

Chorus' two federally-regulated subsidiaries, Jazz Aviation LP ("**Jazz Aviation**" or "**Jazz**") and Voyageur Aviation Corp. ("**Voyageur**"), comply with the *Employment Equity Act* (Canada) which requires employers to implement an employment equity program. These entities report annually to the Government of Canada on steps taken to identify and remove systemic barriers to the hiring and promotion of persons from Designated Groups (as defined below). Five-year plans outline hiring, promotion and representation goals for each Designated Group.

Chorus' culture of equal opportunity and inclusion has been recognized externally with Jazz's selection as one of Canada's Best Diversity Employers for ten consecutive years (an award program conducted by Mediacorp Canada Inc. partnered with, among others, The Globe and Mail).

### ***Diversity on the Board of Directors***

The Board is committed to diversity and sees increasing diversity at the Board level as an essential element to improving governance and performance, and to creating a competitive advantage. The Board believes a truly diverse Board will include and make good use of a variety of skills, experience, industry knowledge, perspectives and backgrounds. The Board's diversity policy has set the objective of having women represent no less than 30% of the Board's membership by 2022.

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

- annually review the Board's diversity by reference to the following groups, as defined in the *Employment Equity Act* (Canada): women, Indigenous peoples, persons with disabilities, and members of visible minorities (collectively, "**Designated Groups**");
- leverage the relationships and business networks of the Board's existing members to identify potential new directors from Designated Groups, and use objective, merit-based and unbiased criteria to evaluate candidates for nomination as directors;
- direct any search firm engaged to assist the Governance, Safety and Sustainability Committee in identifying candidates for appointment to the Board to include candidates from Designated Groups;
- consider the impact of the Board's diversity when assessing the effectiveness of the Board and its committees; and
- ensure that women represent no less than thirty percent of the Board membership by 2022.

The current proportion of women on the Board stands at 30% and will remain at 30% if the nominees named in the circular are elected. None of the Chorus directors self-identify as Indigenous peoples (0%), persons with disabilities (0%), or as members of a visible minority (0%).

### ***Diversity in Executive Positions***

Due to the historic under-representation of certain Designated Groups in technical roles in the aviation industry, Chorus believes that a numerical target for the representation of Designated Groups in executive positions would be ineffective. For this reason, the Board has determined that Chorus should employ a methodical approach to developing candidates from each of the Designated Groups who can accede to executive and director level positions.

Chorus' approach includes:

- focusing on gender equity in leadership through Chorus for Women, an advisory group comprising senior female leaders from across Chorus' businesses who work to identify and implement initiatives aimed at promoting, attracting, retaining and developing women at Chorus;
- directing any search firm engaged to assist Chorus in identifying candidates for employment to include at least one candidate from Designated Groups;
- embedding diversity considerations in the hiring and promotions process, including by ensuring that hiring managers throughout Chorus include at least one candidate from Designated Groups for every position to be filled at the management level or above, or explain why it was not possible to do so; and
- ensuring that mentorship and development programs support leadership development of persons from Designated Groups through a focus on diversity in participation. Chorus' Diversity Officer reports annually to the Human Resources and Compensation Committee, reviewing succession and development plans, and strategies to increase diversity within Chorus' leadership team. As part of this review, the Human Resources and Compensation Committee monitors Chorus' progress to ensure that management is identifying and developing an internal roster of talent that will, over time, increase the number of persons from Designated Groups in executive and director level positions, in all cases aligned with a merit-based system.

Chorus has implemented an emerging leaders program to develop current and future leaders. Participants are selected from across the Chorus group of companies, taking into account Chorus' desire to increase the future diversity of its management team. The 12 to 18 month program includes leadership skills training, executive mentoring and coaching, and sessions with senior leadership to discuss strategy and leadership. The program has become a key component of Chorus' leadership development and succession planning. This program has been adapted to accommodate virtual learning and has continued despite the COVID-19 pandemic.

As of the date of this circular, the number and percentage of members of senior management who self-identify as being a member of one or more of the Designated Groups, as defined in the *Employment Equity Act*, are as follows (out of a total of 34 people): seven women (21%), zero Indigenous peoples (0%), two persons with disabilities (6%) and one visible minority (3%). For the purposes of this paragraph, Chorus has only reported on the positions included in the definition of "members of senior management" as set out within the *Diversity Regulations Amending the Canada Business Corporations Regulations, 2001*. The regulations define "members of senior management" to mean: (a) the chair and vice-chair of the board of directors; (b) the president of the corporation; (c) the chief executive officer and chief financial officer; (d) the vice-president in charge of a principal business unit, division or function, including sales, finance or production; and (e) an individual who performs a policy-making function in respect of the corporation. The number and proportion of members of senior management who self-identify as being a member of a Designated Group has been furnished by each of the individuals.

### **Board Term and Renewal**

Chorus does not have a mandatory retirement age or term limit for directors. The Board has determined that it can manage diversity, skills, renewal and succession planning adequately without imposing term limits and can also maintain an appropriate degree of continuity, both on the Board and on its committees. During the five-year period ending June 21, 2021, seven new Board members will have joined the Board if all nominees named in the circular are elected. Excluding the executive director (Mr. Randell), the average tenure of the directors nominated by management for election to the Board is approximately 5 years.

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

## Strategic Planning

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

## Code of Ethics and Business Conduct

Chorus has adopted a Code of Ethics and Business Conduct (the "**Code**") which was most recently updated and approved by the Board of Directors effective March 2019. The Code applies to all directors of Chorus as well as to all officers and employees of Chorus and its subsidiaries. A copy of the Code can be obtained on SEDAR at [www.sedar.com](http://www.sedar.com) or on Chorus' website at [www.chorusaviation.com](http://www.chorusaviation.com). The Code addresses, among other things, the following matters:

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

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

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

## Ethics Reporting Program

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

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

## Nomination of Directors

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

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

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

## Compensation

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

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

## Assessments

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

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

Objectives of the assessment include:

- evaluating the mechanisms in place for the Board and each committee to operate effectively and make decisions in the best interests of Chorus;
- improving the overall performance of the Board by assisting individual directors to build on their strengths;
- identifying gaps in skills and educational opportunities for the Board and individual directors; and
- developing the Board's succession plan and recruitment efforts.

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

Each director is surveyed regarding:

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

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

Every five years, or more frequently as determined by the Chair of the Governance, Safety and Sustainability Committee, the assessment process is completed by an independent third party who compiles the results, meets individually with each director and provides a report to the Board Chair and the Chair of the Governance, Safety and Sustainability Committee, including recommendations, if any, on ways to improve the effectiveness of the Board.

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

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

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

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

- Marie-Lucie Morin is currently a director of Stantec Inc.
- Paul Rivett is currently a director of GreenFirst Forest Products Inc. and Recipe Unlimited Corporation.

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

## Committees

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

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

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

This section includes reports from each Committee, which provide details regarding their respective members, responsibilities and activities.

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

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

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

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

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

- reviewing and recommending to the Board the approval of the interim and annual consolidated financial statements of the Corporation having first reviewed and considered, among other things, the external auditor’s report, the accounting policies selected by management, the reasonableness of all significant estimates, accruals and reserves, any unadjusted differences, and any disagreements between the external auditor and management;
- reviewing and recommending to the Board the approval of management’s discussion and analysis and earnings news release relating to the Corporation’s consolidated financial statements;
- reviewing significant accounting policy developments and choices that may impact the Corporation’s financial reporting;
- recommending to the Board a firm of chartered accountants to be nominated by the Board for appointment by shareholders as the Corporation’s external auditor;
- recommending to the Board for approval the external auditor’s fees, approving the scope, focus areas and materiality thresholds for audit of the Corporation’s financial statements, overseeing the external auditor’s work and assessing the external auditor’s performance, monitoring the external auditor’s independence, resolving any disagreements between the external auditor and management, and discussing with the external auditor any matters that could reasonably be thought to bear on the reliability of the Corporation’s financial statements;
- pre-approving all fees for non-audit services provided by the external auditor to the Corporation and its subsidiaries;

- approving the Corporation's hiring policies regarding current and former partners and employees of the Corporation's current and former external auditor;
- reviewing the performance of and, as required, the appointment and removal of the internal auditor;
- approving the internal audit mandate and plan for each fiscal year and reviewing quarterly reports of all internal audit engagements and management's response to all significant findings;
- reviewing management's assessment of the principal financial and other risks to the Corporation and the procedures for continually identifying, monitoring and managing those risks;
- reviewing any material weaknesses identified by management in relation to the design or operation of the Corporation's internal controls over financial reporting and disclosure controls and procedures as well as management's actions to remediate any weaknesses identified and the process for assessing updates and changes thereto;
- approving the Corporation's public disclosure policy, procedures for the receipt, retention and treatment of complaints regarding the Corporation's accounting, internal accounting controls and auditing matters, and procedures for the confidential submission by employees of concerns regarding questionable accounting and auditing matters;
- reviewing information from management regarding the Corporation's compliance with material tax withholding and remittance obligations and debt covenants, as well as any significant legal claims or proceedings;
- reviewing reports from management concerning the overall operation of the retirement plans of the Corporation and its subsidiaries and, in this connection, approving statements of investment policies and procedures, approving the actuary and consultants for the plans, accepting actuarial assumptions and valuation reports, and recommending to the Board the funding policy and financial statements for the retirement plans; and
- recommending to the Board the Corporation's delegation of authority policy as well as procedures for approving the reimbursement of expenses claimed by the Corporation's officers.

The Audit, Finance and Risk Committee met four times during the period from January 1, 2020 to December 31, 2020.

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

Members: Karen Cramm, Chair  
R Stephen Hannahs  
Richard McCoy

Mr. Collins resigned as a director on April 14, 2021 but served as a member of the Audit, Finance and Risk Committee throughout 2020 until his resignation.

Additional information regarding the Audit, Finance and Risk Committee is set out in the Corporation's Annual Information Form dated February 18, 2021 under "Directors and Officers – Audit, Finance and Risk Committee". Mr. McCoy is not standing for re-election at the upcoming meeting to be held on June 21, 2021.

### ***Risk Oversight***

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

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

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

The Governance and Nominating Committee was reconstituted as the Governance, Safety and Sustainability Committee on February 18, 2021. It is required to be composed of not less than three directors of Chorus as determined by the Board of Directors, all of whom must meet the independence and other membership requirements prescribed from time to time by applicable laws and stock exchange listing requirements to which Chorus is subject.

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

- the process for nominating individuals for election or re-election as directors;
- the process for evaluating the effectiveness of the Board, its committees and directors;
- management's operation of the safety management systems at Jazz and Voyageur, which provide a framework for managing safety, quality and environmental; and
- the Corporation's response to shareholder proposals.

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

- recommending to the Board a code of ethics and business conduct for the Corporation and its subsidiaries, including a process for obtaining confirmations of compliance and identifying material violations;
- recommending to the Board guidelines respecting trading in the Corporation's securities by directors, officers and employees;
- developing and recommending to the Board a process for assessing the effectiveness of the Board and its directors and overseeing the execution of that process;
- recommending to the Board a mandate for the Board, charters for each of the Board's standing committees and position descriptions for the Chairs of the Board and its committees and for the President and CEO;
- developing and recommending to the Board practices and policies that are reasonably expected to enhance the effectiveness of the Board and the Corporation's approach to corporate governance;
- assessing and providing recommendations to the Board in relation to any proposals submitted by shareholders;
- reviewing the Board's diversity, skills and experience and advising the Board in relation to any skills, experience or other characteristics that should be sought in new candidates for the Board;
- reviewing the Board's approach to renewing its membership and recommending to the Board any policies that may be advisable in this regard;
- reviewing the performance of the Corporation's operating subsidiaries in relation to their environmental, health and safety obligations;
- reviewing public policy and environmental, social and governance ("ESG") matters which are relevant to the Corporation or industry in which the Corporation operates, including, without limitation, trends, policies and regulatory developments relating to ESG;
- reviewing the Corporation's annual ESG report;
- coordinating with the Human Resources and Compensation Committee in relation to employee wellbeing initiatives that relate to the Corporation's ESG strategy;
- undertaking such other initiatives that may be necessary
- recommending to the Board individuals to be nominated for election or appointment as directors; and
- recommending to the Board the form and amount of compensation paid to directors, the orientation offered to new directors, continuing education opportunities available to directors, and professional advice available to directors to enable them to fulfil their duties.

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

The Governance, Safety and Sustainability Committee (previously known as the Governance and Nominating Committee) met four times during the period from January 1, 2020 to December 31, 2020.

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

Members: Marie-Lucie Morin, Chair  
Karen Cramm  
Sydney John Isaacs  
Margaret Clandillon

Ms. Clandillon is not standing for re-election at the upcoming meeting to be held on June 21, 2021.

## Human Resources and Compensation Committee

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

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

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

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

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

The Human Resources and Compensation Committee met four times during the period from January 1, 2020 to December 31, 2020.

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

Members: Sydney John Isaacs, Chair  
Margaret Clandillon  
R Stephen Hannahs  
Marie-Lucie Morin

Ms. Clandillon is not standing for re-election at the upcoming meeting to be held on June 21, 2021. Mr. Collins resigned as a director on April 14, 2021 but served as a member of the Human Resources and Compensation Committee throughout 2020 and as Chair of the committee from June 29, 2020 until his resignation.

The individuals who have served, and are intended to serve after the meeting, as members of the Human Resources and Compensation Committee bring many years of relevant experience to their role and duties on the committee. The current Chair of the Human Resources and Compensation Committee, Mr. Isaacs, has many years of experience as a senior executive of a public company, ACE Aviation Holdings Inc., and as a partner in a national law firm where he practiced in the areas of mergers and acquisitions, corporate finance and corporate and securities law. Ms. Morin has extensive experience leading complex organizations over the course of her distinguished career as a Canadian federal public servant.

Mr. Hannahs has extensive executive experience in the aviation industry with particular expertise in aircraft leasing sector and related compensation practices.

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

In 2020, the Human Resources and Compensation Committee met with the President and CEO to discuss his views on the executive leadership team and potential succession scenarios that included both planned transitions as well as emergency situations related to illness, disability or other unplanned absences. The Human Resources and Compensation Committee also met in camera, without Mr. Randell, to discuss the candidates he had identified as his possible successors.

## Executive Compensation

### Overview – 2020 Executive Compensation

Government-imposed travel restrictions and general health and safety concerns on the part of the traveling public due to the COVID-19 pandemic have decimated demand for passenger air travel globally. This pandemic is the most significant crisis in commercial passenger aviation history. Although demand for passenger air travel is expected to return, the recovery will be prolonged and uneven as the pandemic abates at different rates around the world.

Substantially all of Chorus' revenue is derived from airline customers. Chorus does not directly carry the market risks associated with passenger volumes or pricing yields as its contracts (namely, the CPA and its aircraft leases) provide for payment of fixed compensation irrespective of flight activity by airlines. Chorus does, however, bear the risk of non-payment if its customers are unable to meet their financial and contractual obligations. During 2020, Jazz operated approximately 35% of its Air Canada Express capacity compared to the prior year, resulting in approximately half of the pre-COVID workforce being placed on inactive status. Furthermore, substantially all of Chorus' airline leasing customers requested lease payment deferrals and 13 aircraft in the lease portfolio were returned and became off lease aircraft due to customer bankruptcies and restructurings.

As a result of the unprecedented challenges facing its customer airlines, Chorus took decisive action to promptly shore up its liquidity following the March 2020 declaration of the COVID-19 pandemic by the World Health Organization. The steps taken included i) securing a U.S. \$100 million liquidity facility, ii) suspending the dividend, iii) negotiating principal and interest deferrals on its aircraft loans with its largest lender, iv) curtailing discretionary capital and other operating expenditures, and v) implementing significant compensation reductions for Chorus employees and the Board.

Further initiatives were taken throughout 2020, including negotiating i) extensions to aircraft remarketing periods under debt facilities, and ii) an amended repayment schedule (versus a bullet payment) for the liquidity facility.

### 2020 Executive Compensation Decisions – Conserving Cash

During 2020, the focus was on cash conservation, and the compensation decisions by the Human Resources and Compensation Committee (referred to in this section of the circular as the "HRCC") and the Board supported this focus.

Significant employee salary reductions were introduced effective April 1, 2020. The President and CEO agreed to forego 70% of his salary and other senior executives agreed to forego up to 50% of their salaries. On July 1, 2020, salary reductions for executive management were extended for the remainder of the year at 20%.

Although the 2020 LTIP was granted prior to the outbreak of COVID-19, the value at year end had dropped to 48% of its grant value based on the decrease in Chorus' share price.

To further conserve cash, the Board used downward discretion, despite the achievement of metrics under the annual incentive plan (the "AIP"), not to approve payments under the AIP for 2020. Instead, the Board approved a limited budget to recognize those individuals who made an extraordinary contribution in 2020 in mitigating the impact of the COVID-19 pandemic on Chorus and/or positioning Chorus for future growth when the pandemic abates. In all cases, these special awards were between 25% to 50% of the target incentive percentage for the recipients. The total amount paid for recognition

was less than 50% of the total that would otherwise have been paid to all eligible participants under the AIP formula, and was approximately 20% of total AIP payments made in 2019.

No adjustments were made to the performance vesting criteria for the Performance Share Units ("PSUs") granted under the LTIP in 2018 to account for the impact of the COVID-19 pandemic. These PSUs, which had a performance vesting cycle ending December 31, 2020, constituted two-thirds of the total 2018 LTIP grant and vested at an 82% achievement factor. The significant decline in Chorus' share price and suspension of the dividend in 2020 decreased the intended LTIP value for participants by approximately 50%.

Executive salary increases that would have ordinarily been approved in November 2020 and taken effect on January 1, 2021 were deferred with a review planned for mid-2021.

The President and CEO's total compensation in 2020 was 28% less than 2019 (see "Summary Compensation Table"), and his realizable compensation was 44% less than the intended target value (see "2020 Target Compensation Compared to Realizable Compensation for CEO"). The total compensation of the Corporation's Chief Financial Officer ("CFO") was slightly higher year over year because he was promoted to this position in May of 2019. The regular compensation for the three other Named Executive Officers ("NEOs") in 2020 was lower than 2019, but their total compensation was higher year over year due to the receipt of one-time performance-contingent payments pursuant to special long-term incentive agreements established prior to 2020 (see "Long Term Cash Incentive Plans"). These executives were involved in spearheading Chorus' growth and diversification in aircraft leasing, which continues to be Chorus' prime growth opportunity. Mr. Lopes and Mr. Peddle are NEOs in 2020 as a result of these one-time payments. The other direct reports to the President and CEO who have historically been the NEOs experienced a similar level of decreased total compensation as Mr. Randell.

### **2021 Executive Compensation Decisions - Supporting Recovery and Growth**

While 2020 was a difficult year for Chorus and its stakeholders, the steps taken by Chorus' leadership team have allowed Chorus to navigate the COVID-19 crisis. In March 2021, mutually beneficial revisions to the CPA were announced, delivering cost efficiencies to Air Canada and making Jazz the sole provider of 70+ seat regional capacity to Air Canada until 2025. In April of 2021, steps were taken to further secure Chorus' future by raising \$145 million gross proceeds through a concurrent public and private offering of Chorus common equity units and convertible senior unsecured debentures.

The HRCC and Board consider retaining and motivating the existing management team critical to Chorus' ability to manage through what is expected to be a prolonged and uneven recovery for our industry. While executive compensation decisions related to the 2020 year were largely based on conserving cash and honouring pre-existing commitments, the Board's compensation decisions moving forward are aligned with Chorus' recovery and growth strategy.

In recognition of salary reductions taken by management and administrative employees in 2020, and to provide them with an opportunity to share in Chorus' recovery in a manner aligned with shareholder experience, the Board approved a fully at risk, share appreciation unit ("SAU") program. On December 31, 2020, SAUs were granted to eligible employees, including NEOs, based on the total salary reduction they incurred from July 1 to December 31, 2020. Eligible employees will receive the cash value of the share appreciation, if any, of Chorus shares between December 31, 2020 and December 31, 2022. No SAUs were granted for reductions taken during the second quarter of 2020, which, for the senior executives, were much more significant.

The retention value of Chorus' outstanding LTIP awards granted prior to the onset of the COVID-19 pandemic, weighted two thirds on PSUs, and with targets set three years in advance, has significantly decreased. To address this concern, the performance vesting criteria for the PSUs granted in February 2020 were revised in order to align the metrics for the 2021 and 2022 financial years to Chorus' long range financial plan for the 2021-2023 financial years. This ensures the 2020 PSU grants incentivize the achievement of Chorus' recovery and growth plan. While this preserves some value for participants, they will effectively forego the value of 1/3 of the 2020 PSU grants. No changes were made to the 2019 LTIP grant.

To retain and motivate the team that will lead the Chorus recovery and align their performance and compensation with the growth strategy, the Board approved a Recovery Incentive Program with payments to NEOs and the President and CEO's other direct executive reports, conditional on meeting strategic initiatives related to the recovery of the business.

Compensation decisions in this environment are challenging. The HRCC and Board are cognizant of the experiences and hardships endured by Chorus' shareholders, employees and other stakeholders. At the same time, it is critical to retain and incentivize a strong leadership team that will continue to manage Chorus' liquidity prudently while positioning Chorus to take advantage of growth opportunities and execute upon its growth and diversification strategy.

## Compensation Discussion and Analysis

### Compensation Philosophy

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

- compensation which is market competitive with companies of similar complexity and revenues;
- incentives which reward the achievement of corporate objectives and long-term value creation and ensure a majority of executive compensation is variable/at risk; and
- share ownership guidelines which ensure executives have a personal ownership stake in Chorus that aligns their interests with shareholders.

### Aligning Risk and Compensation

Chorus' executive compensation program reflects high standards of corporate governance through policies and practices that provide strong oversight and risk mitigation. The HRCC assesses, on a regular basis and periodically, in consultation with external consultants as it determines appropriate, the risks associated with Chorus' executive compensation program. In order to minimize emphasis on short-term results, Chorus' executive compensation program has evolved to place greater emphasis on longer-term share-based compensation. Furthermore, a majority of executive compensation takes the form of variable/at risk compensation for more senior executives. In 2020, the percentage of at-risk compensation was 71% for Mr. Randell and 58% to 65% for the other NEOs (see "Current Compensation Mix").

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

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

The HRCC is satisfied that:

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

### External Consultants

The HRCC has direct access to independent consultants specializing in compensation and benefits. However, the decisions made by the HRCC are its responsibility and may reflect factors and considerations in addition to the information and recommendations provided by consultants.

In 2020, Meridian Compensation Partners (“**Meridian**”) provided advice regarding incentive plans and the impact of the COVID-19 pandemic on executive compensation. In 2019, Meridian provided advice with respect to the design of performance metrics to be used for each of Chorus’ principal subsidiaries in the AIP. In August 2018, Meridian proposed changes to the compensation benchmark group (described below under the heading “Benchmark Group”). Meridian was first engaged by the HRCC to provide advisory support to the HRCC in July 2016, and the terms of Meridian’s engagements since then have always required the pre-approval of the Chair of the HRCC.

In addition to external consultants engaged by the HRCC, management also provides recommendations to the HRCC, and those recommendations are sometimes based on the advice or recommendations of consultants engaged by management. The HRCC meets regularly in camera without members of management and has the authority to engage compensation consultants and other professional advisors in its discretion to evaluate management’s proposals.

*Executive Compensation-Related Fees*

Meridian billed \$7,122 in 2020, \$3,832 in 2019 and \$2,178 in 2018 for assistance to the HRCC as described above. No other consultants or advisors provided services to the HRCC during the two most recently completed financial years.

*All Other Fees*

Except as disclosed above, Meridian did not bill any other fees to Chorus during the two most recently completed financial years.

**Say on Pay**

At Chorus’ 2020 annual and special meeting of shareholders, shareholders were given the opportunity to cast an advisory vote on Chorus’ approach to executive compensation. Shareholders expressed a high level of support for Chorus’ approach to executive compensation with 96.9% of the votes cast in favour of the resolution.

**Named Executive Officers**

The following discussion is with respect to the President and CEO, the CFO, and the three most highly compensated executive officers of Chorus (including its subsidiaries) other than the President and CEO and the CFO in 2020. The NEOs as of December 31, 2020 were as follows:

| <b>Name</b>       | <b>Position</b>   |
|-------------------|---|
| Joseph D. Randell | President and Chief Executive Officer   |
| Gary Osborne      | Chief Financial Officer   |
| Steven Ridolfi    | President, Chorus Aviation Capital (“ <b>President, CAC</b> ”)                              |
| Dennis Lopes      | Senior Vice President, Chief Legal Officer and Corporate Secretary (“ <b>SVP and CLO</b> ”) |
| James Peddle      | Chief Operating Officer, Chorus Aviation Capital (“ <b>COO, CAC</b> ”)                      |

Mr. Lopes and Mr. Peddle are NEOs in 2020 as a result of one-time payments received under certain long-term cash incentive plans (see “Long-Term Cash Incentive Plans”). These payments related to specific performance targets which were met in 2020.

## Share Ownership Guidelines

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

| Position          | Ownership Guideline <sup>(1)</sup> |
|-------------------|------------------------------------|
| President and CEO | 3 x base salary                    |
| All other NEOs    | 2 x base salary                    |

(1) Based on each NEO's base salary (not accounting for temporary reductions due to the COVID-19 pandemic).

Shares, RSUs and PSUs granted under the LTIP are included in determining whether an executive has satisfied the applicable minimum ownership guideline. One hundred percent of RSUs and 50% of PSUs are included for such purposes. The value of equity holdings is calculated using the higher of the share price on the date the securities were acquired, and the date compliance is determined. Subject to any increase in the target ownership resulting from any promotion or salary increase, once an executive has met his or her target ownership, he or she is deemed to continue meeting that target in future years so long as he or she has not disposed of any equity holdings that enabled him or her to initially meet the target.

## 2020 NEO Share Ownership

Each NEO's status in achieving the ownership guidelines is set out below. The value shown is based on the closing price of \$3.70 per share on December 31, 2020. All NEOs meet or exceed their ownership targets, with the exception of Mr. Osborne who has until May 8, 2024 to meet his ownership targets.

|                             | RSUs held (#) | Shares held (#) | Value (\$) | Multiple of Base Salary | Ownership Guideline Multiple | Ownership Guideline Achieved |
|-----------------------------|---------------|-----------------|------------|-------------------------|------------------------------|------------------------------|
| Joseph D. Randell           | 416,708       | 1,277,682       | 5,755,303  | 7.0                     | 3                            | Yes                          |
| Gary Osborne <sup>(1)</sup> | 81,979        | 9,830           | 238,586    | 0.8                     | 2                            | No                           |
| Steven Ridolfi              | 165,007       | 140,123         | 925,472    | 2.2                     | 2                            | Yes                          |
| Dennis Lopes <sup>(2)</sup> | 183,776       | 30,356          | 600,519    | 1.6                     | 2                            | Yes                          |
| James Peddle <sup>(2)</sup> | 96,075        | 113,827         | 658,145    | 1.8                     | 2                            | Yes                          |

(1) Mr. Osborne has until May 8, 2024 to meet his ownership targets.

(2) Mr. Lopes and Mr. Peddle achieved the ownership guideline during 2019 and are deemed to have met their target in accordance with the terms of the Corporation's share ownership guidelines because they have not disposed of their equity holdings between that time and December 31, 2020

## Anti-Hedging Policy

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

## Compensation Recoupment Policy

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

restatement of any of Chorus' financial statements occurs within 36 months of the original date that such financial statements were first publicly disclosed.

### **Benchmark Group**

In determining compensation, the HRCC considers a benchmark group of Canadian businesses which guides executive compensation decisions. The composition of the benchmark group is assessed annually by management and the HRCC and adjusted as appropriate. In 2018, the HRCC approved changes to the benchmark group, in consultation with Meridian, which expanded the size of the benchmark group and placed Chorus at the median of the group in terms of asset value and market capitalization. WestJet Airlines was removed from the group upon ceasing to be a publicly listed company at the end of 2019. No further changes to the benchmark group were made in 2020; however, Rocky Mountain Dealerships Inc. will be removed from the group in 2021 as it ceased to be a publicly listed company at the end of 2020. It is recognized that revenues reported in 2020 may not be representative for some of the benchmark group.

Companies chosen by the HRCC for the benchmark group are:

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

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

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

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

In addition to the comparator group above, supplemental information is gathered in relation to aircraft leasing companies to help inform decisions relating to the compensation for Mr. Ridolfi and Mr. Peddle. This includes a review of proxy disclosures from publicly traded leasing companies as well as information garnered from industry surveys.

### **Chorus Compensation Practices**

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

#### **What We Do**

- ✓ **Pay for performance** – we align pay with corporate, business unit and individual performance and use several performance measures to avoid undue focus on any particular measure.
- ✓ **Align pay to shareholder returns** – a significant portion of total compensation is provided in annual equity awards, with the largest proportion based on RSUs and PSUs. Options are not a regular compensation component and are only used in special circumstances.

- ✓ **Pay at risk** – 71% of the target direct compensation for the President and CEO, and 58% - 65% for other NEOs, is at-risk pay, contingent on performance, and not guaranteed.
- ✓ **Share ownership** – we require all executives to own a minimum value of shares (or share-equivalents, such as RSUs) of Chorus.
- ✓ **Performance-based vesting** – at least one-half, and up to two-thirds of the annual LTIP grants are PSUs which vest at the end of three years based on achievement against financial performance targets. The mix of RSUs and PSUs is determined with the approval of each grant.
- ✓ **Benchmarking** – we benchmark executive compensation against a size and industry appropriate comparator group and target compensation to the 50<sup>th</sup> percentile of the group (see “Benchmark Group” above).
- ✓ **Caps on incentive payouts** – our AIP is capped at a maximum of 200% of target. The maximum pay-out requires a combination of exceptional individual, corporate, and, where applicable, business unit performance. Our LTIP is capped at 100% of target, much lower than market norms.
- ✓ **Clawbacks** – our Compensation Recoupment Policy applies to all incentive compensation awarded to executive officers and any other employees with material oversight responsibility over those who prepare Chorus’ financial statements.
- ✓ **Board discretion** – we apply Board discretion, upward and downward, as appropriate to address exceptional circumstances not contemplated by performance measures.
- ✓ **Time periods** – we cover a range of time periods in our incentive plans to balance short-term objectives and longer-term performance measurement.
- ✓ **Realized and realizable pay** – the value ultimately realized from a long-term incentive award can be significantly different from the grant value, and share price is only one factor that affects the payout value.
- ✓ **Modest benefits and perquisites** – these are a small part of total compensation and are market competitive.
- ✓ **Double trigger change of control** – severance provisions in equity plans have double triggers in the event of a change of control.
- ✓ **Maximum severance multipliers** – we have provided a maximum severance multiplier of two times in all cases, except for a legacy agreement with our incumbent President and CEO (see “Termination and Change of Control Benefits” below) based on his extensive industry experience and contribution as the founding president, which would not be available in future to an incoming CEO.
- ✓ **Independent advice** – the HRCC has access to independent advisors.

### ***What We Don’t Do***

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

### **Executive Compensation Program**

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

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

### Direct Compensation

| Compensation Element | Objectives  | Form          | Performance Period                          | Pay at Risk   |
|----------------------|---|---------------|---|---|
| Base Salary          | Attract and retain talent<br><br>Compensate for day to day responsibilities, contribution, and experience | Cash          | Reviewed annually (Review deferred in 2020) | Fixed/No risk   |
| AIP                  | Motivate and reward achievement of corporate and individual performance                                   | Cash          | Annual                                      | At risk; individual, business unit and corporate performance thresholds |
| LTIP                 | Reward for creating sustained shareholder value; Encourage retention                                      | RSUs and PSUs | Three-year performance cycle                | At risk; At least 1/2 and up 2/3 of each annual grant consists of PSUs  |
|                      | Motivate leadership through extraordinary events or initiatives   | Options       | Up to 10 years                              | At risk; not a regular component of compensation                        |
| LTCIP                | Motivate and reward select executives for growth and success at CAC                                       | Cash          | Until end of 2022                           | At risk   |

### Indirect Compensation

| Compensation Element             | Objectives   | Form  | Performance Period | Pay at Risk   |
|----------------------------------|--|---|--------------------|---|
| Pension                          | Attract and retain talent; Provide post-employment financial support | Defined contribution plan; Supplemental executive retirement plan for executives hired prior to March 2, 2011                             | Ongoing            | No risk   |
| Benefits                         | Attract and retain talent; Support health and well being             | Group life, disability, dental and extended health  | Ongoing            | No risk   |
| Employee Share Ownership Program | Aligns interests of employees with shareholder                       | Voluntary purchase of shares through payroll deduction from 2-6% of salary. Employer match suspended June 1, 2020.                        | Ongoing            | At risk (employee investment); No risk (employer match) |
| Perquisites                      | Attract and retain talent  | Taxable car allowance, health spending account, optional health assessment and financial advisory services (applies to certain executive) | Ongoing            | No risk   |

## Current Compensation Mix

The following reflects the current compensation mix:

|                   | Target annual incentive<br>(% of base earnings) | Target long-term incentive<br>(% of base salary) | Percentage of direct<br>compensation "at risk" |
|-------------------|---|--|--|
| Joseph D. Randell | 110%  | 130%   | 71%  |
| Gary Osborne      | 70%   | 100%   | 63%  |
| Steven Ridolfi    | 85%   | 100%   | 65%  |
| Dennis Lopes      | 70%   | 100%   | 63%  |
| James Peddle      | 70%   | 70%  | 58%  |

In August 2020, the Board approved an increase in the annual LTIP grant to 100% of base salary (from 65%) and an increase in the AIP percentage to 70% of base earnings (from 60%) for Mr. Osborne, based on his performance as CFO and assumption of responsibility for Chorus' Investor Relations function.

In addition, the Board can make discretionary awards of stock options, RSUs or PSUs to executives under the LTIP, thereby providing increased at-risk long-term incentive compensation; however, did not do so in 2020.

## Elements of Compensation

### 1) Base Salary

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

#### 2020 Base Salary

Prior to the onset of the COVID-19 pandemic in 2020, NEO base salaries were increased as shown in the following table. The increases reflect their demonstrated capabilities and ensure that their base salaries are competitive with the market for their positions. These increases were approved in November 2019 and effective January 1, 2020. As noted below, these salaries were in effect for the first quarter of 2020 only following which the salary reductions were applied.

|                             | Base Salary 2019 (\$) | Base Salary 2020 (\$) |
|-----------------------------|-----------------------|-----------------------|
| Joseph D. Randell           | 795,000               | 820,000               |
| Gary Osborne                | 300,000               | 320,000               |
| Steven Ridolfi              | 410,000               | 420,250               |
| Dennis Lopes                | 358,750               | 385,000               |
| James Peddle <sup>(1)</sup> | 346,818               | 359,401               |

(1) Mr. Peddle is paid in U.S. Dollars. The figures shown in this table are the Canadian Dollar equivalent of his base salary converted at the Bank of Canada annual exchange rates of \$1.00 USD = \$1.3415 CAD for 2020 and \$1.00 USD = \$1.3269 for 2019.

#### 2020 Salary Reductions

In April 2020, in response to the impact of the COVID-19 pandemic on Chorus' employees and shareholders, employee salary reductions were implemented with significant reductions at the executive level. The President and CEO agreed to forego 70% of his salary and other senior executives agreed to a reduction in their salaries of up to 50% for the same period. The salary reductions taken by the other NEOs were 30% for Mr. Osborne, 45% for Mr. Ridolfi, 42% for Mr. Lopes and 25% for Mr. Peddle. On July 1, 2020, the salary reductions were extended for the remainder of the year at a rate of 20% for each of the NEOs.

The Board approved the SAU program for all Chorus employees whose salaries were reduced between July 1 and December 31, 2020. At the end of the salary reduction period, SAUs were granted to each recipient based on the i) total salary reduction incurred between July 1 and December 31, 2020, divided by ii) the 5-day volume weighted average price of Chorus shares as at December 31, 2020 (\$3.60). SAUs allow each recipient the opportunity to benefit from the appreciation (if any) in the price of the Corporation's shares between December 31, 2020 and December 31, 2022. SAUs are settled by way of a cash payment. The NEOs are participants in this program along with other executive, management

and administrative employees at Chorus and its subsidiaries. SAU grants were calculated based solely on the salary reductions for the period from July 1 to December 31, 2020. No SAUs were granted on account of any salary reductions taken by employees prior to July 1, 2020, which were substantially greater for the NEOs.

### *2021 Base Salary*

A review of executive salaries was not undertaken in 2020. Executive salaries have been frozen until such review is completed in mid-2021.

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

### *Annual Incentive Plan*

All eligible members of management participate in the AIP at target bonus percentages commensurate with their management level. With regard to corporate and business unit performance against financial targets, participants in the AIP are eligible to receive payouts of between 0% and 200% of each weighted metric, based on achievement between a threshold (or minimum) value of 80% and a stretch (or maximum) value of 120% of the target. Participants receive no amount for a measure if performance is below threshold and receive 200% for a measure if performance is at or above 120% of target. The relationship is linear such that if 90% of the target is met, the percentage payout for that measure is 50%.

In 2020, the AIP had three components which were additive and recognized: (i) corporate performance; (ii) business unit performance; and (iii) individual performance.

For those executives with primary responsibility for Chorus consolidated performance, including Mr. Randell, Mr. Osborne and Mr. Lopes, weightings in 2020 were distributed among the components as follows: 75% Chorus consolidated financial performance and 25% individual performance.

For business unit executives, including Mr. Ridolfi and Mr. Peddle, weightings were allocated among components as follows: for Mr. Ridolfi, 45% Chorus consolidated performance, 30% business unit performance, and 25% individual performance; and for Mr. Peddle, 30% Chorus consolidated performance, 45% business unit performance, and 25% individual performance.

Corporate metrics for Chorus consolidated performance, equally weighted, were: Adjusted Earnings Per Share (“**Adjusted EPS**”) and Adjusted Cash Provided by Operating Activities. Adjusted EPS and Adjusted Cash Provided by Operating Activities are non-GAAP measures which do not have standardized meanings under GAAP and may not be comparable to similar measures presented by other issuers. Adjusted EPS measures overall profitability and is defined as earnings (net income) adjusted for any foreign exchange gain or loss on long-term debt and lease liabilities and realized foreign exchange gain or loss divided by the weighted average number of shares outstanding. Adjusted Cash Provided by Operating Activities means cash provided by operating activities before net changes in non-cash balances related to operations less capital expenditures, excluding aircraft acquisitions and extended service program investments. Adjusted EPS was the corporate measure applicable to business unit executives and forms the corporate performance component of their AIP.

Business unit metrics for Chorus Aviation Capital (“**CAC**”) were: Adjusted Cash Provided by Operating Activities and Adjusted Earnings Before Taxes (“**EBT**”). Adjusted Cash Provided by Operating Activities has the same meaning as that defined above for Chorus.

An individual performance factor ranging from 0% to 200% is applied to the individual component. Payment of the individual component is subject to meeting the threshold for at least one of the financial metrics. All NEOs, other than the President and CEO, receive performance reviews based on a common set of evaluation criteria. These criteria are grouped into the following categories: job responsibilities, leadership, and progress on business unit or division plans.

The HRCC and the Board assess the performance of the President and CEO annually based on financial performance and non-financial measurements to determine an appropriate level of compensation. However, the formulas used and program parameters for variable compensation and the LTIP are those approved by the Board for all executives. The annual performance review of the President and CEO considers a number of factors. Overall leadership performance is evaluated with consideration given to the achievement of the annual business plan, which includes short-term initiatives to meet annual targets and execution against long-term strategic initiatives aimed at growing shareholder value.

## 2020 AIP – Corporate Performance

Details of the performance against targets for the 2020 AIP, which applied to the NEOs, were as follows:

| Metric   | Threshold | Target <sup>(1)</sup> | Stretch | Actual  | Percentage Payout |
|--|-----------|-----------------------|---------|---------|-------------------|
| Chorus Adjusted EPS (\$)                               | 0.75      | 0.92                  | 1.10    | 0.17    | 0                 |
| Chorus Adjusted Cash from Operating Activities (\$000) | 236,398   | 295,497               | 354,596 | 256,370 | 37%               |

(1) All variable compensation expense was excluded from the actual and target results.

## 2020 AIP Decision

The Board exercised downward discretion in electing not to pay any AIP in respect of 2020, supporting the focus on cash conservation. Chorus' adjusted cash from operating activities met the threshold for payment under the AIP; however, this was due primarily to the fixed fee nature of Jazz's CPA with Air Canada and not reflective of operating activity or overall business performance during the year. Due to significant reductions in operating activity and revenues at Chorus' Jazz and Voyageur subsidiaries, both companies accessed benefits under the Canada Emergency Wage Subsidy ("CEWS") in order to minimize job losses.

The Board did, however, recognize that certain employees made extraordinary contributions toward mitigating the impact of the COVID-19 pandemic, preserving value and/or positioning Chorus for growth when the pandemic abates. A limited, discretionary budget was approved to recognize these employees with payments in the range of 25 – 50% of the annual incentive target for their positions (the "2020 Special Recognition Program"). In relative terms, the recognition budget was approximately 20% of the AIP payout for 2019, and less than 50% of the total payout that the AIP formula would have yielded for 2020 absent the exercise of downward discretion by the Board.

Based on the results of their performance reviews and their leadership through the unprecedented challenges of 2020, each NEO received a payment under the 2020 Special Recognition Program. For reference, values represent 37.5% to 50% of each NEO's target AIP opportunity.

The table below displays the 2020 AIP opportunity at target and maximum for each NEO and the value of the 2020 Special Recognition Program payment received.

|                   | AIP Target as a % of Base Salary | AIP Target Award Opportunity | AIP Maximum Opportunity | 2020 Special Recognition Program |
|-------------------|----------------------------------|------------------------------|-------------------------|----------------------------------|
| Joseph D. Randell | 110%                             | 902,000                      | 1,804,000               | 451,000                          |
| Gary Osborne      | 70%                              | 224,000                      | 448,000                 | 112,000                          |
| Steven Ridolfi    | 85%                              | 357,213                      | 714,425                 | 178,606                          |
| Dennis Lopes      | 70%                              | 269,500                      | 539,000                 | 134,750                          |
| James Peddle      | 70%                              | 251,581                      | 503,162                 | 95,608                           |

## President and CEO Individual Performance

Mr. Randell focused on managing through the crisis posed by the COVID-19 pandemic, ensuring the health and safety of Chorus' customers and employees, building liquidity and protecting Chorus' balance sheet, and laying the groundwork for the recovery of Chorus' business post pandemic. The HRCC and Board considered the following accomplishments in reviewing Mr. Randell's performance:

- Rapidly responded to the health and safety protocols required for employees and customers;
- Ended the year in a profitable position despite the unprecedented challenges experienced globally by the passenger aviation industry;
- Closed 2020 with approximately \$200 million in available cash, achieved through a robust strategy that included reducing non-essential capital expenditures and overhead costs, restructuring Jazz's operations to meet a drastically reduced flying schedule, suspending the dividend and renegotiating debt maturities under certain debt facilities;

- Negotiated a U.S. \$100 million revolver credit facility mid-2020 to enhance liquidity;
- Negotiated revisions to the CPA with Air Canada (announced in March 2021) which enhanced Jazz's position as the exclusive provider of 70+ seat regional capacity to Air Canada until 2025 while providing Air Canada with greater cost efficiency and flexibility;
- Negotiated with potential investors which ultimately resulted in a \$145 million concurrent public and private offering of common equity units and convertible senior unsecured debentures;
- Worked with Chorus' leasing customers to help them manage the economic pressures they are facing as a result of the COVID-19 pandemic, thereby strengthening Chorus' long term relationship with them;
- Executed on a government outreach program to ensure awareness among policy-makers of the role and importance of regional aviation to Canada;
- Fostered a culture of inclusion recognized through numerous awards as a top employer in Canada, including Canada's Best Diversity Employer for the tenth consecutive year and the Top Employer for Young People for the ninth consecutive year;
- Maintained a strong focus on safety which was recognized with Jazz being named among Canada's Safest Employers 2020, taking gold in the Public Transportation category;
- Modeled community service through his contribution as a director of the Multiple Sclerosis Scientific Research Foundation; and
- Recognized for his industry leadership as a 2020 inductee into Canada's Aviation Hall of Fame.

Based on the review of Mr. Randell's performance, the Board approved a payment of \$451,000 under the 2020 Special Recognition Program, which represents 50% of his target opportunity under the AIP. Had the Board not exercised downward discretion in respect of payments under the 2020 AIP, his payment under the 2020 AIP based on a formulaic assessment of performance against metrics would have been 64% of target (\$577,280) as described below.

| <b>Metric<sup>(1)</sup></b>   | <b>Allocation</b> | <b>Percentage Payout</b> | <b>Weighted</b> |
|---|-------------------|--------------------------|-----------------|
| Chorus Adjusted EPS (\$)  | 37.5%             | 0.0%                     | 0.0%            |
| Chorus Adjusted Cash from Operating Activities (\$000)                            | 37.5%             | 37.0%                    | 14.0%           |
| Individual Component  | 25.0%             | 200.0%                   | 50.0%           |
| <i>Value had downward discretion not been applied (as a % of target AIP)</i>      |                   | <i>64%</i>               |                 |
| <i>Actual value of Special Recognition Program payment (as a % of target AIP)</i> |                   | <i>50%</i>               |                 |

(1) The corporate performance metrics are equally weighted and represent 75% of the annual incentive for corporate executive. The individual component is 25% at target to a maximum of 50%. Based on Mr. Randell's performance in 2020 and corporate performance, the payment under the AIP formula for Mr. Randell would have been 64% of his target incentive.

### *AIP Design Changes*

In February 2021, the Board approved a change to the AIP design to better align with Chorus' culture of collaboration and shared vision for its business units. Starting with the 2021 year, the AIP will be based on a Chorus consolidated performance component and an individual performance component.

The Chorus consolidated performance measure for all participants will be Adjusted EPS and earnings before interest, taxes, depreciation, and amortization ("**EBITDA**"), equally weighted. EBITDA replaces Adjusted Cash Provided by Operating Activities as a metric which is commonly used by analysts and shareholders in assessing Chorus' financial performance. This also reduces duplication of metrics in the short and long term incentive plans. The individual performance component at the executive level will incorporate business unit or departmental goals cascading from the annual Chorus plan.

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

In 2020, Chorus had two long-term incentive compensation programs: (i) the LTIP, and (ii) certain Long-term Cash Incentive Plans for select executives involved in the CAC business (the "**LTCIPs**").

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

The LTIP is Chorus' share-based, long-term incentive plan that enhances Chorus' ability to attract, retain and motivate executives and other key employees (as approved by the Board from time to time). The LTIP aligns the interests of executives with the interests of Chorus' shareholders because the value of a participant's holdings (whether RSUs or options) is directly

related to the value of Chorus' shares. Furthermore, if the Board awards RSUs in the form of PSUs, the value of those awards is also dependent on the achievement of the performance vesting conditions (see "Key Terms of the LTIP").

### *Key Terms of the LTIP*

|  |   |
|--|---|
| <b><i>Eligible participants</i></b>                              | <p>The President and CEO and other officers of Chorus or named individuals, employees or officers of any other entity designated by the Board.</p> <p><i>Types of awards</i></p> <ul style="list-style-type: none"><li>• RSU – a right to receive upon vesting one share or cash equal to the then trading price of a share.</li><li>• PSU – an RSU that, in addition to a time vesting condition, only vests upon the achievement of specified performance targets.</li><li>• Option – a right to purchase a share at an exercise price per option at least equal to the closing price of a share on the date the option is granted.</li></ul>   |
| <b><i>Total issuable</i></b>                                     | 11,000,915 shares (of which 6,295,082 have been issued or reserved for issuance under the LTIP).  |
| <b><i>Option exercise price</i></b>                              | Determined by the Board but may not be less than the closing price of the shares on the grant date (or if the shares did not trade on such date, the average of the bid and ask prices of the shares at the close of trading on such date).   |
| <b><i>Insider limits</i></b>                                     | Shares issued from treasury to insiders within any one-year period pursuant to the LTIP, together with the shares of Chorus issued from treasury to insiders during such one-year period under all of Chorus' other treasury share based compensation arrangements, will not exceed 10% of Chorus' total issued and outstanding shares of Chorus. The total number of shares of Chorus issuable from treasury to insiders under the LTIP, at any time, together with the shares of Chorus issuable from treasury to insiders under all of Chorus' other treasury share based compensation arrangements, will not exceed 10% of Chorus' total issued and outstanding shares.   |
| <b><i>Vesting</i></b>  | Generally, RSUs and PSUs vest at the end of three years. Vesting of PSUs is dependent on whether performance between 80% and 100% of target is achieved. RSUs and PSUs with a performance cycle up to a maximum of five years may also be granted. However, where the vesting date is more than three years after the grant date, the RSUs or PSUs are exercisable for shares issued from treasury or cash at the participant's election. Unless otherwise specified by the Board, each vested option may be exercised at any time or from time to time, in whole or in part, for up to the total number of shares with respect to which it is then exercisable and it remains exercisable until expiration or termination of the option. |
| <b><i>Dividend Equivalents</i></b>                               | If and when dividends are paid, additional RSUs are credited as dividend equivalents calculated by dividing: (i) the amount obtained by multiplying the amount of the dividend declared and paid by Chorus per share by the number of RSUs recorded in the participant's account on the record date for the payment of such dividend, by (ii) the five-day volume weighted average price of the shares for the period including and ending on the third trading day prior to the record date for the payment of such dividend. Dividends are not paid on PSUs which may not vest, due to failure to achieve performance conditions. Options do not earn dividend equivalents.   |
| <b><i>Option term</i></b>  | Maximum of 10 years. However, if an option expires during, or within five business days after, a routine or special trading black-out period imposed by Chorus to restrict trades in Chorus' securities, then, notwithstanding any other provision of the LTIP, unless the delayed expiration would result in tax penalties, the option will expire 10 business days after the trading black-out period is lifted by Chorus.  |
| <b><i>Termination of employment for cause or resignation</i></b> | All RSUs and PSUs credited to the participant's account will be forfeited and cancelled. All options, whether vested or not, held by a participant terminated for cause will be forfeited and cancelled.  |

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In the case of resignation, any options that are not vested will be forfeited and cancelled and any vested options will continue to be exercisable until the earlier of 90 days and the date on which the exercise period of the options expire.

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***Termination of employment due to retirement, long-term disability, death or termination without cause***

Any unvested RSUs and PSUs will be pro-rated based on the completed months of service during the three-year performance cycle. RSUs subject to time vesting will vest within 45 days. The participant will be entitled to PSUs at the end of each applicable cycle, if targets are achieved (vesting is dependent on whether performance between 80% and 100% of target is achieved). In the case of a termination of employment without cause, vesting of a pro-rated number of the outstanding, unvested options will accelerate and such portion will become fully vested and exercisable on the date of termination and remain exercisable until the earlier of the date which is the later of (i) 90 days after the vesting date and (ii) 12 months after the applicable event, and the expiry date. Pro-ration would be based on the completed months of service during the three-year vesting period. Vested options are exercisable by the participant until the earlier of 12 months and the date on which the exercise period of the options expire. Options that have not vested on or prior to the date of termination are forfeited.

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***Change of control***

Double trigger change of control vesting applies to all RSUs, PSUs and options. In the event of the participant's termination without cause or termination for "good reason" (as defined in the LTIP) within 24 months following a Change of Control (as defined in the LTIP), any RSUs, PSUs or options outstanding immediately prior to the change of control, but which have not vested as of the termination date, will become fully vested, and the options will become fully exercisable, on the termination date and the options remain exercisable until the earlier of (i) the date which is 90 days after the termination date, and (ii) the date on which the exercise period for the particular options expires. The definition of "Change of Control" includes a change in the composition of a majority of the Board.

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

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***Assignability***

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

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***Amendments***

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

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

### Performance Measures

Target performance goals for the PSU grants are based on Adjusted Cash Provided from Operating Activities at 50% weighting, adjusted EPS, and Return on Invested Capital (“**ROIC**”), each at a 25% weighting. Weighting of these measures is intended to ensure a balanced focus on maintaining profitability, generating adequate returns on invested capital, and maintaining strong cash flows to support investment for future growth.

Adjusted EPS and Adjusted Cash Provided from Operating Activities are defined in this circular under the heading “Executive Compensation Program – 2) Short-Term Incentive Compensation”.

ROIC is a non-GAAP measure that does not have a standardized meaning under GAAP and may not be comparable to similar measures presented by other issuers. ROIC is frequently used in the airline industry and is a metric reported in Chorus’ MD&A. It is commonly used to assess the efficiency with which a company allocates its capital to generate returns. Return is calculated based on Chorus’ earnings before tax, excluding finance costs. Invested capital includes average long-term debt, average lease liabilities, and average shareholders’ equity.

### 2020 LTIP Grant

The table below displays the 2020 LTIP award of PSUs and RSUs and the value at grant on February 2020, and at December 31, 2020 for each of the NEOs.

|                   | PSUs <sup>(1)</sup><br>(#) | RSUs<br>(#) | Value on grant<br>date <sup>(2)</sup> (\$) | Value on Dec 31,<br>2020 <sup>(3)</sup> (\$) |
|-------------------|----------------------------|-------------|--|--|
| Joseph D. Randell | 91,817                     | 45,909      | 1,066,000                                  | 509,587                                      |
| Gary Osborne      | 28,919                     | 14,459      | 251,570                                    | 160,499                                      |
| Steven Ridolfi    | 36,197                     | 18,099      | 420,250                                    | 200,895                                      |
| Dennis Lopes      | 33,161                     | 16,581      | 385,000                                    | 184,044                                      |
| James Peddle      | 21,415                     | 10,708      | 248,632                                    | 118,855                                      |

(1) For 2020 awards, 2/3 of the total LTIP value was provided in PSUs.

(2) The value of PSUs and RSUs granted in 2020 is based on the fair market value per share as of the date of the annual grants of \$7.74 except for 16,505 RSUs granted at \$2.64 to Mr. Osborne coincident with approved compensation changes in August 2020.

(3) The value of PSUs and RSUs granted in 2020 is calculated based on the closing price of a share on the TSX as at December 31, 2020 (\$3.70) and assuming PSUs vest at 100%.

### 2020 LTIP Grant Decision

The performance targets set for the PSUs granted in February 2020 were based on Chorus’ 2020 long range business plan covering the years 2020 - 2022. This was a growth plan was established as Chorus was entering the year from the strongest position in its history. As 2020 progressed, it was clear to the Board that consecutive years of lost growth opportunity combined with the ongoing impact of the pandemic would make it impossible for the vesting thresholds to be met. The Board applied its discretion to preserve the value of this LTIP as an incentive and retention tool. Chorus’ 2021 long range business plan covering the years 2021, 2022 and 2023, guides and directs management’s priorities for the post-pandemic recovery and will therefore be the basis for the performance targets governing the vesting of PSUs granted in 2020. As this effectively updates the targets for only 2/3 of the PSUs granted in respect of the 2020 – 2022 performance cycle, the final vesting opportunity for the 2020 PSUs has been effectively reduced by 1/3. This ensures the 2020 PSU grants incentivize the achievement of the 2021-2023 long range plan and effectively foregoes the value of 1/3 of the 2020 PSU grants. No adjustments were made to the 2019 LTIP.

## 2018 LTIP Grant – Vesting of Awards

Details of the performance targets and vesting percentage for PSUs granted in 2018 under the LTIP are as follows:

| <b>Objective</b>  | <b>Weight</b> | <b>Threshold</b> | <b>Target</b> | <b>Actual</b> | <b>% Vesting</b> |
|---|---------------|------------------|---------------|---------------|------------------|
| Aggregate Adjusted Cash from Operating Activities (\$000,000) | 50%           | 714.00           | 892.50        | 762.10        | 85%              |
| Aggregate Adjusted EPS (\$)                                   | 25%           | 2.27             | 2.84          | 1.97          | 69%              |
| Aggregate Adjusted ROIC (%)                                   | 25%           | 26.40            | 33.00         | 29.00         | 88%              |
| <b>Total Payout Percentage</b>                                |               |                  |               |               | <b>82%</b>       |

No adjustments were made by the Board for the impact of the COVID-19 pandemic. As of December 31, 2019, actual performance against LTIP metrics for the PSUs granted in 2018 was forecasted to be 95.9% (versus actual of 82%).

For the purposes of PSU vesting, the Board approved adjustments to reflect the impact of the CPA amendments executed in 2019, which were not contemplated when the PSUs were granted in 2018 but created significant long-term value by securing a 10-year extension to the contract. The same methodology was applied to the vesting of PSUs granted in 2017.

## 2021 LTIP Grant

In granting the 2021 LTIP awards, the Board considered the potential for windfall gains; however, given the expected period to recovery, the awards were granted at the normal, market competitive percentages of salary. Awards were issued on the basis of 50% RSUs and 50% PSUs.

## Equity Compensation Plan Information

The table below sets out information about the equity plans as at December 31, 2020.

| <b>Objective</b>   | <b>(a)<br/>Number of securities to be issued upon the exercise of outstanding options and vesting of RSUs/PSUs<sup>(1)</sup></b> |                       | <b>(b)<br/>Weighted average exercise price of outstanding options, warrants and rights<sup>(2)</sup></b> | <b>(c)<br/>Number of securities remaining available for future issuances under equity compensation plans, excluding securities reflected in column (a)</b> |                  |
|--|--|-----------------------|--|--|------------------|
|  | <b>% of shares outstanding<sup>(3)</sup></b>   | <b>Number</b>         | <b>\$</b>  | <b>% of shares outstanding</b>   | <b>Number</b>    |
| Equity compensation plans approved by security holders     | 0.04%  | 70,719 <sup>(4)</sup> | -  | 2.91%  | 4,705,833        |
| Equity compensation plans not approved by security holders | Nil  | Nil                   | Nil  | Nil  | Nil              |
| <b>Total</b>   | <b>0.04%</b>   | <b>70,719</b>         | <b>-</b>   | <b>2.91%</b>   | <b>4,705,833</b> |

(1) Does not include shares underlying the unvested RSUs /PSUs as these will either be redeemed for shares purchased on the secondary market (and not issued from treasury) and/or equivalent cash at the option of the participant. The LTIP granted to Mr. Lopes is an exception as the vesting date is more than three years from the grant date and is therefore exercisable by Mr. Lopes for shares issued from treasury or cash.

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

(3) As of December 31, 2020, a total of 161,867,388 Chorus shares were issued and outstanding.

(4) Includes 66,313 RSUs plus 4,406 RSU dividend equivalents (as referenced in footnote (1)).

The approved maximum number of Chorus shares which may be issued from treasury under the LTIP is 11,000,915 (the “**Reserved LTIP Shares**”). The Reserved LTIP Shares represent approximately 6.8% of Chorus’ issued and outstanding shares as at December 31, 2020.

There have been 6,224,363 shares issued under the LTIP since its inception, which represents approximately 3.8% of Chorus’ issued and outstanding shares as at December 31, 2020. As of December 31, 2020, 4,776,552 shares remained available for issuance under the LTIP, 70,719 of which are currently reserved for issuance pursuant to outstanding RSUs that would need to be settled through the issuance of shares from treasury.

The table below sets out the dilution, overhang and burn rate for the LTIP as of December 31 for each of the last three years. The total number of shares issued and outstanding as of December 31 of each year was as follows: 161,867,388

(2020); 160,450,995 (2019) and 140,210,174 (2018). There were no options granted in 2020, 2019 and 2018. Shares underlying the RSUs and PSUs granted in 2020, 2019 and 2018 are not currently redeemable for shares issuable from treasury but rather from secondary market purchases or cash, with the exception of the RSUs and PSUs granted on May 21, 2019 which must be issued from treasury and are included in the calculation below.

| <b>Objective</b>         | <b>2020</b> | <b>2019</b> | <b>2018</b> |
|--------------------------|-------------|-------------|-------------|
| Dilution <sup>(1)</sup>  | 0.04%       | 0.59%       | 2.10%       |
| Overhang <sup>(2)</sup>  | 3.00%       | 3.00%       | 4.80%       |
| Burn Rate <sup>(3)</sup> | Nil         | 0.04%       | Nil         |

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

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

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

### **Long-Term Cash Incentive Plans**

In 2017, recognizing the importance of CAC to the Company's growth and diversification strategy, the Board approved the CAC LTCIP (the "**CAC Founders Grant**") as a one-time incentive for certain executives of CAC focused on the initial growth phase of CAC. The CAC business was, and continues to be, the main growth driver in Chorus' diversification strategy. The CAC Founders Grant was established as a key component of the compensation program for certain founding executives of the CAC business to ensure their compensation was market competitive for the aircraft leasing sector. Mr. Ridolfi and Mr. Peddle both participate in the CAC Founders Grant.

Under the CAC Founders Grant, Mr. Ridolfi and Mr. Peddle are eligible to earn a cash incentive based on the growth in book value (specifically, the consolidated retained earnings balance of the third-party leasing business carried on by CAC) between January 4, 2017, the date of CAC's establishment, and December 31, 2022. Growth in book value was chosen as the most relevant success measure for creating shareholder value. Mr. Ridolfi's opportunity is 2.83% and Mr. Peddle's is 1.42% of the growth in book value during this period. In calculating the incentive payable, only the growth in book value derived from Chorus' initial equity investment in CAC will be taken into account. The plan provides for an interim payment, to be deducted from the final payment, based on meeting a specified target of U.S. \$39.8 million in book value. Payment of the final incentive (if earned) will be made to eligible participants in three equal instalments: the first, by no later than March 31, 2023; the second, by no later than December 31, 2023; and the third, by no later than December 31, 2024. This is intended to extend the retention value of the program and the applicability of Chorus' Compensation Recoupment Policy.

In 2019, the Board approved an LTCIP as a one-time incentive for Mr. Lopes in recognition of his contribution to the early growth and success of CAC. A cash incentive is payable if CAC achieves a minimum specified book value, consistent with the interim book value target of the CAC Founders Grant.

The LTCIPs are unfunded, unsecured and subject to Chorus' Compensation Recoupment Policy. Change of control and termination clauses are generally consistent with those of the Chorus LTIP. In 2019, these LTCIPs were closed to new participants.

#### **2020 LTCIP Payments**

In December 2020, the Board approved the interim payment under the CAC Founders Grant. The CAC Founders Grant contemplates an assessment of the target's achievement on December 31 of each year. However, the target was met in February 2020, and the Board exercised discretion in determining that the target had been met in 2020 despite subsequent impairments resulting from the impacts of the COVID-19 pandemic. Mr. Ridolfi's interim payment was U.S. \$845,651 and Mr. Peddle's interim payment was U.S. \$422,885; these amounts will be credited against any final payment due to them in respect of the CAC Founders Grant at December 31, 2022.

Due to the adverse impact of the COVID-19 pandemic on book value as determined under the CAC LTIP, it will no longer be possible for the participants in the CAC Founders Grant to realize the originally intended value of that plan on December 31, 2022.

In December 2020, the Board also approved the LTCIP payment to Mr. Lopes of \$500,000, which was based on CAC achieving the target growth in book value of U.S. \$39.8 million.

## *Recovery Incentive Program*

The Board reviewed the overall impact of the COVID-19 pandemic on Chorus' executive compensation in 2020 and the forecasted impact over the next two years. This included 2020 base salary reductions, incentives paid compared to the originally intended value of those incentives, and the anticipated loss of PSUs associated with outstanding LTIP grants due to the inability to achieve the performance vesting targets. As two-thirds of the annual LTIP award has historically been issued as PSUs, the anticipated loss of outstanding PSUs over the next two years has eliminated, or significantly reduced, the value of the primary retention program for Chorus executives. This risk is amplified in an environment of aggressive recruitment by industries with a faster, clearer path to economic recovery.

In order to retain key members of the Chorus leadership team who will be critical to Chorus' recovery and return to profitable growth, the Board approved a Recovery Incentive Program. Participating executives will be eligible for an incentive valued at approximately 50% of their annual LTIP award to be paid in two equal installments on December 31, 2021 and June 30, 2022, conditional on being actively employed by Chorus (or its relevant subsidiary) on those dates. For the President and CEO and his executive reports, including the NEOs, payment will also be conditional on meeting strategic initiatives related to the recovery of the business.

### **4) Pension**

Under Chorus' registered defined contribution pension plan (the "**Pension Plan**"), NEOs receive a contribution equal to the maximum allowable amount under the *Income Tax Act* (Canada). Mr. Peddle, who is a resident of the United States, receives an equivalent contribution for his pension investments in the United States.

Mr. Randell participates in the supplemental executive retirement plan (the "**SERP**"), which is closed to new participants (see "Pension Benefits").

### **5) Benefits**

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

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

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

The Board may, from time to time, authorize an employer match of the investments made by participants under the plan. The funds from the employer match are used to purchase shares of Chorus on the secondary market on behalf of such participants. The percentage of matching contributions and the base threshold amounts are established and are subject to adjustment by the Board. In November 2019, the Board approved a 25% match for employee contributions made in 2020; however, effective June 1, 2020, the Board ceased the employer match (unless contractually committed) in view of cost reductions initiatives undertaken by Chorus to address the impact of the COVID-19 pandemic. In November 2020, the Board determined not to provide an employer match for contributions made in 2021.

### **7) Perquisites**

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

## 2020 Target Compensation Compared to Realizable Compensation for NEOs

The following table provides an illustration of how Chorus' target compensation flexes based on financial and share price performance, to align compensation with shareholder experience. The table compares target direct compensation value (salary, target annual incentive and grant date fair value of long-term incentive) compared to the realizable value of compensation (salary, actual bonus paid, value of the long-term incentive based on the Chorus share price at December 31, 2020).

|                          | 2020 Target Direct Compensation |          |           |            | 2020 Realizable Direct Compensation |          |           |            | % Realizable of target | With one time incentive <sup>(1)</sup> |
|--------------------------|---------------------------------|----------|-----------|------------|-------------------------------------|----------|-----------|------------|------------------------|--|
|                          | Base salary (\$)                | AIP (\$) | LTIP (\$) | Total (\$) | Base salary (\$)                    | AIP (\$) | LTIP (\$) | Total (\$) |                        |  |
| <b>Joseph D. Randell</b> | 820,000                         | 902,000  | 1,066,000 | 2,788,000  | 594,500                             | 451,000  | 509,587   | 1,555,087  | 56%                    | --                                     |
| <b>Gary Osborne</b>      | 320,000                         | 224,000  | 251,570   | 795,570    | 264,000                             | 112,000  | 160,499   | 536,499    | 67%                    | --                                     |
| <b>Steven Ridolfi</b>    | 420,250                         | 357,213  | 420,250   | 1,197,713  | 330,946                             | 178,606  | 200,895   | 710,447    | 59%                    | 79%                                    |
| <b>Dennis Lopes</b>      | 385,000                         | 269,500  | 385,000   | 1,039,500  | 306,075                             | 134,750  | 184,044   | 624,869    | 60%                    | 73%                                    |
| <b>James Peddle</b>      | 359,401                         | 254,955  | 248,632   | 862,988    | 323,460                             | 95,608   | 118,855   | 537,923    | 62%                    | 77%                                    |

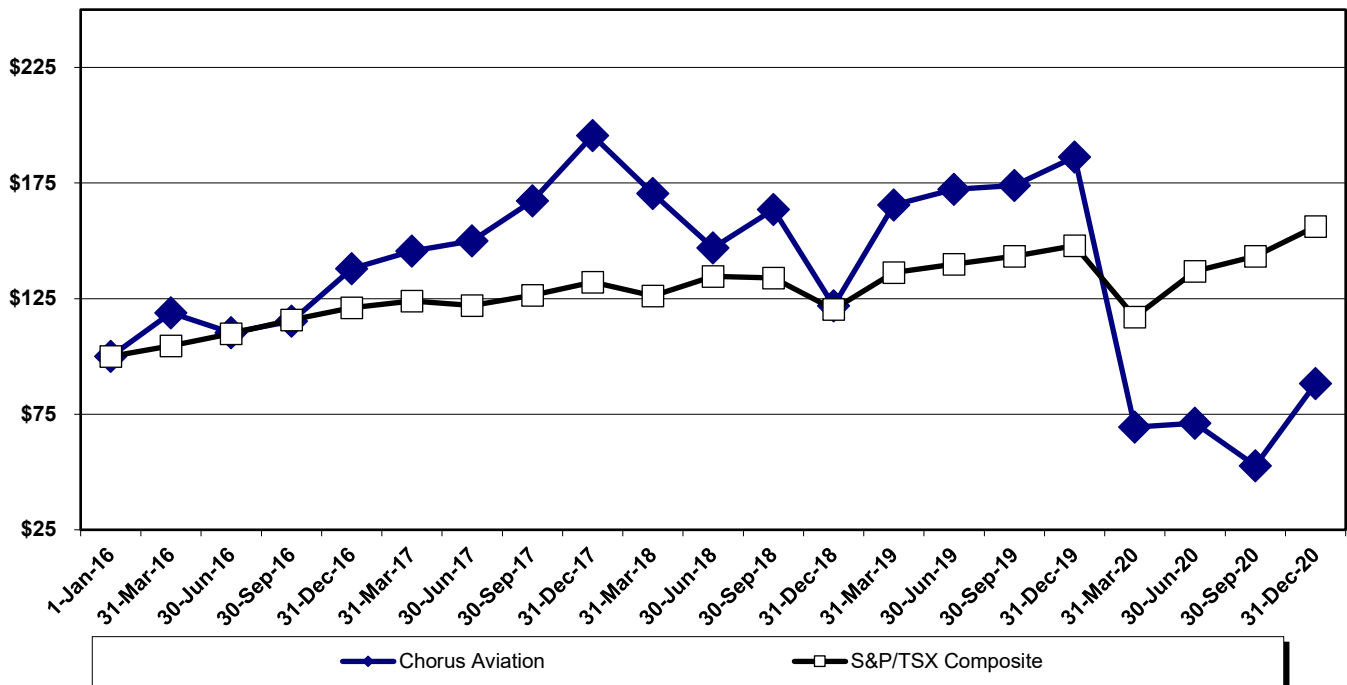
(1) Includes the interim payment for the CAC Founders Grant of \$1,078,290 for Mr. Ridolfi, \$539,219 for Mr. Peddle and the LTCIP of \$500,000 for Mr. Lopes.

## Performance Graph

The following graph compares the total cumulative return of a \$100 investment in the shares of Chorus made on January 1, 2016 with the cumulative return of the S&P/TSX Composite Index for the period beginning on January 1, 2016 and ended December 31, 2020. Effective May 24, 2016, the Class B Voting Shares and Class A Variable Voting Shares started trading on the TSX under the single ticker "CHR". Prior to that date, the Class B Voting Shares and the Class A Variable Voting Shares traded on the TSX under their respective symbols, CHR.B and CHR.A. The trend shown in the graph generally corresponds to the trend in the compensation of the NEOs, excluding the impact of individual performance factors and increases in compensation due to promotion. The dollar value of variable compensation in the form of payouts under Chorus' cash-based variable compensation plan has varied as the financial performance of Chorus has varied over the period.

The total return on Chorus shares met, and during most of the period exceeded, the S&P/TSX Composite Index. However, the graph shows the dramatic drop in total return of Chorus shares relative to the S&P/TSX in the first quarter of 2020 coincident with the onset of the COVID-19 pandemic. The compensation of the President and CEO in 2020 is consistent with the decrease in total return on Chorus shares due the significant at risk and equity-based components of his compensation.

**Comparison of Total Return of Chorus Aviation Inc. Shares  
with S&P/TSX Composite Index January 1, 2016 to December 31, 2020**



## Summary Compensation Table

The following table provides a summary of the compensation awarded to Chorus' NEOs for the years ended December 31, 2020, 2019 and 2018.

| Name and principal position             | Year | Salary<br>(1)<br>(\$) | Share-based awards <sup>(2)</sup>    |                                      | Non-equity incentive plan compensation |   | Pension value <sup>(7)</sup><br>(\$) | All other compensation <sup>(8)</sup><br>(\$) | Total compensation<br>(\$) |
|---|------|-----------------------|--------------------------------------|--------------------------------------|--|---|--------------------------------------|---|----------------------------|
|   |      |                       | Value of RSUs granted<br>(3)<br>(\$) | Value of SAUs granted<br>(4)<br>(\$) | Short-term Incentive<br>(5)<br>(\$)    | Long-term incentive plan <sup>(6)</sup><br>(\$) |                                      |   |                            |
| Joseph D. Randell<br>President & CEO    | 2020 | 594,500               | 1,066,000                            | 34,395                               | 451,000                                | —   | 217,906                              | 11,293  | 2,375,094                  |
|   | 2019 | 795,000               | 1,033,500                            | —                                    | 1,237,500                              | —   | 217,994                              | 27,051  | 3,311,045                  |
|   | 2018 | 775,000               | 1,007,500                            | —                                    | 860,725                                | —   | 647,171                              | 25,948  | 3,316,344                  |
| Gary Osborne<br>CFO                     | 2020 | 264,000               | 251,570                              | 13,422                               | 112,000                                | —   | 27,830                               | —   | 668,822                    |
|   | 2019 | 281,209               | 157,597                              | —                                    | 170,355                                | —   | 27,230                               | —   | 636,391                    |
|   | 2018 | 240,875               | 120,434                              | —                                    | 85,814                                 | —   | 26,500                               | —   | 473,623                    |
| Steve Ridolfi<br>President, CAC         | 2020 | 330,946               | 420,250                              | 17,628                               | 178,606                                | 1,078,290                                       | 27,830                               | 8,454   | 2,062,004                  |
|   | 2019 | 410,000               | 410,000                              | —                                    | 454,008                                | —   | 27,230                               | 14,400  | 1,315,638                  |
|   | 2018 | 400,000               | 400,000                              | —                                    | 261,290                                | —   | 26,500                               | 13,798  | 1,101,588                  |
| Dennis Lopes<br>SVP and CLO             | 2020 | 306,075               | 385,000                              | 16,149                               | 134,750                                | 500,000   | 27,830                               | 4,575   | 1,374,379                  |
|   | 2019 | 358,750               | 733,187                              | —                                    | 355,342                                | —   | 27,230                               | 6,300   | 1,480,809                  |
|   | 2018 | 350,000               | 227,496                              | —                                    | 247,715                                | —   | 26,500                               | 4,327   | 856,038                    |
| James Peddle <sup>(9)</sup><br>COO, CAC | 2020 | 323,460               | 248,632                              | 7,154                                | 95,608                                 | 539,219   | —                                    | 34,631  | 1,248,704                  |
|   | 2019 | 346,818               | 241,507                              | —                                    | 315,847                                | —   | —                                    | 38,945  | 943,118                    |
|   | 2018 | 330,404               | 226,122                              | —                                    | 177,740                                | —   | —                                    | 37,938  | 772,204                    |

(1) Reflects the salary reductions taken from April 1 to December 31, 2020. The total reductions were as follows: for Mr. Randell \$225,500, for Mr. Osborne \$56,000, for Mr. Ridolfi \$89,300, for Mr. Lopes \$78,925, and for Mr. Peddle \$35,941.

(2) No options were granted to NEOs in 2020, 2019 or 2018.

(3) Represents value of RSUs and PSUs granted in the financial year shown. Value of RSUs and PSUs granted as shown in the table is based on fair market value per share as of the date of the annual grants of \$7.74 for 2020, \$7.87 for 2019, and \$8.70 for 2018. The value of the RSUs and PSUs for accounting purposes at the date of grant is also based on the fair market value per share as of the date of grant.

After the grant date, for accounting purposes, the RSU/PSU obligation is recognized in the appropriate short and long-term liability accounts in the statement of financial position. The RSU/PSU liability is adjusted quarterly to reflect the number of RSUs and PSUs expected to vest and the fair market value of the RSUs and PSUs at the end of the reporting period. Changes to the outstanding RSU/PSU liability are accounted for in salaries, wages, and benefits expense in the statement of income.

(4) The fair value for the SAUs granted on December 31, 2020 as reported in this table, and for accounting purposes, is determined at the time of grant using a Black-Scholes option pricing model. The estimated fair value on the date of grant of the SAUs was \$1.51. For accounting purposes, the SAU program liability is based on the number of expected SAUs multiplied by the change in share price and updated quarterly. Changes to the outstanding SAU liability are accounted for in salaries, wages and benefits expense in the Statement of Income.

(5) Amounts shown represent payments for performance relating to the particular financial year, reflecting payments under the 2020 Special Recognition Program for each NEO.

(6) This column represents the interim payment under the CAC Founders Grant to Mr. Ridolfi of \$1,078,290 and to Mr. Peddle of \$539,219, both converted to CAD from USD using the (Bank of Canada) exchange rate of \$1.00 USD = \$1.2751 CAD on date of processing. For Mr. Lopes, it includes the payment of the one-time payment under the LTCIP of \$500,000.

(7) This column includes the compensatory changes reflected in the pension plan and, where applicable, the SERP tables. Mr. Randell is the only NEO participating in the SERP based on date of hire. The 2018 compensatory change for Mr. Randell also includes the one-time impact of an amendment to the SERP, which provides a lump sum option upon retirement.

- (8) Amount for 2020 represents 60% employer matching of employee contributions made to the ESOP from Jan 1 – Mar 31, 2019 and 25% for contributions made Apr 1 – Dec 31, 2019. Perquisites did not exceed the lesser of 10% of base salary and \$50,000. Mr. Peddle's amounts also include \$27,830 contributed to his pension investments in the United States as he does not participate in the Canadian pension plan for executives.
- (9) Mr. Peddle is a Canadian citizen, resident in the United States and paid in USD. His base salary less salary reductions was U.S. \$241,119, his payment under 2020 Special Recognition Program was U.S. \$70,326 and his CAC Founders Grant Interim payment was U.S. \$422,885 which was converted above at an exchange rate of \$1.00 USD = \$1.2751 CAD. The RSU/PSU grants are valued in CAD. His pension contributions are received in the same CAD value received by other NEOs but deposited to his pension investments in the in the United States. With the exception of the foregoing, any salary amounts applicable to Mr. Peddle have been converted to CAD in the table using the exchange rate of \$1.00 USD = \$1.3415 CAD which is based on the Bank of Canada daily average exchange rate between CAD and USD for 2020, and for 2019 1.00 USD = \$1.3269 and for 2018 USD = \$1.2957 CAD.

## Incentive Plan Awards

### 2020 Outstanding Option-Based Awards and Share-Based Awards at fiscal year end

There were no options outstanding as of December 31, 2020. The table shows the RSUs and PSUs granted to the NEOs and the market value of those RSUs and PSUs on December 31, 2020. Pursuant to the LTIP, participants could have between 80% and 100% of their PSUs vest or none at all. Up to and including the 2020 grant year, PSUs make up two-thirds of the LTIP grant. In February 2021, the HRCC approved the vesting of the RSUs and 82% of the PSUs granted in 2018 under the LTIP (see "Compensation of NEOs" above). The vesting occurred in 2021, and therefore is not treated as having vested in 2020 for the purposes of the table below.

| Name              | Number of securities underlying un-exercised options (#) | Option-Based Awards        |                        |   | Share-Based Awards (LTIP)             |  |         |
|-------------------|--|----------------------------|------------------------|---|---------------------------------------|--|---------|
|                   |  | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options <sup>(1)</sup> (\$) | Number of shares that have not vested | Market value of share-based awards that have not vested <sup>(3)</sup> |         |
|                   |  |                            |                        |   | Grant Year                            | (#) <sup>(2)</sup>   | (\$)    |
| Joseph D. Randell | 22,778   | 3.60                       | 31-Dec-22              | nil   | 2020 Grant                            | 140,277  | 173,008 |
|                   |  |                            |                        |   | 2019 Grant                            | 142,341  | 175,554 |
|                   |  |                            |                        |   | 2018 Grant                            | 134,090  | 436,597 |
|                   |  |                            |                        |   | Aggregate                             | 416,708  | 785,159 |
| Gary Osborne      | 8,889  | 3.60                       | 31-Dec-22              | nil   | 2020 Grant                            | 43,876   | 54,113  |
|                   |  |                            |                        |   | 2019 Grant                            | 22,074   | 27,225  |
|                   |  |                            |                        |   | 2018 Grant                            | 16,029   | 52,190  |
|                   |  |                            |                        |   | Aggregate                             | 81,979   | 133,528 |
| Steven Ridolfi    | 11,674   | 3.60                       | 31-Dec-22              | nil   | 2020 Grant                            | 55,302   | 68,206  |
|                   |  |                            |                        |   | 2019 Grant                            | 56,469   | 69,645  |
|                   |  |                            |                        |   | 2018 Grant                            | 53,236   | 173,336 |
|                   |  |                            |                        |   | Aggregate                             | 165,007  | 311,187 |
| Dennis Lopes      | 10,695   | 3.60                       | 31-Dec-22              | nil   | 2020 Grant                            | 50,663   | 62,484  |
|                   |  |                            |                        |   | 2019 Grant                            | 102,835  | 248,938 |
|                   |  |                            |                        |   | 2018 Grant                            | 30,278   | 98,585  |
|                   |  |                            |                        |   | Aggregate                             | 183,776  | 410,007 |
| James Peddle      | 4,738  | 3.60                       | 31-Dec-22              | nil   | 2020 Grant                            | 32,718   | 40,352  |
|                   |  |                            |                        |   | 2019 Grant                            | 33,262   | 41,023  |
|                   |  |                            |                        |   | 2018 Grant                            | 30,095   | 97,989  |
|                   |  |                            |                        |   | Aggregate                             | 96,075   | 179,364 |

(1) Calculated based on the 5-day VWAP of \$3.60, as per the grant value on that date.

(2) Amounts represent number of RSUs/PSUs awarded under the LTIP, in each case on the date of grant and the additional RSUs/PSUs that have been credited to the NEOs on account of dividends on shares of Chorus in accordance with the terms of the LTIP.

- (3) Based on market value of shares of Chorus at December 31, 2020 of \$3.70 per share. The amounts for the 2020 and 2019 LTIPs are shown as the minimum payouts reflecting that 2/3 are PSUs and therefore subject to performance measures. The exception is the one-time RSU grant made to Mr. Lopes in May 2019, of which 80% are RSUs that will vest on December 31, 2023. The market value for the 2018 LTIP grant reflects the fact that vesting was determined on February 18, 2021 to be 82% for the PSUs.

### ***Incentive plan awards – value vested or earned during 2020***

The following table provides the value of share-based awards that vested, and the non-equity incentive plan compensation earned during the year ended December 31, 2020, for each NEO.

| <b>Name</b>       | <b>Option-based awards value vested during the year<sup>(1)</sup></b><br><b>(\$)</b> | <b>Share-based awards value vested during the year<sup>(2)</sup></b><br><b>(\$)</b> | <b>Non-equity incentive plan compensation value earned during the year<sup>(3)</sup></b><br><b>(\$)</b> |
|-------------------|--|---|---|
| Joseph D. Randell | -  | 1,199,483   | 451,000   |
| Gary Osborne      | -  | 144,553   | 112,000   |
| Steven Ridolfi    | -  | 483,789   | 1,256,896   |
| Dennis Lopes      | -  | 251,209   | 634,750   |
| James Peddle      | -  | 260,247   | 634,827   |

(1) No options vested in 2020.

(2) Represents value of all RSUs vested in 2020 determined on the date of delivery of shares or cash in lieu of shares. The HRCC typically approves the vesting of RSUs and PSUs in February of each year, in respect of performance cycles ending at the end of the previous calendar year. On February 12, 2020, the Board approved the vesting of 98.3% of all PSUs granted in 2017 under the LTIP reflecting actual performance achieved against performance targets over the three-year performance cycle ending December 31, 2019. The vesting is reflected in this table. On February 18, 2021, the HRCC approved the vesting of 82% of all PSUs granted in 2018 under the LTIP. Since these did not vest in 2020, they are not reflected in this table.

(3) Consists of payments under the Special Recognition Program and LTCIPs, as applicable.

### **Pension Benefits**

#### ***Pension Plan***

For NEOs participating in the Pension Plan, the table below summarizes the accumulated balances for their defined contribution account at December 31, 2019 and December 31, 2020 as well as the factors that have caused the balance to change during 2020. For Mr. Randell, the SERP benefit is reduced by a deemed benefit from the Pension Plan.

| <b>Name<sup>(1)</sup></b> | <b>Accumulated value at start of year</b><br><b>(\$)</b> | <b>Compensatory change</b><br><b>(\$)</b> | <b>Accumulated value at end of year</b><br><b>(\$)</b> |
|---------------------------|--|---|--|
| Joseph D. Randell         | 685,801  | 27,830                                    | 777,271  |
| Gary Osborne              | 470,651  | 27,830                                    | 555,012  |
| Steven Ridolfi            | 148,073  | 27,830                                    | 203,087  |
| Dennis Lopes              | 107,574  | 27,830                                    | 147,379  |

(1) Mr. Peddle, who is a resident of the United States, does not participate in the Pension Plan but receives an equivalent contribution for his pension investments in the United States.

#### ***Supplemental Executive Retirement Plan***

Effective February 19, 2014, the Board closed the SERP to new participants. Prior to this, the Board had applied its discretion under the SERP to approve new participants. There have been no new participants added since 2011. Based on their date of promotion or hire, Mr. Osborne, Mr. Ridolfi, Mr. Lopes and Mr. Peddle do not participate in the SERP.

In aggregate, for each year of credited service as an executive, the Pension Plan and the SERP are intended to provide a target pension benefit of 1.5% of final average earnings up to, and 2.0% of final average earnings in excess of, the final average Year's Maximum Pensionable Earnings (the "YMPE"). For this purpose, "final average earnings" is defined as the average salary in the best three consecutive years and the final average YMPE is the average of the YMPE (as defined under the Canada Pension Plan) in the year of termination and the preceding two years. The SERP benefit is reduced by a deemed benefit from the Pension Plan.

The normal retirement date under the SERP is the first day of the month coincident with or next following attainment of age 65. Members who attain age 55 can retire prior to their normal retirement date provided that, if they retire prior to age 57,

their pension is reduced by the ratio of the executive's service at the date of pension commencement to what the executive's service would have been at age 57 if the executive had continued in employment.

If a member's employment is terminated prior to age 55, the member is entitled to receive a pension commencing at age 55. Such pension is calculated in the same manner as the normal retirement date pension, but with their pension reduced by the ratio of what the executive's service would have been at age 55 if the executive had continued in employment to what the executive's service would have been at age 57 if the executive had continued in employment.

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

Effective January 1, 2019, the Board approved an amendment to the SERP which provides participants with the option of the normal form of retirement benefit or lump sum commuted value at retirement without a tax adjustment. This was determined to be favorable to Chorus from a funding perspective, would assist with de-risking Chorus' future funding obligations in respect of the SERP, and is consistent with market practice.

The table below shows the following information for Mr. Randell:

- years of credited service as at December 31, 2020;
- estimated annual benefit accrued, or earned, for service up to December 31, 2020 and up to the age of 65; and
- a reconciliation of the accrued obligation from December 31, 2019 to December 31, 2020.

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

| Name              | Number of years credited service <sup>(1)</sup> | Accrued benefits payable at year end <sup>(2)</sup><br>(\$) | Accrued obligation at start of year <sup>(3)</sup><br>(\$) | Compensatory change <sup>(4)</sup><br>(\$) | Non-compensatory change <sup>(5)</sup><br>(\$) | Accrued obligation at year end <sup>(6)</sup><br>(\$) |
|-------------------|---|---|--|--|--|---|
| Joseph D. Randell | 37  | 542,049   | 10,233,664   | 190,076                                    | 1,047,333                                      | 11,471,073  |

(1) Mr. Randell received an additional two years of pensionable service for the period from January 1, 2014 to December 31, 2015 vesting on December 31, 2015.

(2) The annual lifetime pension payable at age 65 based on the NEO's earnings and credited service as at December 31, 2020.

(3) The accrued obligation is the value of the projected pension earned for service to December 31, 2020. The values have been determined, based on the 2020 actual earnings adjusted to reflect expected increases in pensionable earnings, using the same actuarial assumptions used for determining the pension plan obligations at December 31, 2020 as disclosed in the notes to the 2020 consolidated financial statements as presented by Chorus.

(4) The values shown under the column headed "Compensatory change" include the value of the projected pension earned for service in the year plus the differences between actual and assumed compensation for the year. The compensatory change also includes the one-time impact of the plan amendment to provide for a lump sum option upon retirement.

(5) The values shown under the column headed "Non-Compensatory Change" include the impact of amounts attributable to interest accruing on the beginning of year obligation, changes in the actuarial assumptions, and any other experience gains and losses, including the impact of exchange rate changes and demographic changes.

(6) The accrued obligation is the value of the projected pension earned for service to December 31, 2020. The values have been determined, based on the 2020 actual earnings adjusted to reflect expected increases in pensionable earnings, using the same actuarial assumptions used for determining the pension plan obligations at December 31, 2020 as disclosed in the notes to the 2020 consolidated financial statements of Chorus.

## Termination and Change of Control Benefits

In January 2012, Chorus entered into a termination and change of control agreement with Mr. Randell. Pursuant to this agreement, he becomes entitled to certain benefits upon the occurrence of one of the following triggering events: (i) a termination of his employment without cause; or (ii) the occurrence of a change of control and a termination by Mr. Randell of his employment for "good reason" (as defined in the agreement) within 24 months of the occurrence of the change of control. The temporary base salary reductions implemented on April 1, 2020 (see, *Compensation of NEOs, Compensation Decisions*) will not be applied in calculating the termination and change of control benefits. Upon the occurrence of a triggering event:

- Mr. Randell would be entitled to 24 months of annual compensation (salary, short term incentive, pension, and basic benefits) plus one additional month of compensation per year of service to a maximum combined severance of 36 months. The combined severance of 36 months is based on Mr. Randell's extensive industry experience and contribution as the founding president of Chorus and its predecessors. As of December 31, 2020, Mr. Randell would be entitled to a cash severance payment of \$2,460,000 and a short-term incentive plan payment of \$3,147,338. The short-term incentive plan payment represents the number that is the product of (A) the number of months of the severance period divided by 12 and (B) the greater of the average bonus payment for the previous two calendar years and 75% of the target bonus under the AIP. Continuation of basic benefits for the severance period is valued at \$33,966.
- As of December 31, 2020, the value of the incremental annual pension benefit payable to Mr. Randell under his agreement, determined by assuming that he would receive 36 months of additional pension service credits under the SERP as at the date of termination, would be \$64,800. The incremental annual pension benefit represents the additional SERP pension payable immediately for an executive currently eligible for retirement.

In July 2013, Chorus entered into a severance arrangement with Mr. Osborne (now CFO). Pursuant to this agreement, Mr. Osborne would be entitled to the following benefits upon a termination of his employment without cause:

- Twelve months of annual compensation (salary, short term incentive, and basic benefits) plus one additional month of compensation per year of service to a maximum combined severance of 18 months. As of December 31, 2020, Mr. Osborne would be entitled to a cash severance payment of \$480,000 and a short-term incentive plan payment of \$252,000. The short-term incentive plan payment represents the number that is the product of (A) the number of months of the severance period divided by 12 and (B) the greater of the average bonus payment for the previous two calendar years and 75% of the target bonus under the AIP. Continuation of basic benefits for the severance period is valued at \$20,295.

Chorus entered into a termination and change of control agreement with Mr. Lopes in July 2016, concurrent with his hiring. Pursuant to his agreement, Mr. Lopes would be entitled to certain benefits upon the occurrence of one of the following triggering events: (i) a termination of his employment without cause; or (ii) the occurrence of a change of control and a termination by Mr. Lopes of his employment for "good reason" (as defined in the agreement) within 24 months of the occurrence of the change of control. Upon the occurrence of a triggering event, Mr. Lopes would be entitled to:

- Twelve months of annual compensation (salary, short term incentive, and basic benefits) plus one additional month of compensation per year of service to a maximum combined severance of 18 months. As of December 31, 2020, Mr. Lopes would be entitled to a cash severance payment of \$512,050 and a short-term incentive plan payment of \$401,033. The short-term incentive plan payment represents the number that is the product of (A) the number of months of the severance period divided by 12 and (B) the average bonus payment for the previous two calendar years. Continuation of basic benefits for the severance period is valued at \$18,251.

The treatment of SAUs granted on December 31, 2020 is as follows. In the case of retirement, participants remain eligible for redemption, in the case of involuntary termination they are entitled to a pro-rated SAU award based on employment during the vesting period, however in each case redemption is subject to the vesting conditions having been met at the end of the vesting period (December 31, 2022). The SAUs granted are only vested and paid out on a change of control of Chorus if the change of control transaction also results in the de-listing of Chorus' shares from the Toronto Stock Exchange. As such, no value is attributable to the SAUs as of December 31, 2020.

Payments under the Recovery Incentive Program require that participants are actively employed at the time of the payment. As such, no value is attributable as of December 31, 2020.

The treatment of RSUs and PSUs on termination of employment, a change of control, and retirement are set out under "Executive Compensation Program – 3) Equity Plans – LTIP" above and apply to all participants, including Mr. Ridolfi and Mr. Peddle. As of December 31, 2020 the range of values for each of the NEOs of the total number of incremental RSUs awarded under the LTIP on a termination without cause or retirement (based on the closing market price of Chorus' shares on December 31, 2020) is as follows: Mr. Randell (\$339,506 – \$1,018,519), Mr. Osborne (\$55,776 - \$167,329), Mr. Ridolfi (\$134,596 - \$403,787), Mr. Lopes (\$224,619 – \$428,420) and Mr. Peddle (\$77,782 - \$233,346). As of December 31, 2020, the value for each of the NEOs of the total number of incremental RSUs and PSUs awarded under the LTIP in the event of a change of control (based on the closing market price of Chorus' shares on December 31, 2020) is as follows: Mr. Randell (\$1,541,820), Mr. Osborne (\$303,322), Mr. Ridolfi (\$610,526), Mr. Lopes (\$679,973) and Mr. Peddle (\$355,478).

For purposes of the termination and change of control agreements with the applicable NEOs and the LTIP, a change of control is defined to mean a transaction or series of transactions whereby any individual or corporation, or group or

individuals or corporations acting jointly or in concert, obtains a sufficient number of securities of the Corporation to affect materially the control of the Corporation. For the purposes of the termination and change of control agreements, an individual or corporation, or group of individuals or corporations acting jointly or in concert, holding shares or other securities in excess of the number which, directly or following conversion thereof, would entitle such individual(s) and/or corporation(s) to cast 50% or more of the votes attaching to all shares of the Corporation which may be cast to elect directors of Chorus, shall be deemed to be in a position to affect materially the control of Chorus.

Mr. Ridolfi and Mr. Peddle also participate in the CAC Founders Grant, which contain provisions providing for the settlement of the cash incentive award under the applicable LTCIP in the event of a specified change of control and either the successor entity does not provide a comparable replacement plan or their employment is terminated without cause or for “good reason” within 24 months following the change of control. The settlement of Mr. Ridolfi’s and Mr. Peddle’s incentive would generally be triggered on a change of control of CAC and would be based on the growth in book value accrued to the relevant date. (For further information about the LTCIP, see “Compensation Mix – Long-Term Incentive Compensation – 3) Long-Term Incentive Cash Plan”). As of December 31, 2020, there would be no amounts payable to Mr. Ridolfi and Mr. Peddle beyond the interim payments approved in December of U.S. \$845,651 in the case of Mr. Ridolfi and U.S. \$422,885 in the case of Mr. Peddle.

Mr. Ridolfi and Mr. Peddle are not subject to any contract or other agreement that specifies, or limits, the payment of salary or variable cash compensation at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement or a change in control of Chorus. In the event of a future termination of their employment, Mr. Ridolfi’s and Mr. Peddle’s entitlements (if any) would be determined by reference to any agreement or applicable laws then in effect.

All NEOs are subject to certain contractual confidentiality, non-solicitation and non-disparagement obligations. Breach by the executive of such provisions may result in the executive becoming liable to pay to Chorus all amounts received pursuant to their respective agreement.

In the event of termination with cause or voluntary resignation (other than for “good reason” in the circumstances described above), the NEOs would not be entitled to any incremental payments, payables or benefits.

## **Other Important Information**

### **Interest of Informed Persons in Material Transactions**

To the best of Chorus’ knowledge, no director, senior officer or other insider, as applicable, of Chorus, or any associate or affiliate of such persons, has or has had any material interest, direct or indirect, in any transaction or proposed transaction since the commencement of Chorus’ last financial year that has materially affected or is reasonably expected to materially affect Chorus or any of its subsidiaries.

### **Directors’ and Officers’ Liability Insurance**

Chorus maintains directors’ and officers’ liability insurance for the benefit of the directors and officers of Chorus and its subsidiaries. The coverage limit of such insurance is \$50,000,000 per claim and in the annual aggregate. The current policy is effective from October 1, 2020 to October 1, 2021 and protects the directors and officers for allegations of alleged “wrongful acts” in the conduct of their activities as directors and officers. The directors and officers are indemnified by Chorus from and against any losses or damages they may suffer in such capacities, to the fullest extent permitted, but subject to the limitations stipulated, by applicable law.

### **Indebtedness of Directors and Officers**

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

### **Receipt of Proposals for our 2022 Annual Meeting**

Any shareholder who intends to present a proposal at the Corporation’s 2022 annual meeting of shareholders must send the proposal to Chorus, Attention: Corporate Secretary at 3 Spectacle Lake Drive, Suite 100, Dartmouth, Nova Scotia, B3B 1W8. In order for the proposal to be included in the proxy materials sent to shareholders for that meeting, the proposal must be received by Chorus no later than February 4, 2022 and must comply with the requirements of Section 137 of the CBCA.

## Communication with Directors and Shareholder Engagement

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

| Shareholder Engagement Process  | Contact Information   |
|---|---|
| Shareholders may communicate with the Chair of the Board or other independent directors by mailing (by regular mail or other means of delivery) to the address set out in the right-hand column of this table.<br><br>If the envelope is marked "Private and Confidential", it will be delivered, unopened, to the Chair of the Board of Directors, or such other independent director to whom it is addressed. | Attention: Chair of the Board,<br><br>3 Spectacle Lake Drive, Suite 100,<br>Dartmouth, Nova Scotia B3B 1W8<br><br>In a sealed envelope marked "Private and Confidential – Attention, Chair of the Board of Directors of Chorus Aviation Inc." |

## How to Request More Information

### Documents You Can Request

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

- the Consolidated Financial Statements of Chorus for the year ended December 31, 2020, together with the accompanying auditors' report thereon and the MD&A related to such consolidated financial statements;
- any Unaudited Interim Condensed Consolidated Financial Statements of Chorus that were filed after its financial statements for the year ended December 31, 2020, together with the MD&A related to such interim financial statements; and
- the Annual Information Form of Chorus for the year ended December 31, 2020.

Please write to Chorus Investor Relations, 3 Spectacle Lake Drive, Suite 100, Dartmouth, Nova Scotia B3B 1W8.

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

### Receiving Information Electronically

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

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

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

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

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

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

## APPENDIX A

### MANDATE OF THE BOARD OF DIRECTORS CHORUS AVIATION INC. (the “Corporation”)

#### 1. PURPOSE

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

#### 2. ROLE

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

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

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

#### 3. COMPOSITION

##### *Directors*

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

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

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

### *Chair*

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

### *Independence*

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

### *Nationality*

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

### *Criteria for Board Membership*

Board members are expected to demonstrate the following conduct:

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

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<sup>1</sup> A “resident Canadian” for purposes of this document refers to a person who is a (i) “resident Canadian” within the meaning of subsection 2(1) of the *Canada Business Corporations Act*, and (ii) “Canadian” within the meaning of subsection 55(1) of the *Canada Transportation Act*.

#### 4. COMPENSATION

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

#### 5. RESPONSIBILITIES

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

- (a) developing the Corporation's approach to corporate governance;
- (b) approving a code of ethics and business conduct (the "**Code**"), and, to the extent feasible, satisfying itself as to (i) the integrity of the CEO and the other officers of the Corporation, and (ii) the existence of a culture of integrity throughout the Corporation and its subsidiaries;
- (c) approving significant policies governing the business and affairs of the Corporation and its subsidiaries;
- (d) evaluating and approving the Corporation's strategic objectives, having regard to, among other factors, the opportunities and risks of the Corporation's business;
- (e) reviewing and approving the Corporation's annual business plan, and in connection therewith, evaluating whether the plan will, if executed, advance the Corporation's progress against its strategic objectives;
- (f) approving, prior to their public disclosure, the Corporation's financial statements, management's discussion and analysis, earnings new release, annual information form, proxy circular and all other disclosure documents which the Board is required to approve under applicable law;
- (g) considering the principal risks of the Corporation's businesses and satisfying itself, to the extent feasible, as to the existence of appropriate systems to identify, manage and monitor those risks;
- (h) appointing the CEO and the Corporation's officers, and ensuring that appropriate development and succession plans are in place for these positions;
- (i) satisfying itself, to the extent feasible, as to the effectiveness of the Corporation's internal controls over financial reporting and management information systems;
- (j) approving a disclosure policy for the Corporation and satisfying itself, to the extent feasible, as to the effectiveness of the Corporation's disclosure controls and procedures;
- (k) ensuring effective measures exist for receiving feedback from the Corporation's stakeholders;
- (l) reviewing and approving material transactions outside the ordinary course of the Corporation's business as well as all matters that the Board is required to approve under *Canada Business Corporations Act* (the "**CBCA**");
- (m) subject to paragraph (l) above, approving a delegation of authority policy pursuant to which authority to execute commitments on behalf of the Corporation is delegated to the Chair of the Board, the CEO and/or other directors or officers of the Corporation;
- (n) approving the compensation paid to the CEO and other designated officers of the Corporation;
- (o) providing advice and counsel to the CEO and Management;

- (p) implementing structures, practices and procedures designed to enable the Board and its committees to function effectively and independently of Management, including periodic assessments of the effectiveness of the Board, its committees and individual members;
- (q) nominating individuals for election by the Shareholders as the Corporation's directors and, subject to the CBCA, filling vacancies on the Board and appointing additional directors as required;
- (r) nominating a firm of chartered accountants for appointment by the Shareholders as the Corporation's auditors, and approving the external auditor's remuneration;
- (s) selecting a Chair of the Board and, if required, a Lead Director;
- (t) establishing and constituting committees of the Board, and delegating to those committees such duties and responsibilities as the Board deems appropriate to assist the Board in discharging its duties and responsibilities.

## **6. MEETINGS**

### *Frequency*

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

### *Quorum*

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

### *Information and Materials*

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

### *In Camera Sessions*

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

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

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

- (a) submitting to Shareholders any question or matter requiring their approval;
- (b) filling a vacancy among the directors or in the office of auditor, or appointing additional directors;
- (c) issuing securities of the Corporation;

- (d) declaring dividends or establishing a dividend policy;
- (e) purchasing, redeeming or otherwise acquiring shares issued by the Corporation;
- (f) paying a commission in consideration of any purchase or agreement to purchase shares of the Corporation;
- (g) approving a management proxy circular;
- (h) approving a take-over bid circular or directors' circular;
- (i) approving financial statements; and
- (j) adopting, amending or repealing by-laws.

## **8. BOARD COMMITTEES**

There are three standing committees of the Board: the Audit, Finance and Risk Committee, the Governance, Safety and Sustainability Committee, and the Human Resources and Compensation Committee. The roles and responsibilities of each committee are described in the respective charters.

All members of the Audit, Finance and Risk Committee, the Governance, Safety and Sustainability Committee, and the Human Resources and Compensation Committee shall be independent as required under the charter of each Committee and the laws and listing requirements to which the Corporation is subject. A majority of the members of each committee shall also be resident Canadian.

## **9. ADVISERS**

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

## **10. OTHER MATTERS**

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

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

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

*Effective: February 21, 2021*

**Any questions and requests for assistance may be directed to  
Chorus Aviation Inc.'s Proxy Solicitation Agent:**

# **SHORECREST**

**North American Toll-Free Phone:**

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